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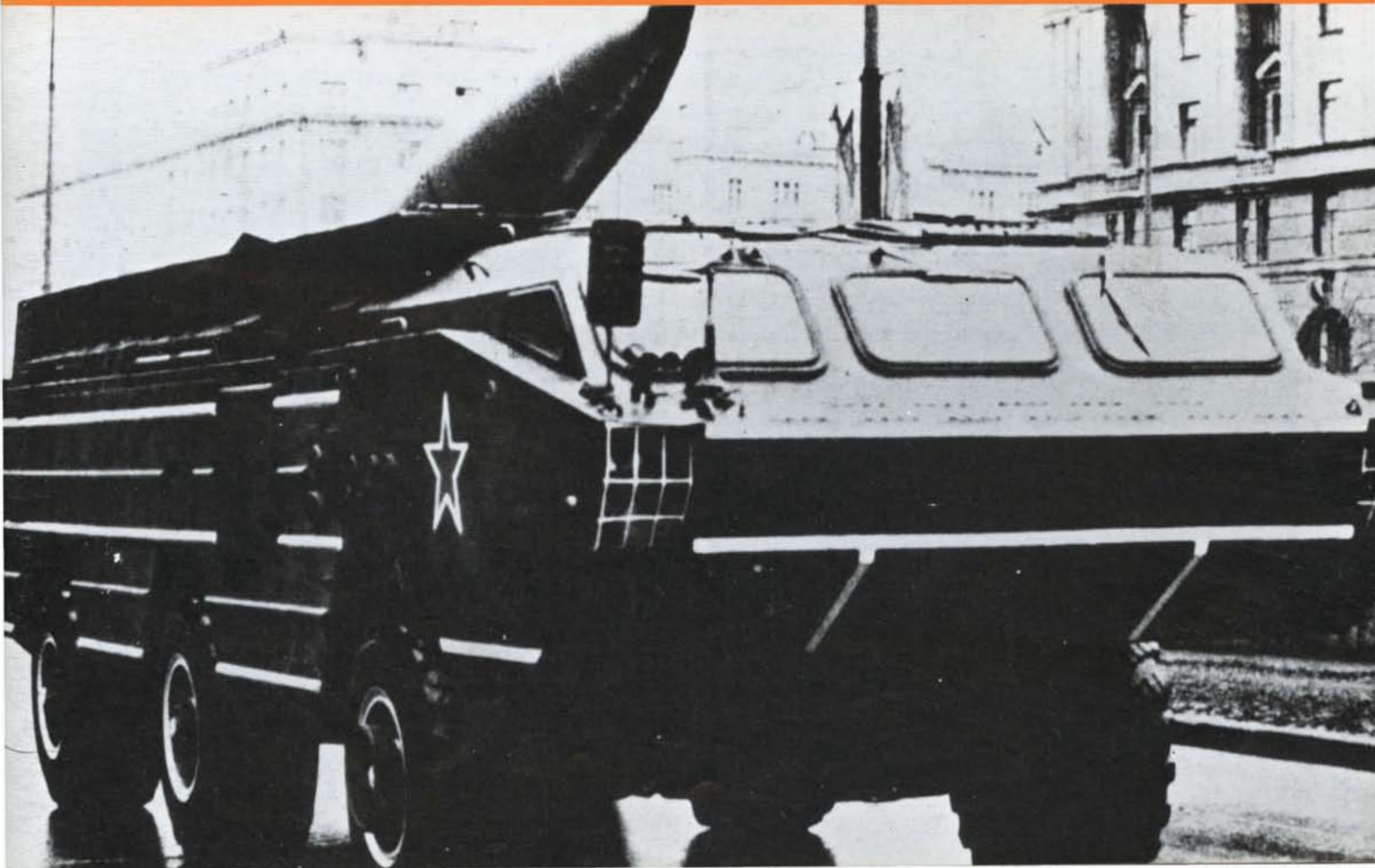
Executive Intelligence Review

March 20, 1987 • Vol. 14 No. 12

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arms offer is 'new Munich'**



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*EIR/Executive Intelligence Review* (ISSN 0273-6314) is published weekly (50 issues) except for the second week of July and last week of December by New Solidarity International Press Service 1612 K St. N.W., Suite 300, Washington, D.C. 20006 (202) 955-5930 Distributed by Caucus Distributors, Inc.

**European Headquarters:** Executive Intelligence Review Nachrichtenagentur GmbH, Postfach 2308, Doitzheimerstrasse 166, D-6200 Wiesbaden, Federal Republic of Germany  
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**In Mexico:** EIR, Francisco Díaz Covarrubias 54 A-3 Colonia San Rafael, Mexico DF. Tel: 705-1295.

**Japan subscription sales:** O.T.O. Research Corporation, Takeuchi Bldg., 1-34-12 Takatanobaba, Shinjuku-Ku, Tokyo 160. Tel: (03) 208-7821.

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**Postmaster:** Send all address changes to *EIR*, P.O. Box 17390, Washington, D.C. 20041-0390. (202) 955-5930

## From the Editor

The Red Army's nuclear missile on the cover is one of those that will be aimed at the heart of NATO, under the "zero option" INF treaty being promoted by Gorbachov and certain wealthy Western interests. Our cover news story in *International* brings to American patriots, in particular, documentation of the angry reactions of our Western European allies to the proposed sell-out of their security: a reality which has been generally blacked out in the U.S. national press.

An important development in this regard occurred on March 13, when the West German deputy defense minister, Dr. Lothar Ruehl, publicly admitted for the first time the existence of the "Ogarkov Plan" first exposed two years ago by *EIR*.

Dr. Ruehl stated in the *Frankfurter Allgemeine Zeitung* that the Soviet organization of their military forces into "main theaters of military action" (which started in 1984) is the center of Soviet offensive war planning against Western Europe. He specified, "The High Command of this organization under the leadership of Marshal Ogarkov includes all Soviet armed forces outside the Western Soviet border, as well as the troops of the Baltic, White Russian and Carpathian military districts—all in all 60 divisions." Implicitly attacking the "zero option," Ruehl points out that with fewer nuclear weapons, the conventional superiority of the Warsaw Pact will become all the more pressing.

Lyndon LaRouche's strategic analysis of the dim prospects for a 1987 summit leads the cover story on page 36. We are also pleased to publish Mr. LaRouche's in-depth study of the issues in Brazil's battle against World Bank population policy. His article, written one month before Brazil's dramatic break with the international banking fraternity on Feb. 20, is the centerpiece of the *Feature* package on pages 24-34.

Next week, *EIR* will continue discussion of the fundamental issues of morality and economic policy, with coverage of the 20th anniversary of Pope Paul VI's encyclical *Populorum Progressio*, which proclaimed that "development is the new name for peace."

Nora Hamerman

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Dr. K.D. Sharma is an Indian economist and member of the International Commission to Stop Soviet-Style Human Rights Violations in the United States. Michael Billington belongs to the sales and fundraising staff for organizations associated with Lyndon LaRouche, and has been arrested four times in the past six months.

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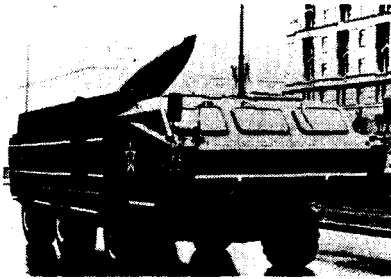
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## U.S. real-estate crash to flatten the FSLIC

by David Goldman

The various governmental and private agencies debating the fate of the bankrupt Federal Savings and Loan Insurance Corporation (FSLIC) resemble a building inspector about to condemn a termite-ridden house, without noticing that the house stands in the path of an oncoming avalanche.

Until now, the insolvency of the FSLIC, which was pronounced defunct March 3 by the General Accounting Office, has reflected, for the most part, a regional problem, namely the collapse of the oil-belt banking system. The FSLIC has \$2 billion in net reserves, but would need as much as \$8 billion to cover losses of problem thrifts already identified; some 20% of the nation's 3,200 thrifts are in trouble.

The \$8 billion loss for 1986 at the nation's insurer for \$900 billion in savings deposits, came largely from the 30 Texas savings and loan institutions that went under last year.

It happens that the big Texas cities suffered an office vacancy rate of around 30% even before the oil price crash, and lenders to real-estate developers stood to lose the most, the fastest. However, the oil-patch problem merely constitutes the weakest link in a rusted-out chain, which may break at any point. As real-estate prices crash in other sectors, including the "boom" belt from Boston to Washington, D.C., the FSLIC will be flattened.

As matters stand already, the proposals circulating from House Banking Committee chairman Fernand St Germain (D-R.I.), Senate Banking Committee chairman William Proxmire (D-Wisc.), and the administration itself, have no credibility whatever. The Reagan administration has sided with St Germain in his debate with Proxmire, proposing to borrow an additional \$15 billion for the FSLIC during the next five years. The debt is to be serviced by a combination

of contributions from Federal Home Loan Banks, pledging FSLIC's future income, and continuing special assessments on FSLIC-insured thrifts. The United States League of Savings Institutions, the trade group for the institutions which will have to service this debt, has proposed a two-year, \$5 billion plan.

But the Shadow Financial Regulatory Committee, the "monetarist" critics of the Federal Reserve Board, spit in the cream pitcher on March 9, with a report warning that the bill would be at least double the administration and congressional estimates. Edward Kane of Ohio State University, a committee member, said the government's funding estimate of \$15 billion was "the largest number they could agree on." In fact, the standard Wall Street estimate of the hole at the FSLIC is \$30-50 billion; the so-called shadow group has merely pointed out that the emperor has no clothes. Another group member, Prof. Paul Horvitz of Texas, warned that the congressional plans will lead to massive runs against other financial institutions.

The "shadow group" finally pronounced the magic words "general revenue," that is, recommended that Congress bail out the FSLIC from the general fund, rather than trying to gerry-rig a new debt arrangement. On cursory inspection, a plan which proposes to bail out the bankrupt guarantor for troubled savings and loan institutions, on the basis of debt-issuance to be backed by contributions of the same institutions which are now without a guarantee, sounds like the kind of investment that brokers receive prison sentences for offering.

However, the ultimate bill Congress will receive could run into the total amount of bad real-estate loans in the sav-

ings system, i.e., well over \$150 billion. And that is assuming that additional S&Ls are not brought down by runs by frightened depositors.

### **The real estate crash**

As of last fall, senior real-estate industry sources were predicting a 25-40% crash in prime commercial real-estate prices, including in such previous boom areas as downtown Manhattan. A January 1987 study by Brookings Institution real-estate economist Anthony Downs warned that the rate of office absorption would be slowed considerably from the 1985 rate of 5.8% of total inventory, because of the following factors: 1) the slowdown of labor force growth; 2) cutbacks in white-collar employment (e.g., the 25% cutback at General Motors); and 3) economic recession. Downs's study was circulated to private clients by the New York brokerage house Salomon Brothers. He writes:

"Even if annual absorption rates fall only moderately, substantial declines in new construction will still be required to cut vacancy rates substantially. . . . Further sharp declines in new office construction are almost certain to occur in 1987-88. . . . However, if absorption rates also decline notably . . . it will take quite a few years before probable levels of new office building slash vacancy rates down to . . . 10%. . . . Meanwhile, negative cash flows in many office buildings will be driving more owners into financial hardship, and forcing office building prices down. . . . There is still a big economic price to be paid for current overbuilding, and someone is going to pay it. . . ."

Downs relates the collapse of the office market to the end of the service-industry boom: "The number of office workers employed grew 932,000 in 1983, 835,000 in 1984, and 767,000 in 1985—18% less than in 1983. Overall labor force growth averaged 2.4 million persons per year in the 1970s, but only 1.65 million annually from 1980 to 1984—down 31%."

More to the point, the economic collapse which flattened basic industries during 1986, has gotten around to eliminating white-collar jobs, Downs adds. "General Motors recently announced a drive to slash its white collar workforce by 25%. Other firms are substituting electronic machinery for clerical workers, although such machinery uses quite a bit of space. With the whole manufacturing sector still under tremendous pressure to cut costs, office jobs are likely to comprise a smaller share of new jobs than in the past."

### **Impact on pension funds**

A quiet panic is under way among pension fund managers, who put hundreds of billions of dollars of fiduciary funds into real-estate investments during the past decade. There was a certain inadvertent humor in a report issued by Salomon Brothers in January, for the use of pension fund managers facing charges of fiduciary irresponsibility in such investments.

The report, entitled, "Appraisal Reform and Commercial

Real Estate Investment for Pension Funds," recommends new procedures for appraisal to cover pension fund managers against charges of incompetence as building prices collapse:

"The integrity of the appraisal process has always been critical to social equity in terms of eminent domain, real estate taxation, legal disputes, and contract administration. However, the credibility of appraisal for income properties has been undermined over the past 25 years by an implicit conspiracy between financial institutions and the real estate development fraternity for appraisal form rather than substance. . . . The impact of faulty appraisal on fiduciary institutions has been examined in a recent congressional study that blames the attitudes and policies of the FDIC, the OCC, the FSLIC, and other regulators."

That is silly; appraisals in a boom-and-bust real-estate market are no more reliable than the average Wall Street guru's prediction of stock prices. Except for some cases of outright fraud cited by the congressional study, the "appraisal" argument is the pretext for a universal scramble by pension managers and other institutional investors, who are facing disaster as the value of their portfolio collapses.

As *EIR* reported last week, the danger to the banking system goes beyond the real-estate problem. Speculative real estate is the sort of investment that a failing institution cannot liquidate for cash in a bad market. Bankrupt banks sell off their good loans, not their bad loans, for cash. Since 40% of savings and loans' assets are in mortgage-backed securities, the susceptibility of this market to a shakeout of much worse proportions than, say, the 1930-31 bond market crash, is growing daily.

Most remarkable is that the savings and loans are still pushing mortgage-backed paper onto the market at a record rate, adding to the \$1 trillion outstanding, of which \$400 billion was issued last year alone. Gross mortgage security issuance in the past two months surpasses that of the first two months of 1986, and even exceeds last year's record average. It used to be that the federal agencies which packaged mortgages sold by issuing banks, and sold them to investors, did so to relieve the mortgage lenders. Now, the mortgage-lenders themselves, facing financial disaster, are doing the issuing themselves, changing from savings and loans into little merchant banks. In other words, they are depending on underwriting fees and trading profits to replace business that has otherwise disappeared, and to compensate for lending losses.

The bigger investment banks, which set up this mess to begin with, have begun to smell cordite in the mixture. The collapse of the mortgage-backed securities markets, due to pressures on both the S&Ls and their guarantee agency, will take the rest of the industry down with them. Now that the mortgage lenders, S&Ls and others, have stuffed their portfolios with "marketable" mortgage-backed securities, they resemble a group of men passing around a hand grenade, each hoping that the faster each of them passes it, the less likely he is to be holding it when it explodes.



## Argentina's independence and the role of LaRouche

*The author, an attorney in Argentina, is a leader in the Peronist movement. His most recent book is Propuesta para 30 millones, a proposal for bringing about an economic recovery of Argentina in the context of a Common Market.*

We Third World countries, and particularly we Latin Americans, are going through an acute phase of our fight to free ourselves of dependency on the synarchist groups and the superpowers. The space that they leave us in which to live, as required by our condition as human beings and national peoples, seems to grow smaller by the day.

For many, the present situation of domination by the international financial oligarchy and the arrogance of the great powers is only comparable to the impunity with which, in 1945, they imposed on us the deal worked out at Yalta and Potsdam, and the economic-financial statute of colonialism born in Bretton Woods. At that time, they also created NATO's military force, and its counterpart, the Warsaw Pact. In that way, the circle for the "balanced" domination of the world was closed. The dollar began to be the imperial currency of the "West," replacing the pound sterling; and rubles inundated the subjected countries of the "East" with useless paper. Meanwhile a military arsenal whose power could never even be imagined by humanity was built up in the armies of both sides. Every time that a nation tried to rebel against the empires, the one pretended to look the other way so that the other could smother and—if necessary—slaughter the wayward ones. Ultimately, the rebel nation underwent political mitosis: They divided it in two, a "south" and a "north," or a "west" and an "east." That's how we've lived through these last 40 years.

But it is good to recall that at the moment of greatest bipolar power, in 1945, a country such as Argentina could establish the most complete project of national and popular liberation of modern times, shaking off no less than the British and U.S. empires together. This apparent "miracle" was the product of two circumstances which, fortunately for my country, came together in that era. One was the appearance of an exceptional national leader such as Gen. Juan Perón.

The other was the breakdown of the imperial mechanisms of domination which provoked the Second World War.

The war's real victors were the United States and Russia. They divided up the world, for which reason the colonial empires of the old stamp that existed then, had to be broken up: the British, the French, and the remnants of the German, Belgian, Italian, and Dutch empires. At this crucial, and historically fleeting moment, the Argentine stage was occupied by then-Colonel Perón. Britain was bled and harassed by the new owners of the world. The United States—to which this part of the planet belonged, according to Yalta and Potsdam—was not yet skillful at plying the mechanisms of domination, to be able to replace the British at once in these southern lands. The rest was done by the skill and patriotism of Perón and the people, who responded to him fully.

Forty years have passed. Every national people will know how to produce the leader it needs. God willing, each people will find its leaders, and fast. The common strategic problem, now, is to take advantage of the weaknesses of the mechanisms of domination created in 1945 by the synarchists and the great powers, such that the "miraculous" Argentine conjuncture of those years can be repeated today in many nations.

The Yalta-Potsdam-Bretton Woods scheme is in crisis, that is evident; but not yet with the necessary intensity for the breakdown of 1945 to have its correlate today. We national peoples of the Third World can do a great deal to make it ripen. Peru is already doing it with Alan García. And Panama with General Noriega. Colombia made its contribution with Belisario Betancur. And political and social sectors of practically all the Latin American countries are in the same fight. But the decisive battle is being fought out in the United States of North America. The 1945 breakdown occurred because the empires were in a bloody war among themselves, and as a result several were beaten and others (which interested and interests us more) weakened. The crisis was within imperialism.

Today the North American people have begun to personally suffer the consequences of synarchist domination. layers of its population are understanding that their country





# Christian principles and democracy endangered by debt

*The following interview with Senator Carollo, vice-chairman of the Christian Democratic group in the Italian Senate, was conducted by Giuseppe Filippini on Feb. 26, 1987.*

**EIR:** On Feb. 20, speaking over radio and TV, Brazil's President José Sarney announced that his government was suspending all foreign debt interest payments. This patriotic act was endorsed by Peru and by other Latin American countries. Have we come to the end of the age in which the IMF could impose its austerity policies without any opposition?

**Carollo:** Like other Ibero-American countries and like developing countries generally, Brazil is not in the condition to pay interest on its foreign debt, which amounts to more than \$1 trillion. It could pay only by badly cutting the living standards of its population. This would mean that colonialism, instead of presenting itself as a conquering army, would obtain the same aim through mechanisms of international finance. We certainly cannot hope that these countries, which are the poorest in the world, can accept the financial impositions dictated by the selfishness of the richest. It is easier to imagine the danger that they may condemn and reject such impositions, even if they had to accept other exploiters who "with words" promise to change the present situation: the

Marxist-Leninist power.

**EIR:** What can Italy and other industrialized countries do?

**Carollo:** Christian principles are against free-market selfishness as well as against Marxist-Leninist cheating. If Christian ethical and moral principles are not applied by various governments to solve the great debt problem of developing countries, not only will the Christian view of life, mankind, and people be turned upside down, but democracy will also be jeopardized in these countries, and particularly in the poorest and most underdeveloped.

Solidarity among democratic peoples cannot limit itself, as has happened up to now, to penetrating underdeveloped countries in order to produce raw materials and other goods cheaply and export them to industrialized countries, countries in which they also make profits from such exports. This is colonial exploitation.

The industrialized countries, first of all the United States, should work out a new Marshall plan and another UNRWA [United Nations Relief and Works Agency] to cancel step-by-step the debt of the poorest and supply further capital for their development. This is in the interest of the industrialized countries themselves.

is a toy in the hands of the "old harpy of history," as a lucid Argentine writer baptized England, and of the international financial oligarchies. Twenty percent of the U.S. population lives in poverty. The trade deficit is so great, that they cannot manage to cover it with the usurious sucking-in of capital produced by our nations' foreign debt. Its industry is being swept aside by foreign competition. In a short time—and if things go on as they are now—the United States will be the biggest debtor in

begun between the empires. To give a historic kick to the "old harpy" and break the trap set at Yalta, Potsdam, and Bretton Woods has become vital for us, and for the people of the United States. Mrs. Thatcher, the main culprit of modern British piracy, will fall like a ripe fig, the day the United States stops helping her as it did in the war for our Malvinas. And Great Britain as an empire would topple that same day, and it is necessary that it topple.

As far as I know, the only U.S. politician of importance who agrees with this interpretation of the facts and with these ideals of liberation of every national people, is Lyndon LaRouche. If he succeeds in making the dominant U.S. "Establishment" totter, and in unhitching that people from the designs of Mrs. Thatcher and her empire, we will find our pathway enormously facilitated. This is also known by the "Establishment" of the north, and that of every one of our countries, all imbued with the same political subservience to foreign interests, and unified for those same interests. That is the source of their combined action to destroy, there, the project of Lyndon LaRouche, and here, every attempt at national policy. If they succeed, all of the Americas will continue to be one more pearl in the empire of the "old harpy." If we win, every country, or every American region, will have a consolidated national people. This is the point of our struggle.

## Readying for creditor reprisals

*Brazilian contingency plans are in the works as the government "hangs tough" with its negotiating stance.*

Many Brazilian industries are preparing contingency plans for surviving a possible cutoff of the \$15 billion short-term credit lines, part of which finance imports, on March 31. Even small Rio de Janeiro pharmaceutical companies have set up special departments to find Brazilian sources for chemicals and equipment they now import.

*EIR's* sources say such planning began in January, when the government started restricting imports. The work went on to a pre-war footing when Brazil declared the suspension of foreign debt payments on Feb. 20.

Scare stories appear daily in the Brazilian press, warning that if Brazil does not yield to creditor demands for radical austerity under International Monetary Fund (IMF) or World Bank control, the credit lines would be cut, and Brazilian assets abroad seized. But not really. "The credibility of reprisal threats is almost nil," one New York banker complained after observing that the banks have been impotent to take direct reprisals against Peru's Alan García during the 18 months he has limited debt payments.

While this nation's leaders are readying to win a showdown with creditors, it is not their preferred course of action. "Brazil has not the slightest intention of closing itself off from the rest of the world," Paulo Nogueira Batista, Jr., the 31-year-old foreign-debt adviser to Finance Minister Dilson Funaro, declared in an interview published March 8. On the contrary, he

stressed, "Brazil wants to renegotiate the foreign debt to better integrate itself into the international community, to increase its flow of imports, and it is willing to deepen its relations in the field of direct capital [investment]. Since we need to make room for importing more capital goods and technology, to increase and modernize our industry, we should not go for a confrontation with the international financial system."

Nogueira explained with consummate politeness that creditor gripes about Brazil not having an internal economic program are nothing more than "a smokescreen" for "forcing Brazil to go back to the *status quo ante* in which it generated \$12 to \$13 billion annual [trade] surpluses to service the foreign debt. . . . You can't conceive of a stabilization program which would work in a country like Brazil at the same time that a situation like the one we have been living in since 1983, in which 20-22% of internal savings are transferred abroad," he declared.

"The decision taken by the Brazilian government is the biggest challenge that a debtor country has made," Nogueira states.

"We are going to have to refinance a greater part of debt service in automatic ways" to free up capital "to increase investment levels and guarantee future economic growth," he insists. Interest payments were suspended as "a negotiation instrument which will persist as long as the negotiations take. . . . Reprisals against Brazil

would also hurt the creditor banks."

Brazil has acted as a gentleman toward the creditors and has not organized a debtors' club. But if the creditors attempt to strangle Brazil's trade, that is what they will get. It would take only days for Brazil's industrialists to organize a common market with Argentina and Uruguay and then other countries. Its neighbors would supply it with some of the goods it formerly imported from the North, and act as a bridge to and from the rest of the world.

Contingency plans are already in the works. Finance Minister Funaro has ordered studies into how a regional currency could guarantee imports at levels necessary to maintain economic development and normal supplies. Central bank director of foreign affairs Carlos Eduardo de Freitas and the executive secretary of the Customs Policy Commission, José Tavares de Araujo, have been given six months to come up with such a plan. Tavares is "optimistic" about the possibilities of regional trade.

It should not be forgotten that Brazil, as the eighth-largest economy in the Western world, represents awesome and untapped economic potential which could serve as a motor for the industrial development of the continent. It is precisely this potential which has the creditors and their house organs terrified.

"Both banks and governments have been working hard and effectively to keep the Brazilian virus from spreading," the *Washington Post* bragged in a March 9 editorial, which urged that Brazil "not be allowed to elude its responsibilities."

If creditors expect Brazil to shirk its responsibilities—to care for 36 million homeless children and to double the \$68 per month minimum wage—they may be in for unpleasant surprises.

## Who needs tractors, anyway?

*The decline in farm equipment sales will turn into collapse as U.S. farmers leave the land.*

**A**longside the record drop in auto sales this year, is the collapse in farm machinery sales. In general, the farm-vehicle sales decline is accounted for by the farm income crisis, just another feature of the Great Reagan/Regan Recovery. However, the transition from decline to outright collapse of the farm machinery sector is guaranteed under the prevailing national agriculture policy, which calls for drastically reduced crop output.

When you don't plant fields, you don't need tractors.

In the first quarter of this year, John Deere, the world's leading manufacturer of farm tractors and equipment, lost \$192.6 million. This brings the total company losses over the last five quarters to \$422 million. The first-quarter 1987 loss comes to \$2.84 a share. By comparison, during the same period in 1986, the quarterly loss totalled \$26.9 million, or 40¢ a share.

The 1986 sales year was the worst in the 150-year history of John Deere. Sales for the first quarter this year fell 32%, from \$701 million to \$478 million.

At the John Deere annual stockholders' meeting at the end of February on Moline, Illinois, company chairman Robert A. Hanson attempted to present a reassuring front about prospects for 1987. He spoke of prospects for "financial stability" in the U.S. economy this year, and hoped company earnings for the current fiscal year would be above 1986. But, he added, in agriculture, also deepening in Eu-

rope and elsewhere, will continue to "put intense pressure" on Deere sales for the rest of the year.

Hanson reported that the current low John Deere inventories, resulting from a months-long plant lock-out/shutdown that ended Feb. 1, are in line with the reduced demand from the farm sector. While some shortages in equipment relative to purchase-demand are reported, Hanson predicted, "We expect to meet the needs of our customers" for spring planting.

In short, the company plans to operate at a reduced level. Hanson, however, put it in a special way: "Most factories will nevertheless continue in a mode of under-utilized capacity. We are encouraged, that for the first time in many months we will be able to produce most major categories at levels consistent with retail demand and still maintain the balance of dealer inventories at proper levels."

What this corporate policy talk means is that this company is attempting to "adjust" to a disastrous shutdown of U.S. farm capacity. The national farm-equipment shipment figures overall reveal how bad the situation was as of even two years ago.

The average annual change in shipments of wheel tractors from 1975 to 1981 was about an 11% increase; crop production equipment also showed an 11% increase, and livestock equipment a 9% increase. Over the period 1982 to 1985, the average annual change in national shipments was negative: shipments of wheel tractors fell at least 1.9%; shipments

of crop production equipment fell about 14.6%; and livestock equipment fell about 0.7%.

While farm machinery expenditure grew at about a 6% rate yearly between 1975 and 1981, after that time, farm equipment expenditure (for old and new machinery both) fell about 13% a year.

Now, the bottom is falling out.

The fall in unit sales over the past six years shows what has hit the farm machinery sector. During 1975 to 1981, there was still an average yearly increase in sales of four-wheel drive tractors of about 3.9%. After 1982, the *yearly decrease was 26%*. During the 1975 to 1981 period, self-propelled combine sales fell by a yearly average of 1.7%, but after 1982, annual combine-unit sales dropped by at least 24%.

The situation has become so bad, that the United States is becoming increasingly dependent on imported farm equipment. As sales have plunged, companies have merged and shut down vast amounts of capacity. Over the period 1975 to 1981, employment in the farm machinery sector was dropping by about 1.7% a year; but after 1981, the average annual decline was 11.3%. Capital expenditures by the industry averaged a 16.8% annual increase from 1975 to 1981, but after 1981, capital expenditures dropped by 27% a year.

Thus, John Deere's corporate plans for "under-utilization" of plant capacity, are plans to "adjust" the once-great agricultural strength of the United States into a compost pile.

What alternative do companies like Deere have? Consider that some new sales opportunities overseas are raised by Brazil's challenge to the International Monetary Fund. The only alternative for world companies like John Deere, is to press for a reversal of U.S. farm policy, and of U.S. economic policy overall.

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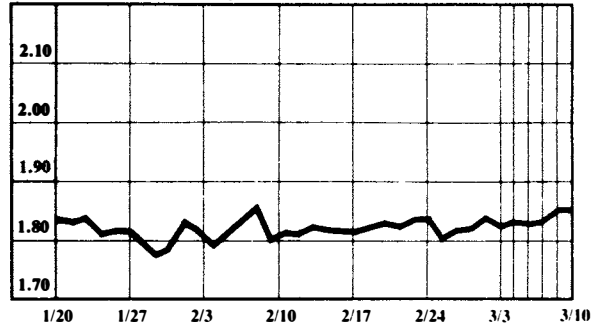
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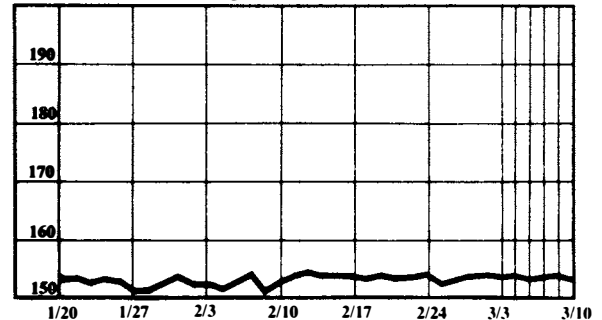
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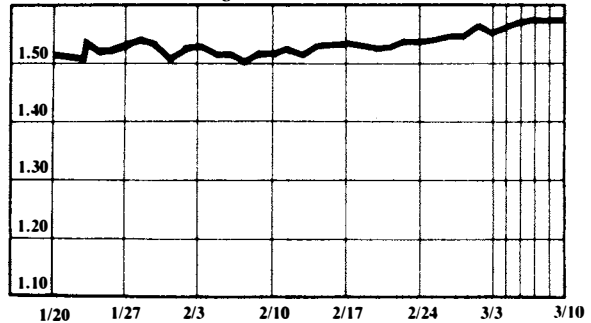
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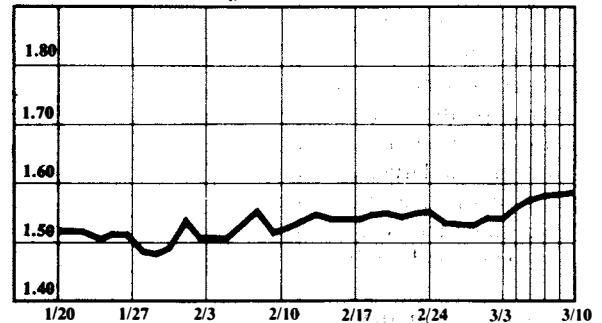
### The British pound in dollars

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### The dollar in Swiss francs

New York late afternoon fixing



## **The German recovery: What happened?**

*Since the January elections, the truth has come out about the Federal Republic's collapsing export economy.*

**J**ust a few days after the Jan. 25 West German elections, the widely proclaimed German "Second Economic Miracle" is collapsing. One by one, the illustrious wise men of the national economic institutes are rushing to "re-vise" their earlier predictions of sustained growth.

The Kiel Institute was even so brazen as to change its forecast only two days after the election.

*EIR* has the only accurate record on the real state of the West German industrial economy. In a study published in our Dec. 16, 1986 issue, we detailed the collapse of German industrial orders. We warned that if a sharp new shift toward an export offensive did not take place, "we can date the onset of the *second industrial recession* since 1980 for Germany from [the] April-May downturn in new orders for engineering goods." Sadly, we have just that result developing.

Disregarding the prevalent Gross National Product method of economic forecasting used by every major forecaster, we pointed in that review to the growing decline in future orders of capital equipment, steel, chemicals, and machinery in the export-dependent West German economy.

For political reasons, this underlying process of decline has been hidden from the larger public. Now that the elections are over, the campaign to continue the "economic upswing" has ended, and reality can no longer be hidden.

The most dramatic decline has hit the heart of Western Europe's and

Germany's industry, the engineering and machinery branch. According to a report issued by the Association of German Engineering Industry (VDMA) on March 5, the total value of sales for the nation's second most important industrial sector, machinery, plunged a frightening 38% in January compared with December of last year.

While some seasonal "year-end" closeout is to be expected, the size of this year's fall to date is alarming. Most alarming for the export dependent industry is the collapse of 57% for foreign sales for the industry. The most important single market, the United States, has been hard hit by the falling dollar.

In January, following several months of relative calm, the dollar began to plunge. This meant almost a 10% loss on currency to the dollar for exports priced in deutschemarks in a matter of days. Economist Dr. Frank Paetzold cited the dollar, as well as the particular problems in European Community and world agriculture investment as major problems.

"In the U.S. business world, the dollar is becoming more and more burdensome," stressed Dr. Paetzold, "and in the raw materials countries there may not be any more stabilization in sight."

The prospects for the Federal Republic's second most important industrial branch, chemicals, are equally grim. With more than 50% of output going to export, this branch is also dependent on the export market.

The Chemical Employers Association announced on March 10 that its expectations for this year are for an actual decline in sales for the first time since the crisis of 1982. Expectations, they say, are "lowered." The industry group blames this on "turbulence in the oil price and in the value of the dollar."

Chemical prices are under pressure, and collapsed an alarming 8% during the final quarter of 1986 compared with the same quarter a year before. Such a downturn in immediate sales translates into declining future plans to build new plant and invest in new equipment. This further aggravates the results in the engineering goods industry.

Further evidence of the deterioration of German industry is the announcement that the steel industry plans over the next three years to close still another major portion of present steel producing capacity, despite five years of savage cuts under the infamous Davignon Plan of the European Community.

This will mean at least 25,000 jobs out of the present total of 142,000. Already, steel towns in parts of the Ruhr are becoming depressed areas.

The *Financial Times*, London's leading economics daily, reported on March 8 that unnamed Western diplomats in Bonn believe that "the country may face an international crisis of confidence by the summer should the second quarter fail to provide growth, and should difficult wage and working-hour negotiations with the powerful IG-Metall result in strikes."

It is not surprising that more than one German industrialist is looking closely at the possibilities of reopening such potential export markets as Brazil. Brazil's historic decision to declare a moratorium on interest payments on its foreign debt on Feb. 20 opens the way for a new relationship.

# Business Briefs

## Trade

### Whitehead urges Western dependence on East

"Secretary of State George Shultz has quietly turned over policy control for all Eastern Europe to Deputy Secretary John Whitehead," say Evans and Novak in their March 7 syndicated column. Whitehead appears to be using the position to press for greater economic dependence of Western nations on Eastern European markets.

In a March 5 speech, Whitehead called on the American business community to seek "economic opportunities" in Eastern Europe. He told the American Committee on U.S.-Soviet Relations: "I would like to urge the businessmen in the audience to pay some attention to developing business relations with [East European] countries, as well as the Soviet Union."

What he called the "winds of change" that are blowing across the East bloc, "both politically and even more particularly economically . . . provide opportunities for the U.S. private sector that have not existed in those countries for many years. . . ."

He noted that the United States had already "eased some restraints that . . . were unnecessary impediments to U.S.-Soviet trade."

## Agriculture

### EC suspends crop purchase guarantees

For the first time in the history of the European Community (EC), farm ministers have agreed to suspension of purchase guarantees for surplus butter and milk powder. EC Agriculture Commissioner Franz Andriessen of Holland said the deal will pave the way for the ministers to adopt a controversial \$3.5 billion plan to get rid of more than 1 million tons of surplus butter stocks over the next three years.

The Danish head of the European farm organization, COPA, Kjeldsen, responded to this and other EC measures on March 3 by telling farmers they were finished. He

called on Danish farmers to stop farming and seek early retirement, since the EC measures would force 40,000 full-time farmers out of business anyway.

## Austerity

### Bolivian bishop blasts IMF

The head of the Bolivian Bishops Conference, Julio Terraza, said in Hanover, West Germany March 5 that the "adjustment programs" of the International Monetary Fund were responsible for most of the misery in Bolivia and other nations. "Under the IMF's recommendations, teachers were laid off, schools were closed, many public programs for social welfare and health were called off."

Two-thirds of Bolivia's zinc miners were out of work because of the IMF and collapsing zinc prices, Bishop Terraza reported. He also charged American banks, multinationals, and the U.S. government with working against Bolivia, with the IMF, and called on the United States to change its policy. "Instead of paying the interest on debts, we should use the money to fund development projects," he said.

He and five other bishops from Peru, Bolivia, and Colombia attended a Third World conference in Mannheim, West Germany March 7-8.

## Foreign Exchange

### High yen threatens Japanese industry

The long-term effects of the high yen will force major Japanese manufacturers to idle much of their most advanced roboticized facilities, harming Japan's export position and undermining the purpose of the recent yen-dollar realignment, according to Masaya Miyoshi, senior managing director of Keidanren, the Federation of Economic Organizations.

Sanyo Electric Co. has increased production in offshore plants, and in late February announced that it was firing 1,200 part-time workers to save full-time jobs. Toyota announced Feb. 24 that it will no longer take surplus workers from companies outside the Toyota group, and sent 500 workers back to Nippon Steel, Sumimoto Metal Industries, and Ishikawajima-Harima Heavy Industries, all hard-hit by the rising yen.

Mazda, Mitsubishi, and other automakers are said to be considering purchasing parts and components from Korean makers.

According to Shinji Fukukawa, vice minister of international trade and industry, there is a limit to how much Japan will "holow out" its export industry, given the need to import energy, food, and raw materials.

## Industry

### German machine sector in trouble

German machine-builders are concerned about gloomy sales prospects for 1987. Frank Paetzold, the new president of the German Machine-Builders Association, told the press March 6 that the industry had suffered a drop in foreign orders of 13% in 1986, and had 8% fewer orders in January 1987 than in January 1986.

The association is critical of the Bonn government's "much-too-positive" economic forecasts for 1987.

Farm and construction equipment have been selling especially badly in the past year, and "with the unresolved trade conflict between Europe and the United States," warned Paetzold, "even bigger problems are to be expected."

West German capital goods sales plunged 38% in January compared to December. Industry spokesmen stress that, while there is normal year-end fluctuation, the latest result is worrisome because of the renewed fall of the dollar in January. Compared with the same period a year ago, January "new orders" for capital goods were down 12%, while the three-month results, November to January, showed an 8% decline in new orders.

## International Credit

### Debt for equity in Dominican Republic

The Dominican Republic will exchange 10% of its foreign debt, \$80 million, for equity rights to creditors, according to a March 5 announcement by Luis Julián Pérez, the governor of the country's central bank. The government will turn over \$80 million in real estate and industries to creditors, who will use the properties to create "free trade zones," tourist attractions, and plantations.

Coverage in the newspaper *El Sol* added: "Nevertheless, recently the Schiller Institute of Washington described the conversion of debt for equity as a swindle which hurts the nations of Latin America." The Schiller Institute was founded by German political figure Helga Zepp-LaRouche in 1984, and has pressed for international monetary reform, denouncing "debt-for-equity" schemes as a way of taking over an entire country in lieu of debt payment.

Meanwhile, the Dominican Republic has signed a three-year contract to sell sugar to the Soviet Union. In 1985, the Dominican Republic sold \$333 million worth of sugar to the United States, a third of its total foreign-exchange earnings. This year, it is expected to sell only \$61 million.

## Science

### Supernova challenges scientific understanding

The behavior of Supernova Shelton bears little relation to existing supernova theory, said astronomer Robert Garrison of the University of Toronto, who gave an exclusive interview to *Fusion* magazine on March 9. The exploding star was discovered on Feb. 26 by the university's Ian Shelton at Toronto's Southern Observatory at Las Campanas, high in the Chilean Andes.

Until now, only very distant supernovae have been observed with modern astronomical instruments. Supernova Shelton is much closer. So far, it is not known what kind of

star is exploding, or what astrophysical process triggered the explosion. Its identification with any previously known star is in doubt.

The star's behavior has been extraordinary: The supernova was radiating intensely in the ultraviolet, but 96% of its ultraviolet and one-third of its blue then disappeared in a 24-hour period. It was expected to brighten from its discovery magnitude of 4.5 to mag 1, or even zero, within a week or so. It has not brightened. As Garrison put it, while the luminosity of previously observed supernovae peaks sharply within a few days, descending at first steeply, then tapering off, Supernova Shelton "is just sitting there" at mag 4.4.

Garrison believes we may be seeing an early phase of supernova development not detected in the distant supernovae.

## International Trade

### House bill would restructure debt

Rep. Bruce Morrison (D-Conn.) is offering legislation to restructure Third World debt, on the grounds that the debt burdens of these nations contributes to the U.S. trade deficit.

"The oppressive debt burden of many developing countries, particularly in Latin America, is a major source of our trade deficit, which has caused the loss of tens of thousands of American jobs," Morrison told a press conference. "Because nations like Brazil, Ecuador, and others cannot pay their bills, major U.S. banks that have lent heavily to those countries face a severe threat to their solvency."

His bill would instruct the President to work with U.S. allies to create a new international financial institution. It, in turn, would devise a plan for banks to sell troubled loans at a discount. The purchaser would pass the benefit of the discount to the debtor country by reducing the amount due. However, in return, the debtor nation would have to agree to unspecified "economic policy changes."

The proposal thus creates a new International Monetary Fund to replace the present discredited, bankrupt one.

● **ECUADOR**, which suspended all payment on its \$5 billion commercial bank debt last month, has been hit with an earthquake that has seriously damaged a 25-mile stretch of oil pipeline from the Amazon region to the coast. No oil for export or domestic use will be available for one to four months. Ecuador was exporting \$150 million in oil a month—80% of its export earnings and 60% of its government revenues!

● **ONE CHILD** with AIDS is born every day in France, according to Dr. Jean-Paul Escande, head of the AIDS clinic at Paris's Tarnier Hospital.

● **A PILGRIMAGE** of prominent German Christian Democrats to East Germany will take place for the Leipzig Industrial Fair. A special media spotlight is cast on March 15, when Bonn's minister of economics, Martin Bangemann, Bavarian Christian Social Union leader Franz-Josef Strauss, and West Berlin Mayor Eberhard Diepgen will meet East Germany's ruler, Erich Honecker, each separately.

● **SOVIET GRAIN** imports from the United States will be 3 million tons higher than originally estimated, says the Agriculture Department in a monthly update released March 9. This includes an additional 2 million tons of corn and other coarse grains and 1 million tons of wheat.

● **JAPAN'S TRADE** surplus swelled to \$7.13 billion for the month of February, reflecting a surge in auto shipments to Europe, and a plunge in raw-materials imports by the country's ailing industries. A preliminary report of the finance ministry also gave a surplus figure of \$1.94 billion with the 12-nation European Community, an all-time record, and \$3.97 billion with the United States, a record for the month of February.

## How Ibero-America can raise farm productivity

### Part 26

#### Ibero-American integration

To provide a healthy diet to the 700 million Ibero-Americans who will be living in the year 2015, agriculture must be transformed from "subsistence farming" to a modern, efficient industry. Concentrating energy, capital, and modern technology into farming will double its yields, and simultaneously open up new lands for cultivation.

This installment begins Chapter 8 of the Schiller Institute book, *Ibero-American Integration: 100 Million New*

*Jobs by the Year 2000!* The book was published in Spanish in September 1986 and is appearing in English exclusively in *EIR*. It was commissioned from an international team of experts by the Schiller Institute's Ibero-American Trade Union Commission, to elaborate the "nuts and bolts" of the proposal by Lyndon LaRouche in 1982 for an "Operation Juárez" that will transform the huge foreign debt problem into the springboard for a regional economic boom.

Numbering of the tables and figures follows that of the book.



[The previous installment reviewed the food strategy of an Ibero-American Common Market, focusing on the need to raise consumption levels of calories and particularly, animal protein.]

#### Subsistence farming versus productivity

All of this presumes putting an end, as fast as possible, to subsistence farming, which takes up a considerable portion of the farmland of the region; absorbs a disproportionate amount of the agricultural workforce; and constitutes a monstrous waste of energy. Millions of peasant families are farming tiny plots in the most rudimentary way, with the mere aim of subsisting. The abysmal technological level and the almost total absence of inputs and machinery, have caused the productivity of human labor in subsistence farming to be as much as 100 times below that of modern farming zones: The per hectare consumption of energy is extremely low, but it averages four times higher per unit of product, given the enormous inefficiency of production. And in many cases, the products are of meager nutritional value.

Nevertheless, there is something even more absurd than subsistence farming: defending it. Countless ignoramus posing as economists, with the sponsorship of the World Bank and similar institutions, contend—in so many words—that subsistence farming is, when all is said and done, more efficient because it "consumes less energy." It is enough to take any crop, such as maize, and compare its mechanized cultivation in irrigated zones with subsistence farming of the same product in unirrigated zones, to see that the argument of these "economists" is economically absurd and, in many cases, also evil in intent (see **Figure 8-7**).



High-technology maize farming, with the best possible levels of mechanization and fertilization, consumes two-and-a-half times more energy per hectare than subsistence farming. The defenders of a subsistence economy are not worried, of course, that two-thirds of the energy invested in such farming comes from the physical strength of the peasant himself, applied over long, exhausting workdays, which reduce his life to a beast of burden and shorten it. From the standpoint of production, the fact that two-thirds of the energy comes from the peasant's own body imposes an insurmountable limit to the size of the land that he can farm.

Now, the average yield of high-technology maize farming is 8 tons per hectare, while that of subsistence farming does not reach 1 ton—not even 10% of high-technology farming. Hence, “very cheap” subsistence farming wastes 4 times more energy per ton of maize and requires ten times more space. Even worse: Given that the relative quantity of human labor invested in subsistence farming is so huge, it simply cannot compare with high-technology agriculture from the standpoint of its yield per unit of work: Subsistence farming produces 100 times less per invested man hour!

There are those, as well, who use the same reasoning to contend that it is uneconomical to produce meat, milk, eggs, and other foods from animal sources, when it is possible for human beings to directly consume the grain that is eaten by livestock or to produce grains appropriate for direct human consumption instead of feedgrain for livestock. To defend this argument they explain that it requires an average of 7 tons of grain to produce 1 ton of meat—a supposed “waste” of 6 tons of grain. But the fact is, that neither in quantity of protein contained in respect to total weight, nor in the quality of these proteins, can foods of vegetable origin replace foods

of animal origin.

For example, one kilogram of maize contains 60 grams of protein, while a kilogram of beef contains 240 grams; or, a kilogram of potatoes has 20 grams of protein, while a kilogram of fresh cheese has 200. Moreover, there is a group of five amino acids which are indispensable to the human body but which it cannot synthesize. These amino acids are not found, or are extremely rare, in the vast majority of foods of vegetable origin, while they abound in foods of animal origin.

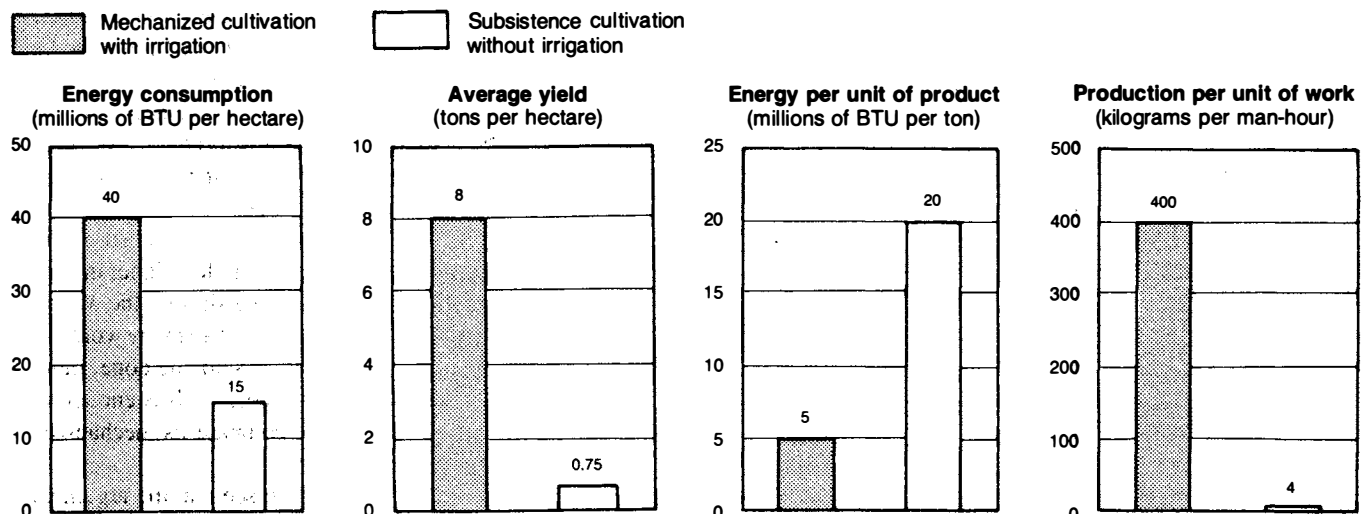
This means that the only solution for Ibero-America is to rapidly upgrade technology in the countryside.

The way to raise productivity is to determine what mix of technological resources must be applied in each zone, on what scale, and at what rate, and to guarantee them by means of the participation of all the nations capable of supplying them. Such technological resources range from irrigation to agricultural machinery, better seeds, fertilizers, pesticides, and other farm chemicals. The bringing in of these technical resources will require a broad support network that includes agronomic research centers, experimental plots, soil laboratories, equipment depots, and, in general, an agricultural extension service at least equivalent to that which gave a permanent impulse to U.S. agriculture.

To set up a magnificent farm extension service presupposes, among other things, a big research and teaching effort. A real army of experts has to be formed which would transmit continuously to the agricultural producers the criteria and scientific and technical knowledge which would turn them into experts in agronomy and skilled workers. In the course of the next 30 years, Ibero-American peasants have to free themselves definitively from their present condition, i.e.,

FIGURE 8-7

### Energy productivity and efficiency in maize cultivation



Source: EIR and authors' estimates

they have to stop being peasants, to achieve the productivity, the knowledge, and the household prosperity which are common among the farmers of the United States.

In the course of the next 30 years, likewise, a series of technical advances in farming practice has to be produced. Ibero-America must directly participate in generating this, especially in fields such as tropical agriculture, the creation of new species or varieties through biotechnical methods, etc. Techniques such as hydroponics, which are applied today with good results in vegetable growing, will have to be perfected and, in combination with biotechnology, will make it possible to grow high-protein-content plants, such as those which will be needed to colonize Mars, without soil.

The raising of farm productivity will not be complete if at the same time infrastructure is not created which can guarantee the full exploitation of the farm products. Aside from a good transportation network, an aspect we already touched upon, we must guarantee that the product is not lost for lack of means of preservation. Preservation techniques such as food irradiation, which we shall describe in more detail later in this book, will have to be rapidly spread.

### **The zones of greatest potential**

As we have indicated, Ibero-America must increase its farm land by about 55 million hectares over the next 30 years. This increase includes both the areas needed for intensive production of grains and other basic foods, as well as those to be dedicated to growing feed for livestock, with the specific purpose of freeing up the broad tracts of fertile land which are currently used for this purpose. This last aspect will be of great importance, since in order to exploit the vast agricultural potential of the subcontinent it will be necessary to move the present livestock herds to less fertile regions, in order to devote the totality of cultivatable fertile land to intensive production of grain and other basic foods.

The regions that offer the greatest potential for incorporating new farmlands are the following (see **Map 8-1**):

- The La Plata basin;
- The plains of Colombia and Venezuela;
- The Brazilian northeast;
- The edge of the Peruvian jungle;
- The two coastal regions of northern Mexico.

These five zones possess, taken together, a potential farming surface close to what will need to be added over the next three decades, but its incorporation into food growing or livestock raising will depend, in great measure, on the great water infrastructure projects which were detailed previously in this book. Part of this area already has the soil conditions and water adequate for it to be immediately incorporated, principally in the La Plata basin, but the exploitation of the total potential land area implies, to a greater or lesser degree, building a series of dams and drainage and irrigation projects, to control the big floods in the season of greatest rainfall and to bring the surplus water to the fertile lands where this resource is lacking.

**The La Plata basin:** This is doubtless the subcontinent's most promising farming region, with an area of about 150 million hectares of highly fertile land, which embraces both the famous Argentina Pampa, and the Gran Chaco Americano which extends across Argentina, Paraguay, and Bolivia, as well as the area comprised by Uruguay and southern Brazil. This region is quite underutilized, since barely some 30 million hectares, principally in the Pampa, are farmed, and a large proportion of this land area is presently dedicated to livestock raising.

The full exploitation of the La Plata basin must begin by putting the range-fed herds into feedlots and moving the pastures to less fertile zones, with the objective of dedicating the more fertile terrain, which possesses the necessary water, to growing grain and other food products. The growing area can be considerably increased both in the depressed areas of the center and northeast of the basin, through damming and drainage projects to control surplus water, as well as in the semi-arid areas all along the extensive western strip which runs from the center of Argentina to the south of Bolivia, which need large-scale transfers of water coming from the huge watershed of the rivers that make up the basin.

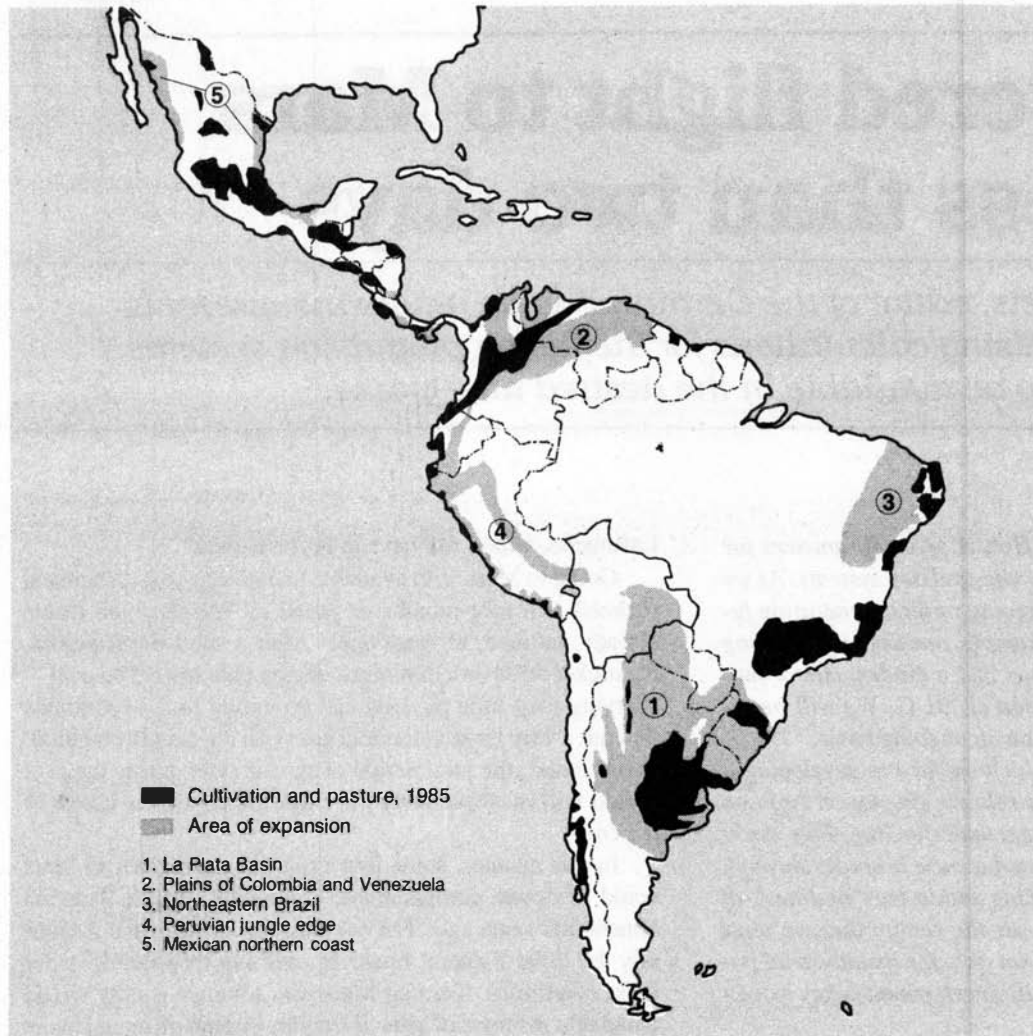
These actions will permit incorporation of about 30 million more hectares for growing crops, thus doubling the farming land of the region. Put to work efficiently with inputs, machinery, and modern technology, the La Plata basin will be able to abundantly feed the present and future populations of the countries that make it up, which comprise about 45% of the subcontinent's inhabitants.

**The Colombian and Venezuelan plains:** These two South American countries have in the south of their territory an enormous stretch of level and fertile land, encompassing some 20 million hectares, most of them now unused. Of this total, it is estimated that about half can be farmed, i.e., 10 million hectares, which as in the La Plata basin, will be used both for intensive grain cultivation and for large-scale livestock development.

The fundamental problem to solve in this region is the enormous volume of rain which falls in some months of the year and floods a great deal of the area, in contrast to the other periods of prolonged drought. The exploitation of the vast farming potential of the plains depends on building a series of dams, which will contain the abundant rainfall, in order to stop floods and provide water for irrigation in the drought periods.

**The Brazilian northeast:** This region represents, paradoxically, one of the major agricultural potentials of Brazil, and at the same time, one of the zones of greatest hunger and malnutrition in the subcontinent. It has a great abundance of water, but this is concentrated in very short periods, and as in the case of the plains, for most of the year it suffers a ferocious drought problem. With the construction of dams and exploitation of underground aquifers, about 3 million hectares can be irrigated, and when farmed adequately not only will they alleviate hunger in the region, but will contrib-

## Agricultural areas of Ibero-America 1985-2015



ute substantially to feeding the Brazilian population as a whole.

**The edge of the Peruvian jungle:** Between the foothills of the Andes and the Amazon jungle, Peru has a broad strip of territory with fertile soil which has the appropriate natural conditions for growing a great variety of farm products which need lots of moisture, as well as for large-scale livestock husbandry. But for the most part this region is controlled today by the drug-trafficking mafias as one of their principal enclaves, where they have taken advantage of the relatively isolated situation to produce massive quantities of illegal drugs.

The incorporation of this region into high technology farming and livestock raising, with an area of about 3 million potentially exploitable hectares, is not only a priority task from the standpoint of food production for the Peruvian and Ibero-American population, but it is also a fundamental step

in the war on drugs. This, however, will be feasible only with the economic integration of the borders of the jungle into the development of Peru and the other adjacent countries, through the infrastructure which has been proposed to link this region to the rest of the subcontinent.

**The coastal regions of northern Mexico:** In the tradition of the great waterworks which have characterized its agricultural development, Mexico has to embark on building two great water infrastructure projects with the aim of transferring great volumes of water to the regions that have broad stretches of fertile area, the coastal regions of the northeast and northwest of the country, where about 2 million hectares can become irrigated farmland by taking advantage of the huge water flows of the major rivers flowing into the sea to the south of these regions. A great deal of the food future of Mexico is rooted in the exploitation of the potentials of these coastal regions.

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## Powered flight to Mars in less than two days

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*Heinz Horeis, editor of the German Fusion magazine, presents some promising calculations for the fusion propulsion systems projected to be available in the desired time-frame.*

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*This working paper by Heinz Horeis gives parameters for developing fusion powered space propulsion systems. As we have reported, work is now ongoing on first-generation fusion propulsion systems. For example, one design now being worked on would use helium fuel and a tandem mirror machine, to achieve an acceleration of .01 G. We will be reporting on these developments on an ongoing basis.*

*Practically, the problem which we face in developing a fusion propulsion system, is the relative stagnation imposed upon fusion research by persistent underfunding. This working paper by Horeis is important because it breaks through the imposed pessimism of working within the "realities" of budgetary constraints, and poses the reality that we must rapidly develop fusion power, not only for its industrial potential on Earth—but because its development is key to successful colonization of space.*

Last year, two proposals for a Moon/Mars project were published, one by the National Commission on Space,<sup>1</sup> the other by Lyndon LaRouche.<sup>2</sup> Both proposals suggest the same schedule—returning to the Moon around the turn of the century, the beginning of the colonization of Mars 40 years from now—and both agree, that the work on this project has to begin right now if the first settlers are to go to Mars in four decades. The main difference between the two proposals, however, is that the National Commission on Space primarily sticks to available technology or extensions of available technology, while LaRouche's proposal concentrates on projected new technologies as the basis for the project.

This especially applies to the question of propulsion. How is Mars to be reached? By means of available chemical rockets, by low thrust-systems like electric propulsion, which exist as experimental devices, or by some new advanced propulsion systems like the fusion drive, as proposed by

LaRouche, which still have to be developed?

Going to Mars with available technology (e.g., chemical rockets) will take months or years, as Wernher von Braun already outlined 30 years ago.<sup>3</sup> After a short boost period, the rocket drifts on a minimum-energy path toward its goal—carrying very little payload and providing living conditions that put a very large amount of stress on the people on board. In particular, the long period of zero-gravity during the drift period will most probably have bad effects on the health of the crew.

In this manner, some first exploration missions to Mars could be flown, comparable to Columbus's trip to America almost 500 years ago. The colonization of Mars and eventually the Solar System, however, will not be possible under these conditions. Turning Mars into a human colony would mean that millions of tons of freight, instead of some tens or hundreds of tons, and 100,000 people will be sent traveling through space.

For this task, technologies are needed that allow for continuously powered flights with a large payload, reducing traveling time drastically, to days instead of months, and creating an "artificial gravity" on board, which would provide better living conditions and prevent health hazards.

To continuously power a rocket, however, fuels with a very high energy density are needed. There are only two candidates for this: antimatter and fusion power, of which the latter could be realized in the indicated time frame. At least on paper, the scientific feasibility of a fusion drive has been established by Dr. Fred Winterberg,<sup>4</sup> and by a working group of the British Interplanetary Society, which has designed "Project Daedalus," a fusion-powered starship.<sup>5</sup> Other work is being conducted by scientists at the Lawrence Livermore Laboratory in California, and at the University of Wisconsin.

What follows are some elementary calculations of the physical-technical dimensions of a flight to Mars using fusion-powered spaceships. These are very simple and very rough estimations, and should only be seen as indicative of orders of magnitude. More detailed studies should follow, and it is hoped, that this working paper may trigger the necessary work.

### I. Fusion reactions and their energy density

First, some basic facts on fusion power. The reactions listed below could be used for commercial fusion:

- 1)  $^2\text{D} + ^3\text{T} \rightarrow ^4\text{He} (3.5) + ^1\text{n} (14.1), \alpha = 0.0038$
- 2)  $^2\text{D} + ^2\text{D} \rightarrow ^3\text{T} (1.01) + ^1\text{n} (3.02), \alpha = 0.0011$
- 3)  $^2\text{D} + ^2\text{D} \rightarrow ^3\text{He} (0.82) + ^1\text{n} (2.45), \alpha = 0.0009$
- 4)  $^2\text{D} + ^3\text{He} \rightarrow ^4\text{He} (6.6) + ^1\text{p} (14.7), \alpha = 0.0039$

$\alpha$  gives the fraction of the mass that is converted into energy; the values in parentheses indicate the energy of the reaction products in million electron volts.

Out of these four reactions, only the last, the reaction D-Helium-3, is a candidate for a fusion drive. It has the highest  $\alpha$  value, and the energy is bound almost completely to charged particles and therefore can be controlled and directed with magnetic fields. There will also be the neutron producing D-D reaction, but its share is relatively small with 1.5 to 5 percent.

The following gives the energy density of some fusion fuels, compared to some other energy sources that are or could be used for rocket propulsion. The values refer to 1 kilogram of mass:

Chemical ( $\text{H}_2/\text{O}_2$ )	3.72 kWh	$1.34 \times 10^7$ Joules
Fission	$18 \times 10^6$ kWh	$6.5 \times 10^{13}$ J
Fusion (D-D)	$25 \times 10^6$ kWh	$9.0 \times 10^{13}$ J
Fusion (D-T)	$92.5 \times 10^6$ kWh	$3.3 \times 10^{14}$ J
Fusion (D- $^3\text{He}$ )	$97.5 \times 10^6$ kWh	$3.7 \times 10^{14}$ J

Of crucial importance for a rocket engine is the exhaust velocity  $w$ , that is the velocity of the respective reaction products. They compare as following:

Chemical	
Alcohol/O ("Aggregat-4")	$w = 2,000$ m/sec
$\text{H}_2/\text{O}_2$	$w = 4,500$ m/sec
Fission	
Nuclear-electric	$w = 30,000 - 50,000$ m/sec
Fusion	$w = 10^7$ m/sec

The proton, produced by the D- $^3\text{He}$  reaction, has a velocity  $v = 5.5 \times 10^7$  m/s and the helium nucleus  $v = 2 \times 10^7$  m/s. In Project Daedulus, a burn-up fraction of 15% of the pellet mass is assumed, so that for the whole pellet mass, an average velocity of  $v = 10^7$  m/sec is achieved.

### II. Rocket equations

The basics have been known since Hermann Oberth and Konstantine Tsiolkovsky performed this work, in the first decades of this century. The mass  $m$  of a rocket receives an acceleration  $a$  through the thrust,  $S$ . If we have:

- $r$  = mass flow rate in the engine, in kilograms/second,
- $w$  = exhaust velocity (m/sec),
- $m_o$  = lift-off mass (kg),  $m_E$  = final mass (kg),
- $m_T$  = fuel mass (kg).

With thrust  $S = rw$ , it follows

$$rw = ma = m \frac{dv}{dt}. \text{ With } m(t) = m_o - rt \text{ we have}$$

$$\frac{dv}{dt} = - \frac{rw}{m_o - rt} \text{ giving}$$

$$v = - \int_0^t \frac{rw}{m_o - rt} dt$$

Integration gives

$$v = w \ln \frac{m}{m_o - rt} \tag{1}$$

In case that all the fuel is burned up during acceleration, then  $rt = m_T$ , and with  $m_o = m_T + m_E$  the end velocity is

$$v_e = w \ln m_o/m_E \tag{2}$$

$m_o/m_E$  indicates the mass ratio  $R$ .

$$R = e^{v_e/w} \tag{3}$$

For the mass flow, we will have

$$r = (m_o/t) (1 - e^{-v/w}) \text{ or } r = (m_o/t) (1 - e^{a/w}) \tag{4}$$

### III. Fusion powered flight to Mars

To estimate the time frame, we will calculate flights to Mars for minimal and maximal values of distances Earth to Mars and the acceleration.

Distance Earth/Mars:

- minimal: 60,000,000 km
- maximal: 400,000,000 km

Acceleration:

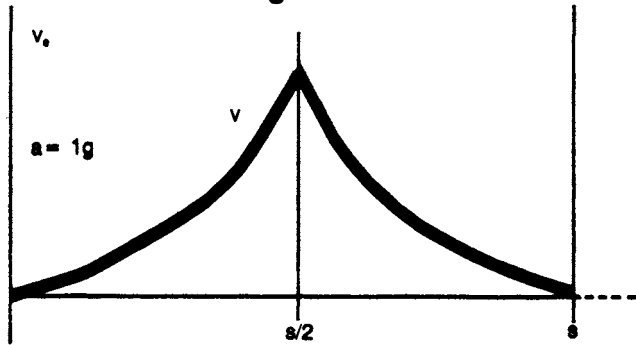
- minimal: 1/6 g (lunar gravity)
- maximal: 1 g (Earth gravity)

Of course, other accelerations could be thought of, but these values should, concerning their effects on human beings, be appropriate limit values.

For the calculations given here, effects such as solar gravity are (and can be) neglected. We assume that the Mars ship accelerates for half the distance,  $s$ , with constant acceleration  $a = 1$  g, or  $a = 1/6$  g, and then decelerates with 1 g, or 1/6 g for the remaining half.

Figure 1 is an  $a/v$ -distance diagram.

FIGURE 1  
An a/v-distance diagram



### Velocity, time of flight, and mass ratios

With  $v = (2as)^{1/2}$  and  $t = (2s/a)^{1/2}$ , we get for the respective half distances the values for  $v_e$  and  $t$  shown in Table 1. Note the short flight times: less than 2 days for the shortest distance and 11 days for the longest, compared to 260 days for chemical rockets.

Table 1  
Calculation of velocity and time of flight

$$v = (2as)^{1/2}$$

$$t = (2s/a)^{1/2}$$

Distance	At acceleration 1 g	Time
$30 \times 10^9$ m	$v_e = 7.7 \times 10^5$ m/sec	$t_e = 77,460$ sec (21 h)
$200 \times 10^9$ m	$v_e = 2 \times 10^6$ m/sec	$t_e = 200,000$ sec (55 h)
	<b>acceleration 1/6 g</b>	
$30 \times 10^9$ m	$v_e = 3.16 \times 10^5$ m/sec	$t_e = 189,700$ sec (53 h)
$200 \times 10^9$ m	$v_e = 8.16 \times 10^5$ m/sec	$t_e = 489,900$ sec (136 h)

According to  $R = e^{w/v}$ , the mass ratio for the different values of  $v$  are determined. Covering the total distance to Mars would simply require doubling the velocities we attained above (Table 2).

This assumes that fuel for the travel back would be available in Mars orbit. If fuel for both ways has to be stored on board, then we have to calculate with four times the velocity values. In Table 2, the respective  $R$ -values are given in parentheses.

Table 2  
Calculation of mass ratio R

$$w = 10^7 \text{ m/sec.}$$

Distance	a=1 g	a=1/6g
$60 \times 10^9$ m	R = 1.17 (1.36)	R = 1.07 (1.13)
$400 \times 10^9$ m	R = 1.49 (2.23)	R = 1.18 (1.39)

As can be expected from the high exhaust velocity of a fusion drive, the values shown in Table 2 are extremely good values for  $R$ , dwarfing by far everything we know from chemical propulsion. We illustrate these values in Table 3, where they are converted to some actual mass figures. As an example, we take a small spaceship with the lift-off mass,  $m_o = 100$  t;  $m_T$  is the mass of the fuel and  $m_E$  the final mass, including payload and the mass of the ship itself.

Table 3  
Mass values for a spaceship of 100 tons lift-off mass

	$m_o$	$m_E$	$m_T$
R = 1.07	100 t	94.5 t	6.5 t
R = 1.17	100 t	85.5 t	14.5 t
R = 1.18	100 t	84.7 t	15.3 t
R = 1.49	100 t	67.2 t	32.8 t
R = 2.23	100 t	45.0 t	55.0 t

For illustration and comparison, in Table 4, the  $R$ -values for chemical and fission propulsion are calculated, based on the same acceleration values as above.

Table 4  
Chemical and fission propulsion R-values

Distance Earth/Mars	System	a=1g	a=1/6g
60,000,000 km	Chemical	$R > 10^{20}$	$R = 10^{21}$
	Fission	$R = 5 \times 10^{16}$	$R = 7.4 \times 10^6$
400,000,000 km	Chemical	$R > 10^{20}$	$R = 6.3 \times 10^{20}$
	Fission	$R = 2.7 \times 10^{23}$	$R = 7.3 \times 10^6$

As one can see, continuously powered planetary flights, with accelerations that are appropriate for human beings, are totally impossible with chemical or nuclear-electric propulsion. The total mass in the universe would not be enough to fly a chemical rocket with 1 g or 1/6 g to Mars!

### Mass flow and power of a fusion drive

These values for flight-time and  $R$  are extremely promising and exciting. However, to this point, they are just paper values derived from simple equations, which (except for  $w$ ) do not take into account parameters that would express the physical-technical properties of a fusion drive. To obtain a first, rough approximation as to the feasibility of a fusion drive with a performance as described by the values above, we must look at the mass flow and the power of such an engine.

One can estimate the average mass flows of a fusion engine (Table 5) using equation (4). This is calculated for 1

Table 5

**Mass flows of fusion engine**

Time	a=1 g	a=1/6 g
t=10 sec	r=100 g/sec	—
t=77,460 sec	r=96 g/sec	—
t=10 sec	—	r=16.6 g/sec
t=489,900 sec	—	r=16.0 g/sec

g or 1/6 g at the beginning ( $t=10$  sec) and at the end of the flight ( $t=t_e$ ), again for a small ship with  $m_o=100$  tons.

Because of the low  $R$  values (i.e., small share of fuel mass), the mass flow through the engine per second decreases only slightly in the course of the flight. It is almost constant, so that we can assume average values: 0.1 kg/sec for 1 g and 0.016 kg/sec for 1/6 g.

How would these values fit for a fusion drive, based on inertial confinement?

In inertial confinement fusion, pellets with a mass of a few grams are ignited with a frequency,  $f$ , of several 10 to a few 100 Hertz. In *Project Daedalus*, the following values are assumed for the fusion engine:

Pellet mass  $m=2.85$  g, frequency  $f=250$  Hz

This gives a mass flow  $r=mf=710$  g/sec. Following this, we may assume that a mass flow of several 100 g/sec may be mastered in the future.

The energy released is enormous. Such a pellet would release an energy  $E=10^{12}$  J = 1 terrajoule (TJ). With a frequency of 100 Hz, such a fusion engine would have a power of 100 TW! This is 10 times the power produced and consumed today by man on Earth. With interplanetary flight, we therefore move into the "terra era," where man will work with terrawatts in the same natural way as he does today on Earth with kilowatts.

**The mass of the engine**

Let us assume in the following that a fusion engine will work with a mass flow of 500 g/sec.

With 1 g, the maximum mass that could be accelerated would be roughly  $m_o=500$  t. The critical element would be the mass of the engine, as **Table 6** shows. Here the masses for  $R=1.17$  (distance Earth/Mars = 60,000,000 km) and  $R=1.49$  (400,000,000) are calculated. One sees that if the engine does not weigh more than 200 t, then we can have payloads of more than 200 and 100 t, respectively, which would be acceptable. For flights farther into the Solar System, however, the mass of the engine would become critical. A flight to Saturn (average distance  $1.43 \times 10^{12}$  m) with 1 g would give  $R=2.91$  and a final mass  $m_E < 200$  t. Accelerating with 1/6 g and again  $r=500$  g/sec would give a lift-off mass of several thousand tons. The mass of the engine would be around 10% of the final mass.

Therefore, one may conceive of a flotilla of small Mars

Table 6

**Fusion engine with mass flows of 500 g/sec**

	$m_o$	$m_T$	$m_E$	
<b>1g</b>				
$R=1.17$	500 t	70 t	430 t	Mars-Min
$R=1.49$	500 t	165 t	335 t	Mars-Max
$R=2.91$	500 t	330 t	170 t	Saturn
<b>1/6 g</b>				
$R=1.07$	3,000 t	200 t	2,800 t	Mars-Min
$R=1.18$	3,000 t	500 t	2,500 t	Mars-Max
$R=1.55$	3,000 t	1,100 t	1,900 t	Saturn

ships (500 tons and more), primarily for transporting people at 1/6 g to 1 g, and larger ships that fly large freight masses with small accelerations.

For illustrative purposes, the division "fast transport of persons/slow freight transport" can be quantified, based on conditions here on Earth, by taking the ratio of fast airplane to slow ship transport. Here, the time ratio is somewhere around 1:20 to 1:30. So, if the fast flight to Mars at 1 g would last 75 hours on average, this would give us 1,875 hours (80 days) for slow freight transport and (average distance Earth/Mars of 230 million km) an acceleration  $a=0.02$  m/sec = 2/1,000 g. Then we would have

$R=1.014$ , and, for  $m_o=100$  t,  $r=0.2$  g/sec

Again assuming an engine with  $r=500$  g/sec, we could power a spaceship with  $m_o=250,000$  t obtaining the following shares:

$R=1.014$   
 $m_o=250,000$  t  
 $m_T=3,500$  t  
 $m_E=246,500$  t

To conclude: These rough estimations indicate, that fusion for spaceship propulsion bears huge promise for future space flight. It will be the key to opening up the Solar System for human settlement and exploitation, just as railways opened up the American continent. If man wants to be on Mars in 40 years, then it is about time to start real work on this project.

**Notes**

1. National Commission on Space, *Pioneering the Space Frontier*, New York, 1986.
2. Lyndon H. LaRouche, Jr., "The Crowning Achievement of the Reagan Administration: The Moon-Mars Colonization Mission," background paper circulated at the European Conference of the International Caucus of Labor Committees, Wiesbaden, West Germany, June 1986.
3. Wernher von Braun, *The Mars Project*, 1948.
4. Friedwardt Winterberg, *Rocket propulsion by thermonuclear microbombs ignited with intense relativistic electron beams*, *Raumfahrtforschung*, 15, 208-217 (1971).
5. British Interplanetary Society, *Project Daedalus*, London, 1978.

# This NASA budget won't get us to Mars

by Marsha Freeman

At the very moment that the United States should be taking the steps necessary to get mankind to Mars in the second decade of the next century, the lack of commitment by the Reagan administration to even keeping NASA's existing programs on schedule, puts in question whether that trip will ever happen.

On Feb. 27, White House Science Adviser Dr. William Graham (a former NASA administrator) assured the Senate that the administration would finally respond to the recommendations of the National Commission on Space "in a matter of weeks." The program the Commission has outlined centered on a return to the Moon after the year 2000, and a manned landing on Mars by 2025. When President Reagan was given the report in July, he promised a response in 90 days.

It is hard to imagine what either Graham or the President might say about the long-term future of U.S. space exploration, considering that the \$9.5 billion fiscal year 1988 NASA budget request will slow down two of the prerequisites for the lunar and Mars missions—the space station and the unmanned Mars probes.

According to the March 2 issue of *Aviation Week* magazine, Graham "has become increasingly skeptical of the station program," following in the footsteps of his predecessor, George Keyworth. Graham is coordinating the White House review of the space station, and is reportedly going to present Reagan with "alternatives" to spending what the station will cost.

## Will there be a space station?

Less than two years after President Reagan initiated the space station project, that is the question that is being asked by the Congressional Budget Office (CBO), some congressmen and senators, the Office of Management and Budget

(OMB), and the White House itself.

A permanently manned station in low-Earth orbit will consist of the series of laboratories, factories, transportation nodes, repair facilities, and construction capabilities that will be required to go anywhere beyond Earth orbit. In his State of the Union address in 1984, President Reagan gave NASA the mandate to build such a station within a decade. It is likely that the station could have actually been built in half as much time.

Later, the OMB added a proviso—that the station must be built for \$8 billion, which was the first, ball-park estimate by NASA of what it might cost. This rough estimate quickly became the ceiling for the program.

For FY88, NASA originally requested \$1.1 billion for the space station, to do the final design work, and to start building the modules for a 1994 operational capability. The OMB slashed that figure in half in the fall of last year, and only through NASA head James Fletcher's direct appeal to the President, was the funding upped to \$767 million.

In the meantime, it was becoming clear to NASA managers, engineers, and industry contractors who will build the station, that the cost could not be held to \$8 billion. Though the estimates vary, and NASA has not released its final estimate, it appears that the cost has risen to at least \$12 billion. Why?

First, in a misguided attempt to "micro-manage" the program, Congress has placed requirements on the space station which were not part of the original NASA design. For example, to satisfy those who wanted an unmanned robotic space station, the lawmakers have added a Flight Telebotonic Servicer, capable of precision manipulations to aid in assembly, servicing, and maintenance.

Though certainly an important capability to have, the FTS was not included in the original cost projections. In FY88, NASA has requested \$22 million to start its development, and expects to flight test it on the Space Shuttle.

In a budgetary sleight of hand, station costs have "risen" \$1 billion per year, for operating costs. Those costs should not even be included in the research, development, and deployment calculations for this or any project, and are akin to adding projected gasoline costs to the dealer sticker price of a new car.

The same is true of those trying to pile the Shuttle launch costs into the station budget. If the Shuttle were not carrying space station payloads in the early 1990s, it would likely be ferrying other NASA payloads, which are an assumed part of the space agency's budget already.

About \$1 billion is needed to pay for design and assembly changes for the station, which came largely from safety concerns by the astronauts. This includes a redesign which will greatly reduce the amount of extra-vehicular activity (space walks) done by astronauts, and a possible \$1-2 billion is expected to be spent for a "lifeboat" emergency rescue system



for the space station. Only one year after the Challenger explosion, it is difficult to imagine that the same mistake will be repeated, making cost a major factor in safety.

An extra \$500-750 million is reportedly needed because a decision was made, due to pressure from the Congress, to contract out systems engineering work, instead of doing it in house in NASA field centers. According to Andrew Stofan, NASA associate administrator for the space station, another \$1.5 billion has been added to the "cost" because of a change "in accounting systems."

NASA has also decided to more than double the reserve account it budgets for the project, to \$3.8 billion, to provide for unforeseen cost growth and any unexpected expenses. In addition, \$3.6 billion that will be needed for ground-based testing facilities, simulators, and operating capabilities, is being counted into the space station cost.

Testifying before the Congress during the first week in February, Dr. Fletcher said that he thought the United States had already "lost the competitive edge" to the Soviets in manned space flight, and reported that the increased cost of the station, compared to the funding level budgeted, will likely delay its operation to 1995 or 1996.

Just as the Congress began hearings on the budget early last month, the CBO released its report on "Reducing the Deficit," which stated that \$8 billion could be "saved" over the next five years if the space station were canceled. They also recommended scrapping the orbiter NASA plans to build to replace the Challenger, to "save" money. And, of course, the fourth orbiter wouldn't even be necessary, if you canceled the station!

The last week in February, OMB head James Miller sent a memo to President Reagan, according to the *Defense Daily*, which estimates the new station costs at between \$14.5-15.1 billion. Congressmen Bill Nelson (D-Fla.) and Robert Walker (R-Pa.) also revealed that a second Miller memo recommended that the NASA budget be decreased from the current \$10.5 billion to \$10 billion, over the next five years.

Nelson, the chairman of the Space Science and Applications subcommittee of the House Committee on Science and Technology, stated that that amount would be "woefully inadequate," and that NASA should have a "\$15 billion budget by 1990."

So far, a request for proposals from industry to build the station components has been delayed. Originally due from NASA on Feb. 3—already a six-month delay because of redesign efforts—the more recent date was not met either, because of the indecision now stemming from the cost increases.

If a decision is not forthcoming on going ahead with the project, it is possible the Europeans, Japanese, and Canadian partners who are committed to putting more than \$2 billion of their own funds into the station, will finally get fed up and pull out.

## Are we going to Mars?

Long before anyone can go to Mars, a series of unmanned spacecraft have to be sent, to further explore the surface, atmosphere, weather and climate, and other characteristics of the planet. NASA has been planning to send the Mars Observer to orbit Mars for one year (nearly two Earth years), to greatly enhance what we have learned from the 1970s Viking spacecraft.

That mission, along with many other space science payloads, was to be launched from the Space Shuttle. With only three orbiters and a reduced flight schedule when the Shuttle resumes missions in 1988, all of the science payloads have been delayed. It is precisely during this period, when the Shuttle is not flying, that the space science programs should be geared up to leap ahead and be ready for an aggressive series of missions in the future. However, the FY88 planetary exploration budget request has been cut \$50 million from FY87.

The Mars Observer mission is now scheduled to be launched from the Shuttle in 1992—a two-year delay. But for \$50 million, an expendable Titan III rocket could be purchased from the Air Force, and necessary modifications made to the spacecraft, to launch it on time in 1990. This money, however, was not part of the FY88 NASA budget request.

Representative Nelson is proposing to add funding to the NASA request, in order to launch the Mars Observer on time. He pointed out at hearings on March 3, that keeping the spacecraft on the ground for two years, will cost between \$4-6 million per month, or potentially \$120 million over two years. Certainly no money is saved in delay.

In addition, the House committee is recommending the purchase of two additional expendable rockets, to launch the Röntgen x-ray satellite, and a Tracking and Data Relay Satellite, in order to prevent further delays.

The Soviets are on schedule for the 1988 launch of their Phobos mission, which will explore both Mars and its tiny moon, and they announced last month that they have accelerated the development of a follow-up unmanned Mars mission, to fly in 1992, not 1994. This mission will use balloons to land cameras on the surface of Mars.

Last August, NASA announced that astronaut Dr. Sally Ride was detailed to the position of special assistant to the administrator for strategic planning, at NASA headquarters in Washington. She and Dr. Fletcher have been holding a series of planning meetings with NASA managers, to prepare a 10 to 15 year long-range plan for the space agency.

Programs including a return to the Moon, and manned missions to Mars are under consideration. This spring, the NASA response to the National Commission on Space recommendations, in the form of this long-range plan, will be released. But without a dramatic show of support from the President himself, where the plan will go is doubtful.

## World Bank's faction in Brazil on the outs

by Robyn Quijano

One month after the Brazilian government floated a World Bank-designed population-control program, President José Sarney was to strike out in a new direction, declaring a debt moratorium, and insisting on imposing morality on economics. The population program, seen as a great victory by Brazil's oligarchy and its creditors, faded into the background on Feb. 20, as the battle to impose a sane international economic system that would allow growth of economies and populations took center stage.

Since then, the World Bank, instrumental in imposing forced sterilization and other population-control programs worldwide, has declared war on Brazil, cutting off all loans. Inside President Sarney's cabinet, the battle rages on between those dedicated to the World Bank's agenda on the one side, and Finance Minister Dilson Funaro and a group of dedicated nation-builders, on the other. The latter grouping, influenced more by the Catholic Church than by the powerful Brazilian oligarchy, is dedicated to manufacturing more hats instead of cutting off heads, to use an image Pope Paul VI made famous 20 years ago, as he organized around the perspective of his famous encyclical *Populorum Progressio*.

It was no secret to anyone that Brazil's population-control proposal was a refinancing condition imposed by the World Bank and the international banks. The Catholic Church protested the new measures, and it was rumored in the press that the Church was told that the measures would not be adopted, but that the announcement was essential to hold off the creditors.

On Jan. 27, the Secretary General of the National Conference of Bishops of Brazil, Luciano Méndez de Almeida, criticized the conditions imposed by the World Bank and the IMF, in the context of making public the just-released document of the Pontifical Commission, *Justitia et Pax*, on an ethical approach to the debt crisis. Hitting the creditor institutions, he warned: "This help costs so dearly that a poor nation indebts itself to pay the debt, and receives in return a handful of birth control pills."

Helio Jaguaribe, member of the Club of Rome, dedicated to the neo-malthusian principles of the World Bank, had welcomed the population control plan: "I



*Brazilian Finance Minister Dilson Funaro (left) replied angrily to the World Bank's demand for more austerity: "I don't agree." Here he is shown during a visit to Washington, D.C., with soccer player Pelé.*

NSIP/SUART LEWIS

received the news with great satisfaction, since there is no doubt that elevated demographic rates make development difficult." Jaguaribe commands great support within the Brazilian Foreign Ministry, and is actively trying to sabotage the Sarney government's new policy, population before debt. Jaguaribe elaborated a plan, Brazil 2000, modeled on the genocide scheme Global 2000, written by the Carter State Department.

There was support for the population plan within Sarney's cabinet, and there continues to be lobbying for the imposition of a World Bank-approved internal program by Planning Minister Sayad. Sarney's Minister of Education backed the World Bank scheme: "It is impossible to diminish poverty without diminishing population growth." The Minister of the Interior, Ronald Costa Couto said, "the great majority of the poor, 60% of the population, is not controlling its birthrate. Hence the wealth the country produces isn't sufficient to finance three million new inhabitants a year."

But Brazil, larger than the continental United States, with only 140 million inhabitants, is a totally underpopulated nation. Its power on the continent lies in the size of its economy and its population, and the potential of its internal market. Its problem is lack of sufficient development, a deficiency built into the debt trap, the illegitimate billions that have been sucked out of the developing sector through wild interest rates and illicit commissions over the past years.

"The looting and bloodletting of our wealth" must be stopped, the moderate wing of the Brazilian labor movement, the General Confederation of Labor testified March 9 before Sen. Bill Bradley's Senate subcommittee in Washington. "Brazil has already paid \$153 billion in debt service during

the past 17 years," the union spokesman pointed out. "Despite this, the debt has grown from \$5.3 billion in 1970 to \$108 billion now."

The World Bank declared warfare on Brazil March 5, as part of an escalation of reprisals for having suspended debt payments. At a Washington luncheon, World Bank president Barber Conable said the World Bank would cut off new loans until Brazil agreed to go back to starving its population to keep up interest payments. Conable said that Finance Minister "Funaro knows very well what to do. We had a long talk on that last week."

Funaro, in Rome at the time, shot back angrily, "I don't agree." He canceled a trip to Brazil by World Bank officials headed by Bank vice president Ernest Stern. Said Funaro: "We just made a violent adjustment" in November, which brought riots. "There is no way we will accept a recession."

Funaro told Italian Treasury Minister Gorla the big policy changes were needed, not by Brazil, but by the World Bank and the International Monetary Fund. "They are organizations already left behind by the world's evolution," Funaro remarked.

Official Washington remains deaf to Funaro's explanation that Brazil can keep growing only if it is given relief from debt payments. Brazil has paid \$24 billion in debt service in the past two years, but has received only \$2 billion in new loans. Funaro insists, "Brazil believes new paths to solve the crisis must be sought. Until now paths have been proposed for living with the crisis; but we want to find a path that will enable us to get out of the crisis."

And the crisis will certainly not be solved by "a handful of birth control pills."

# The World Bank's population policy for Brazil

by Lyndon H. LaRouche, Jr.

January 25, 1987

The following dispatch was filed by NSIPS from Brazil on Jan. 20, 1987:

"The day before Western governments and the World Bank certified Brazil's program, Brazil announced that it would make the reduction of population a national goal. While mass sterilizations have been performed quietly, Pope John Paul II's 1980 visit blocked it from being an overt policy. 'It's no secret that some foreign banks make birth control a basic condition before giving loans or investing in Third World countries,' Deputy Carlos Santana, the president of the congress's health committee declared yesterday. Santana, who served as health minister in 1985-86, continued: 'Through the reports of its president, the World Bank always made clear its proselytizing for a rigid birth control policy.'"

And, in a follow-up dispatch:

"The content of Brazil's population control has not yet been announced, but it is rumored to be violent, but needed, because population growth limits economic development. That is the position of Helio Jaguaribe [member of the Club of Rome]. He is one of the few who came out openly in defense of the new policy. He said he wrote the 'Brasil 2000' plan, a proposal given [President José Sarney last year. He said on family planning policy: 'I received the notice with great satisfaction, since there can be no doubt that high demographic rates make development difficult.' He said that the Brasil 2000 plan allowed that the labor force must not grow more than 2.5% per year. Jaguaribe is very influential in the government."

We shall examine the implications of this news on three levels. First, the circumstances of the past 30 years, under which this neo-malthusian policy was installed among Western institutions. Second, the absurdity of the policy's argument, from the standpoint of the ABCs of economic science. Finally, the strategic implications of applying this policy to Western nations, including developing nations.

"Neo-malthusian population policies" were introduced as a by-product of agreements reached between the Khrushchov government and Bertrand Russell-linked elements of the Anglo-American liberal establishments, over the period 1955-

60, and were introduced as reforms in educational and economic policies of Western governments beginning the interval 1963-67.

A pilot-form of such population policies was introduced into the Johnson administration circa 1966. The second major step toward a neo-malthusian policy in general, was realized by the same administration during 1967. The take-down of levels of commitment to aerospace development, under Johnson, occurred under the auspices of the so-called Great Society policies, advertised as a means for bringing money back from space to help the poor on Earth. The Great Society policy itself, was modeled on the Triple Revolution report of Bertrand Russell's crony, Robert M. Hutchins. The take-down of NASA and related aerospace development, was prompted by the neo-malthusian London Tavistock Institute's Rapoport Report, which lamented the pro-scientific, pro-rationalist impact of aerospace successes on the population generally.

The most conspicuous of the agencies promoting these neo-malthusian policies among Western nations have been the Soviet-allied lobbying groups, the Club of Rome and the Laxenberg, Austria-based International Institute for Applied Systems Analysis (IIASA). Coordination between such agents of Soviet influence as Dr. Alexander King and Solly Zuckerman, the leading Western co-founders of the Club of Rome and its IIASA adjunct, and the Moscow-based Global Systems Analysis group, was coordinated with KGB official Dzhermen Gvishiani, a co-founder of IIASA and son-in-law of former Soviet Prime Minister Aleksei Kosygin. Both King and Zuckerman were closely associated with the Soviet-agent riddled British government of former Prime Minister Harold Wilson.

"Neo-malthusianism" is an integral feature of a subversion package also featuring the cult-dogma of "post-industrial society" and the spread of the rock-drug-sex counterculture, a package which has been the principal among the erosive influences enabling the Soviets to overtake us in military strategic potential, in both materiel and will to fight. That has been clearly its effect; the effect has also been the intent of the principal movers of these policies.

Had we continued the policy matrix in place in Western nations as of 1963, the Soviets could never have matched us in military technologies or in scale of effective military capability. First, without counting the considerable economic output and potential of developing nations, the combined economies of North America, Western Europe, and Japan would be today three to four times the economic potential of the Soviet bloc. Second, the "traditionalist, Russian peasant-culture" characteristic of the majority of both the industrial and agricultural labor-force of the Soviet Union, would prevent them from keeping pace with the rate of technological attrition we could have readily established and sustained through continuing policies consistent with the pre-1967 phase of the aerospace program.

This connection is readily shown, by cross-gridding those elements of the Anglo-American Liberal Establishments which pioneered the Pugwash-centered "nuclear deterrence" agreements privately reached with Khrushov's government during the 1955-58 interval, with those elements of the same Establishments which have promoted the package of neo-malthusian and countercultural policies. The connection is identified in an exemplary way by Russell's contribution to the October 1946 edition of *The Bulletin of Atomic Scientists*, and by the signal keynote address delivered to the 1958 Quebec Pugwash Conference by Russell's crony, Dr. Leo Szilard.

The essence of the agreement reached through influential private channels, during the 1955-58 interval, was to establish, step-by-step, a "global society" partnership with Moscow, leading through an initial phase of "nuclear deterrence," toward eventual forms of world government. To establish relative parity between the Western and Soviet partners, it was necessary to destroy the vast superiority of the Western economies, and to eliminate the "will to fight" among populations of the Western nations.

The area of philosophical agreement between elements of the Liberal Establishment in the West, and Moscow, is defined by the convergence among such influential ideologues of the "New Age" as Fyodor Dostoevsky, Friedrich Nietzsche, and Aleister Crowley. These and associated ideologues, such as Russell and Hutchins's circles of influential cronies in the West, dedicated the 20th century to replace "The Age of Pisces" (Socrates and Christ) by the "Age of Aquarius" (Dionysos, Lucifer, Mithra, Satan).

These views were centered in the same European factions which had imposed the terms of the 1815 Treaty of Vienna, and had made lunatic Czar Alexander I's Russia the "policeman of Europe" from 1815 through 1849. The purpose of the 1815 Treaty of Vienna, and the related agreements between Metternich and Castlereagh, was to eradicate the influence of the American Revolution from the institutions of both Europe and the Americas. Beginning 1878-82, the "New Age" doctrine began to become operational, as successor to the anti-Americanism of the 1815 Treaty of Vienna. This

time, rather than addressing merely the specific notions of law and government associated with the image of the American Revolution, the schemers directed their efforts against the deeper cultural roots of the American Revolution, the fundamental moral principles upon which Western European civilization is based entirely.

The Bolsheviks and the fascists were brought into existence as social battering-rams, intended to wreak the kind of cultural destruction upon European civilization which the obscene, 11th-century al-Ghazali's doctrine of "The Destruction" had wreaked upon the civilization of the Arab Renaissance. Although the aims of the Western Liberals and the Bolsheviks were partly adversarial, there were also common aims. In service of those common aims, the neo-malthusian, "Aquarian" counterculture was both a means to an end and also an end in its own right.

There has been, largely diminishing, opposition to these neo-malthusian and Aquarian policies over the past quarter-century. Opponents have viewed these as variously stupid, immoral, or simply grossly distasteful. There has been no significant recognition of the fact that these policies are subversive per se, almost treasonously so. There has been no visible recognition that these influences were prime categories of counterintelligence interest, that these influences were the "face of the enemy," and to be treated accordingly.

That defective quality of opposition reflects, to a large degree, a lack of awareness of the deeper aspects of strategic analysis and planning: that warfare is an expression not only of conflicts between political forces, but that political conflicts are merely reflections of a more fundamental, cultural conflict. Without a cultural strategy, and adjunct reflections on planning and conduct of cultural defense and cultural offense, a nation may find its forces effectively enveloped, in a seemingly subtle but insidiously effective manner, even before formal hostilities begin. That is the point of view from which our general topic here must be considered.

During the spring of 1982, the Soviet command reached a formal political decision, bringing to a close the "Brezhnev Period" of strategic deception, called "détente," and beginning the "Andropov Period" of pre-war mobilization and deployments, including the contingency of launching a full-scale first strike against the United States. In such circumstances, there is no means of "deterrence," by which we might escape the choice between surrender and general thermonuclear warfare, which does not represent our capacity actually to survive and win such a war should Moscow elect to bring it about.

This obliges us, obviously, to develop the material capacity in depth which that quality of "deterrence" implies, to mobilize the will of the populations of our alliance around both a clear image of "the face of the enemy" and to be willing to defend our civilization from that enemy's advances at all necessary risk. In addition to such elementary truisms, there is a more or less indispensable "geopolitical" configuration

required: To contain Soviet firepower within a limited portion of the globe, and to deploy vastly superior firepower and mobility globally, with the greatest relative freedom of action. This latter bears not only upon our relations with Western Europe and Japan, but also so-called developing nations, the latter an essential part of our general strategic depth, both in respect to material and human resources, and respecting the geographical equation of maximizing our freedom of action and minimizing the adversaries'.

The ultimate determinant of our strategic capacity in depth is cultural. In the lesser, but indispensable aspect, without a cultural commitment which impels our institutions and people, as if instinctively, to resume commitments to high rates of technological progress in an energy-intensive, capital-intensive mode, we can not resume sufficient margins of advantage in scale of means and in technological attrition. Without a sense that our culture is precious to us and our posterity, the will to fight will be lacking, and the bonds of alliance among Western nations will be eroded even by accumulations of petty, short-term considerations.

So, if we are enveloped by cultural erosion, we are as good as enveloped by Soviet military power.

It is from that strategic vantage-point, that the issues of neo-malthusianism and "Aquarianism" must be attacked.

### The principles of population-density

Comparative studies of the U.S.A., Western Europe, and

Japan, illustrate the point that potential productivity is a function of energy-density per per-capita unit of population-density. Extending the same comparison to assorted ranges of developing nations, illustrates the same point, and aids us in estimating the amount of increase of energy-density per capita required to bring a developing nation up to estimated levels of productivity.

In other words, the more densely populated a nation, the less the aggregate energy-consumption per capita required to sustain any stated level of productivity. The principal determinant of this is the factor of energy-cost of basic economic infrastructure. This includes, most prominently, the following: water-management, general transportation, the production and distribution of energy-supplies, communications, and basic public services to households. The greater the rate of increase of the area over which basic economic infrastructure must be developed, for a constant size of population, the greater the energy-cost of developing and maintaining that infrastructure.

The picture is clearer, if we recognize that basic economic infrastructure is a part of the capital stocks of production in general. So, we see more readily, that the ratio of other kinds of capital stocks to levels of development of basic economic infrastructure is approximately constant. We also see that the costs of maintaining basic economic infrastructure are part of the current capital-expenditures costs of an economy as a whole. Taking these two considerations into account, we see,



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Brazil's children: The World Bank says population reduction is the prerequisite for financial aid. Shown here is a scene in Carajás.

that, in net effect, a linear approximation for the function is satisfactory for broad, pedagogical generalizations.

A most interesting, and relevant observation is obtained, by comparing the trends in physical productivity of the U.S. labor-force over the postwar period to date, with the rate of increase in levels of improvement of basic economic infrastructure. If we assume that the benefits of improved infrastructure, in terms of increased productivity, lag behind infrastructural investments by a factor of slightly more than 12 months, an initially startling statistic confronts us. The two curves, so overlaid, coincide almost exactly. Even from a merely statistical standpoint, the significance of the correlation is so high, that one would assume on that account, that the chosen lag-factor is correct. Examining the cause-effect relationship underlying this correlation, we show that the statistical indications have a sound physical basis in reality.

U.S. infrastructure development was on an upward curve, through 1966, slowed down during 1967-70, and has been negative since 1970. To restore infrastructure, in both quality and quantity, to 1970 levels of repair, would cost several trillions of dollars today. The average physical productivity of the U.S. labor-force has flowed and ebbed accordingly.

The neo-malthusians' assertions run directly counter to elementary reality in terms of a second set of factors. The effect of lowering the fecundity of the population's households, is a phenomenon called "demographic aging" of the population. Either there are, economically, "too many senior citizens," relative to the size of the labor-force, or we lower life-expectancies to reduce the population of senior citizens. We already see this ominous development in Western Europe since World War I, and in the United States since the early 1960s. If China's present population policies are continued two more decades, China will undergo a rapid economic and social collapse in a particularly horrible way.

Lower the birth-rate, without rather spectacular increases in per capita physical productivity of the labor-force, and a chain-reaction of ultimately very nasty things ensues, leading toward social as well as economic collapse. The internal collapse of the Roman Empire in the West, and the later internal demographic collapse of Byzantium, are classical models of the kind of doom the neo-malthusians are imposing upon us.

Look at the same matter in a different way: Why, even from the cold-blooded standpoint of physical economy, do we need to increase the life-expectancy in such a way that normal cardiovascular aging relegates a large and growing portion of the population to the status of "senior citizens"?

We have many cases of populations which have net population growth-rates of the sort which the neo-malthusians propose. Generally, we call these primitive societies, in which female fecundity is lowered by poor average nutrition, and in which high death-rates among infants and children do much of the rest.

On the human side, productivity is a function of culture, as modern public education is one of the key parameters of the levels of culture in modern nations. A comparison of 18th-century Britain and the young United States, illustrates the point. The levels of literacy, per capita income, and per capita productivity of members of American households was, respectively, approximately twice that in Britain.

The myth, that the higher American income was a "bounty of nature," is exploded by facts supporting the account given by Treasury Secretary Alexander Hamilton in his 1791 "On The Subject of Manufactures." Over 90% of U.S. employment in 1790 was rural, representing a productivity and fertility achieved through preceding generations of improvement of farmland. It was the greater freedom, and higher level of culture of the Americans, and the relative absence of a parasitical land-owning class, which accounted for the superior productivity of the Americans over the British.

Putting aside for a moment, the relative quality of education per grade-year, we know that our level of industrial technology requires a modal school-leaving age of between 17 and 25 years, with the average of about 20 years or equivalent. After adjusting for mortality-rates among members of the active labor-force, measure the cost of rearing children and youth for an average of 20 years, in terms of the amount of output per year this represents per member of the active labor-force.

The number of expected years as members of the active labor-force, after deducting school-leaving ages, and the amount of physical output per member of the active labor-force, are thus posed to us for consideration. These factors suffice as the basis for a simplified, but pedagogically viable function, showing the relationship between productivity and demographics at various levels of development of a society.

Generally, a retirement age of 65 years assumes that employment is not generally highly labor-intensive. This will remain true until such time as we master the problems of cardiovascular aging. Also, since a retirement-age of 65 assumes a life-expectancy for much of the population extending to and beyond eighty years of age, a growing percentage of senior citizens is economically desirable, on condition that the labor-force is expanding, and that physical productivity per member of the labor-force as a whole is increasing significantly. Given such a society, should we attempt to suppress the birth-rate, as we have done increasingly since the early 1960s, the result is not some sort of adjustment, but a horrible catastrophe beginning to erupt at some point during the span of two or three generations.

With a few points of qualification which I shall add later, there are six constraints which govern the potential level of productivity:

- 1) The quantity and quality of the standard market-basket of household consumption must improve: basic physical consumption, plus education, science, and health-care.

2) The amount of usable energy available for consumption must increase, both per capita and per square kilometer, must increase. This reduces to energy-density per per-capita unit of population-density.

3) The energy-density cross-section of energy applied to work must rise secularly, as this point is illustrated by the history of coordinate rises of operating temperatures and productivities in the iron and steel industry.

4) The ration of the total labor-force employed in rural categories of production must decrease, subject to an increase in the amount of usable food and fiber produced per-hectare and per capita for the population as a whole.

5) The ration of the urban labor-force employed in the production of producers' goods (materials, capital goods, and infrastructure) must increase, subject to increase of the per capita supply of households' goods.

6) The level of technology, as Leibniz's definition of technology is specified by the LaRouche-Riemann method, must increase in a way functionally coordinate with the interdependence of the other five constraints.

This assumes that the percentage of the total labor-force employed as operatives in production of physical output is sufficiently high. All other categories of employment belong to the class of "overhead expense." "Overhead expense" is of three functional classifications: "functional/economic," "institutional" and "waste/redundancy." Functional overhead expense is that with direct, positive bearing on productivity, such as science, direct production management, medicine, education. Institutional, includes sales, administration, and other non-economic activities essential to the functioning of indispensable private and public institutions. Waste includes unemployment, usury, and nasty activities generally.

Over the postwar period, experience was, that the allotment of approximately 5% of total employment to production of new technologies, would sustain a potential increase of more than 5% in productivity per annum in the U.S. economy. This required increases in infrastructural investment at pre-1967 rates, and tax-incentives equal to the Kennedy investment tax-credit program. Today, we should be shooting for 10% employment in development of new technologies, and pre-1967 rates of increase in investment in basic economic infrastructure, combined with investment tax-credits modeled upon those adopted under President Kennedy.

Allotments for the "functional/economic" category of "overhead expense" should be set accordingly. Otherwise, the target should be, for the United States, approximately 50% of the total labor-force, 60 million persons, employed as operatives in production of physical goods, and a medium-term goal of 60% of operatives, 36 million, employed in production equivalent to production of producers' goods, as distinct from households' goods. In other words, less than 40% of the total labor-force, approximately 45 million, should

be employed in "overhead expense" categories other than "functional/economic."

For example, assume that U.S. defense requirements consider these factors alone, approximately 10% of total employment, or approximately 12 million persons, should be employed either as members of the active armed services or as employees engaged in military production. Those employed as military personnel, approximately 4 million, are included in the approximately 45 million listed under "overhead expense" classifications other than "functional/economic." This would not include ready reserves of trained military personnel. This assumes, similarly, approximately 2.5 million U.S. serving military personnel deployed at any moment outside the territory of the United States, as land-based or naval personnel, about 500,000 as ready reserves, and about 1 million as either trainees or training cadres of officers and enlisted personnel. The remaining 8 million of the 12, are chiefly operatives, who belong to the category of productive costs, but whose product is consumed chiefly as an institutional expense of government.

Since standard market-baskets of both households' and producers' goods can be expressed in terms of average man-hours of direct costs and overhead expenses of the society as a whole, of the six constraints listed above, three—the first, fourth and fifth—can be expressed in terms of rations of the employment of the labor-force. The changes in composition of the labor-force, relative to standard market-baskets of consumption, can be expressed as a function. By tracing production and consumption of energy-stocks, the function we have just stated can be transformed into an energy-function, in terms of the second of the six constraints. Similarly, we can transform this to reflect the third constraint.

The result is a descriptive functional statement of changes in the composition of employment of the labor-force, relative to the changes in the number and demographic composition of households. This descriptive function traces the impact of technological progress (or, devolution) upon the social composition of employment and households. This reflects an implied function, the which is defined in terms of rate of increase of potential population-density. Since we are altering the fecundity of areas, for better or worse, we must use an adjusted standard square-kilometer of area, to reflect the variability of land improvements over time.

In these terms of reference, the proper measure of the productivity of labor is measurement of the rate of increase of potential population-density. Conversely, proper measurement of the increase of physical output per capita correlates with increase of the potential population-density.

The points arrayed in this topical section of the report, thus far, suffice to demonstrate the absolute absurdity of the arguments of neo-malthusians such as those of the Club of Rome.

1) The malthusians insist that the limit of sustainable



population-levels, is determined by "naturally determined" quality of land, a quality which they have described, during recent years, as the "carrying capacity" of land-areas.

a) Why do they not adopt the population-density of Belgium, or perhaps Japan, or West Germany, as standard for the world? In other words, the estimated "carrying capacities" of nation's land-areas used by institutions such as the World Bank, is a purely arbitrary figure in every case. No scientific standard or method of analysis has ever been used to determine any of the "carrying capacity" specifications presented by that or co-thinker institutions.

b) The rise in population-density of the human species, from the upper limit of about 10 million individuals for "primitive man," to levels associated with 5 billion individuals today, is associated with land improvements as well as advances in the quality of human productive and other behavior. The argument for a "natural carrying-capacity" of land-area is both an absurdity and an irrationalist's arbitrary assertion, with no pretense at a scientific premise.

2) The reduction of populations is never necessary economically, except as nations refuse to effect the technological progress required and are able to sustain both population-growth and an improved standard of market-baskets. Apparent over-population never has any cause except economic underdevelopment.

3) Demographic aging of populations is itself a form of economic devolution, which has the effect of lowering the potential population-density, and which, if sufficiently extended, leads to demographic and economic catastrophes.

The birth-rate can be lowered, but never below the level required to effect net growth of the population's total labor-force. The lowering of the birth-rate has a proper lower limit, which correlates with the six constraints listed above. This lower limit is never less than approximately three net births per adult female member of the population, and, economically, preferably never less than four.

Undesirable rations of a birth-rate are those rations associated with out-of-wedlock births. If those rations become large, a poor quality of individual will be produced, on the average, from these rations. The chief reason for this, is that children reared outside of stable households are emotionally and culturally deprived by even the mere fact that they are denied essential emotional and cultural advantages of stable households. A similar problem arises among young members of households which have a poor emotional and cultural quality. It is possible to offset the potential damage to children born out of wedlock, to the degree those individuals are assimilated into stable households from infancy. If the number of such individuals becomes large, relative to the number of stable households potentially able to as-



"Aquarian" degeneracy on the streets of San Francisco. Shown is the "Gay Pride" parade in June 1986.

simulate them, the problem becomes an acute one, in obvious ways.

Desirable births are associated with stable households of good quality. "Good quality" signifies chiefly the cultural quality of the households, and also whatever minimum standard of physical consumption is indispensable to support that cultural quality.

For such reasons, one of the greatest sources of threat to health of economies is the form of moral and cultural degradation associated with the "counterculture." From the cold-blooded standpoint of economics, the primary function of limiting sexual relations to family formation is to ensure a sufficient growth of population through development of children and youth of good cultural quality. From the same cold-blooded standpoint, if the incidence of homosexuality rises above a small margin, there is a danger to society from this. The economics of the latter point are broadly obvious; the psychological defects of the homosexual personality do have economic significance in themselves, but discussion of that must take into account matters beyond the broad scope of treatment of our topic here.

Economics has two aspects. Primarily, it is a branch of physical science, the aspect we have stressed above. As a matter of physical science, economic science begins by ignoring the role of currency, credit, and debt in ordering the

flows of employment and produced goods. We consider only employment, production, and consumption, and view this aspect of economy as a matter of society's relationship to nature, as a physical sort of cause-effect relationship. Currency, credit, and debt belong to the category of political processes, rather than economic processes more strictly defined. In reality, economies exist only as the activity of society, such that economic events are ordered politically. Hence, economy in totality becomes "political economy," as distinct from the economic science of "physical economy."

However, the measurement of performance of economies, and all of the adducible physical laws of economic processes, belong exclusively to the more restricted domain of physical economy. These laws are fully efficient, without alteration, as the case studied is shifted from one political form of organization of society's economy to a different one. The quality of a form of political-economy is determined as a question of the appropriateness of those political institutions to the lawful requirements of physical economy. In other words, in no case must political institutions cause the performance of the economy to violate those laws which are defined from the standpoint of the more restricted scope of physical economy.

From the standpoint of physical economy, malthusian dogmas are a violation of the laws of nature, in the same sense as disregarding "the law of gravity" incurs hazards among those wandering about near the edges of precipices or roofs of high buildings. In no case, can these economic laws be repealed by political authorities, or by bankers arrogating the functions of political authorities.

Since the adducible laws of physical economy are integral to the laws of the universe in general, we may rightly say that these laws of physical economy are also God's laws. We should not find it mysterious that there is a coincidence between the teachings of economic science and the traditional morality of Western European, Augustinian culture. If political institutions impose practices upon political-economy which violate the Augustinian prohibition against usury, for example, the fact that this action is immoral, and thus posed as a moral issue, does not mean it is not also an issue of economic science. The destructive effect of usury upon economy is readily demonstrated by economic science, and conclusively so.

### **Malthusianism's strategic implications**

It is of practical importance, that we look at modern European culture from this vantage-point.

During the period from the death of Frederick II, in A.D. 1250, through the devastating Black Death which swept over Europe approximately a hundred years later, Western Europe was plunged into what is called "the New Dark Age." The principal cause of this descent into the New Dark Age, was

the spread of the power of Lombard usury, as typified by the role of the houses of Bardi and Peruzzi. The effect of usury, was to collapse the physical-economy of the towns and rural life, and to such a degree that the level of output fell way below the minimum required to sustain the existing scale of population.

Famine and epidemic spread, to such effect that a major collapse of population-levels occurred even prior to the onset of the Black Death. Approximately half of the parishes of Europe vanished from the map over the hundred years following the death of Frederick II.

In the midst of this holocaust of usury, a faction centered initially around the leadership of Dante Alighieri elaborated principles of statecraft, the which both reaffirmed the anti-Roman doctrines of statecraft of St. Augustine, and elaborated these doctrines with a new degree of applicable refinement. The faction initially assembled around Dante came later under the leadership of Petrarch, who organized a conspiratorial network throughout Europe from his headquarters at Avignon, a network which gave birth to a network of teaching-orders typified by Groot's Brothers of the Common Life.

Early during the 15th century, over the period 1431 through 1463, the work of the faction of Dante and Petrarch produced the birth of a new conception of political-economy. This work, initially centered in Florence, was the Golden Renaissance. Through the seminal influence of Nicolaus of Cusa, as Cardinal canon of the reconstituted Papacy, a form of sovereign republic based upon a central commitment to scientific and technological progress, was devised. The defeat of these efforts in Italy itself, was accompanied by their successful application by France's Louis XI and the role of the Erasmians in establishing a form of such modern society, precariously developed, under the rule of the probably insane English Tudors. (Henry VII and Henry VIII were clearly insane, and Elizabeth I tainted with the same brew.)

Every significant accomplishment of the human race, in improving the standard of living since, has been the result of these reforms. In no part of known history, has mankind ever experienced such extensive improvement in the material and moral condition of persons, as has been brought about through use of the policies of statecraft and science set into motion by the Golden Renaissance followers of Dante and Petrarch.

This must be qualified by the observation, that the oligarchical faction responsible for the orgy of usury leading into the New Dark Age, remained a powerful force during and since the Golden Renaissance. So, modern European civilization, including that of the Americas, has been a battleground between two opposing currents, the republican tradition of Dante, Cusa, et al., and the oligarchic-usurer opposition to such republicanism. It is always a dangerous error, as well as a source of confusion, to attempt to adduce some average quality of modern European culture from the

mixture of contending republican and oligarchic influences within our societies. The continuing struggle for supremacy, between the republican heritage of the American Revolution, and the anti-American, oligarchic faction typified by Castlereagh and Metternich, does not permit a sane person to take some average of the two opposing cultural currents as representing an essence of "modern European culture in general."

It is the republican current, as the cases of Dante and Cusa typify this, which is uniquely responsible for each of the magnificent economic and cultural achievements of the past 600 years.

The notions of economic science and of political-economy which flowed from this Renaissance, are bound up with the notions of natural law associated with Cusa, the Erasmians, Milton, and Leibniz, the notions of universal natural law reflected in our Declaration of Independence and in the Preamble and economic provisions of Article I of our Federal Constitution. This notion of Christian natural law, as above all popular opinion and above all positive law, and the notions of morality associated with this view of natural law, has been not only the traveling companion of our achievements in scientific progress and economy; the two are inseparable, and efficiently interdependent.

This connection, as it bears directly upon economics and political-economy, was described with a notable excellence by Treasury Secretary Alexander Hamilton, in his reports to the Congress on the subjects of public credit, a national bank, and manufactures. The content of the latter of these three reports bears most directly on the peculiarities of the American character. From the very roots of its existence, prior to 1776, the United States was committed to technological progress in an energy-intensive, capital-intensive mode, and to the organization of public credit in such a manner as to promote these benefits to the advantage of both present generations and posterity. This economic policy was centered, from the founding of the Massachusetts Bay Colony, in the promotion of classical and pre-scientific education, to the degree that the American farmer of the 18th century was described by astonished European visitors as "the Latin farmer," because of that farmer's attention to the classics. The development of the creative mental powers of all of the individual members of society, and the productive employment of those powers in a technologically progressive, and politically optimistic way, is the American cultural heritage.

The morality expressed by Hamilton's political-economy, and by the rational optimism of our moral heritage more generally, may be admired from the standpoint of a moralist, but those moral qualities are not less susceptible of being shown to be consistent with provable scientific principles.

The republican current of European civilization, was able to master nature with an increasing efficiency unprecedented in history, because the moral aspect of that cultural current

was more consistent with God's universal law than any broad-based cultural current before it. There may have been nobler persons before the 15th century, but there was no broad-based current of culture as nobly developed as the modern European republican current.

We must see the connection between the two aspects of the neo-malthusian and "Aquarian" factions in these terms of reference to the connection between morality and science. Neo-malthusianism is morally an abomination in the extreme, and when combined with Aquarianism, satanically so. It is also hideously anti-scientific, its dicta scientifically absurd. The moral and scientific aspect of the matter are to be seen as inseparable facets of one and the same cultural issue.

The apocalyptic character of the AIDS pandemic is to be understood in these terms. However this infection originated, the build-up of a large reservoir of infected carriers, in Europe and North America, would not have occurred as it has, but for the effects of neo-malthusian/Aquarian counterculture in promoting homosexuality and recreational drug-usage. In poorer regions of the planet, especially those in tropical-disease belts, the chief cause for the rapid growth of infected carriers, is a degree of poverty which could have been prevented long before the onslaught of this infection. Also, had we not aborted the investment in promising lines of biological research, to the degree we have done so over the recent 20 years, we would have been much better equipped to cope with this pandemic than we are presently. This latter factor, too, is a direct reflection of the neo-malthusian counterculture's influence.

In the case of developing nations, the trends in monetary and related economic policies, which have prevailed recently, especially since the 1971 collapse of the Bretton Woods gold-reserve agreements, have produced effects precisely analogous to those imposed upon Europe by the Lombard usury of the 1250-1350 period. Scientifically absurd economic dogmas, neo-malthusian ones especially, are unleashing a scale and depth of genocide, through famine and epidemic, to such a degree that the mass murder caused by these dogmas is an order of magnitude greater already than that attributed to the Hitler regime, and, if the dogmas are continued in practice, the number of deaths caused by economic devolution's effects will reach into the billions, the devastating toll of AIDS not yet taken into account.

The sanctity of individual human life is ceasing to be an efficient moral principle in law and in economic practice. There is no economic excuse for any of this. If we will to do so, we have the means to increase the potential population-density of this planet to the level of tens of billions of persons. If we do not choose the latter alternative to neo-malthusianism, the destruction of our culture caused by pessimistic toleration of neo-malthusian practice, means that we have lost the war with the Soviet empire in advance.

Let us now situate the military-strategic implications of this by returning attention to the exemplary case of Brazil.

The approximately 350 million population of Central and South America, is one of the greatest reservoirs of potential increase of U.S. strategic power. This highly underpopulated region, with a population dominated by an Iberian strain of Western European culture, has the greatest potential for increase of productivity and output of any large sector of this planet. Brazil represents about one-third of the population and resources of this region. The World Bank et al. are accelerating their neo-malthusians' efforts to destroy the entire region, Brazil included.

As part of the inter-American system, this region of the world is properly integral to the U.S. economy in the large. It were prudent to establish a kind of customs union, a "common market," for the region below our Rio Grande border, and to establish a reciprocal, most preferred trading relationship between the U.S.A. and that "common market." Under those arrangements, the productivity of the region can grow rapidly, with rates of real (physical-economic) growth of 5% a year or better more or less immediately feasible. Under those circumstances, the region becomes, very effectively, a magnificent addition to our strategic depth.

This case is situated within the "geopolitics" of our proper war-planning policy.

Our grand military strategy must be based on control of the world's principal oceans and most of the seas. We must constrict the basing of Soviet firepower into a contained area, while deploying vastly superior firepower from a vastly dispersed region within which we have maximum freedom of action. It is impossible to accomplish this by a "blue water" conception, especially under present conditions of nuclear warfare. The control of the oceans, and the deploying of an adequate umbrella of strategic defense for our naval forces, requires control of the principal land-masses which define those oceans, the maritime choke-points most emphatically.

On this account, the economic development of those nations associated with all such land-masses, is of primary strategic importance for us. This policy is required not only because of considerations of material strength, but because effective cultural ties with those nations demand forms of development consistent with developing and maintaining an alliance based on a community of culturally-determined principled common interest.

Neo-malthusianism is intolerable to us in any part of the world, not only because it is a direct and profound threat to our vital material strategic interests, but because it enables the Soviet empire to flank and envelop us culturally, either through establishing Soviet influence in some locations, or merely by a cultural-political denial of strategically vital ground for us in other cases. In such a way, the Soviets gain increasing freedom of action in the world's ocean-regions and adjoining land-masses and choke-points.

This policy requires a shift of definition of U.S. foreign

economic interests, away from emphasis upon financial interest, to emphasis upon interest in growing, because self-expanding markets for our high-technology capital-goods exports.

We are forced to make such a shift now, in any case. The skyrocketing of the trade-deficit leaves us only two alternatives to merely accepting a continuation of this trend. Either we engage in ultimately futile, increasingly hostile Smoot-Hawley lunacies of trade war against our allies, or we reopen markets for capital goods among developing nations. We must emphasize capital goods, rather than household goods; it is our capital-goods industries which must be revived, as the cited six constraints indicate the reasons for this. Either we shift away from emphasis upon financial, to economic interest, or we collapse.

The possibility of sustaining deployment of strategic forces depends chiefly upon the level of infrastructural development of the land-masses bordering the world's principal oceans. This applies to our own direct requirements. It is essential to the development of the effective strategic capabilities of our friends and allies. The idea that we might, in case of war, deploy U.S.-based forces to some remote basing, is sheer lunacy today. War, were it to erupt, would be fought effectively only with forces as they are placed at the moment of outbreak of war. The remote basing of land, air, and naval forces requires that the United States earn assets in the local economies, through exports of valuable goods to these economies. This basing requires the development of the strategic potential of those local economies, whether or not those economies are military allies or merely friendly members of a community of principle.

Levels of development of military capabilities assumed, strategy is reduced essentially to a matter of principles of physical economy. First, there is an equivalence between technological levels of physical productivity and the mobility and firepower of military forces. Second, the depth of resources available to us is determined by the scale and productive power to produce physical goods per capita. Third, the cost of military capabilities is a matter of the cheapness of such capabilities enhanced through gains in productivity generally, and by the smallness of the percentage of total physical output represented by an adequate defense. Given the will to develop adequate qualities and quantities of military capabilities as such, the strategic conflict with the Soviet empire will be decided in the domains of economic technological attrition, scale of physical output of our own and allied forces, and rates at which we gain added margins of advantage in these matters.

The policy which the World Bank et al. have imposed upon Brazil, is to viewed as an exemplary case of an absolutely intolerable injury to the most vital geographic, material, and cultural strategic interests of the United States. This must be understood by professionals, and must be made clear to the relevant sections of the political command.

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## Will there be a 1987 summit meeting?

by Lyndon H. LaRouche, Jr.

*The following analysis was released by the presidential candidate on March 10.*

Fortunately, there are increasing signs that a "summit" agreement on the proposed "zero option" for European medium-range missiles may not occur during 1987.

During the past several days, high-ranking Soviet officials have indicated that Moscow may be pulling back from its promise of an early Reagan-Gorbachov summit. The public denunciations of the "zero option" by French government officials, have persisted over the weekend. High-ranking British circles seem to share the French estimation that Gorbachov's offer is both a fraud and grand strategic deception. The most recent public statements by Henry A. Kissinger, including his op-ed in the March 8 Sunday *Washington Post*, are most interesting signs of similar thinking within part of the Atlanticist establishment.

Our assessment of the likelihood of a 1987 summit must take into account a pattern of public statements on the state of the economy, including a most notable press conference given in Italy by David Rockefeller and leading Italian banking official Guido Carli. The pair joined in warning of a grave international economic situation. Their observations dovetail with a signal piece by Christopher Dunn, "The Grim Legacy of Reaganomics," in the Business and Finance section of the March 3 *Times* of London. Dunn echoes spreading sentiment among trans-Atlantic influentials, as he begins his article with the simple declarative sentence: "Reaganomics is dead."

The Reagan administration's over-eager drive to reach an "historic arms-control agreement" with Moscow, is being

viewed as an effort to get "Irangate" off the front pages, and to sidestep the growing issue of the economy. Secretary Gorbachov's launching of his grand strategic deception, although mainly directed at Soviet efforts to decouple West Germany strategically from the United States, is seen widely as Moscow's effort to exploit President Reagan's difficult domestic situation by offering the President the chance to go out of office with what some White House wishful thinking might regard as an "historic contribution to peace."

Over the past week, Moscow has become less optimistic about Mr. Reagan's ability to deliver at such a summit. Leading Soviet spokesmen hint at their suspicion that the President's "Irangate" problems may increase rapidly. Soviet leaders are also watching the signs suggesting that Mr. Reagan may soon be hit by the full political force of a perceived failure of "Reaganomics." The signs are, that Moscow is preparing to concentrate on its fall-back option, using the "zero-option" offer as a way of driving a wedge between the Bonn and U.S. governments.

The evidence suggests, that such Soviet estimates of Mr. Reagan's political vulnerabilities may be more or less accurate ones.

Gorbachov's offer to withdraw Soviet medium-range missiles from Eastern Europe to Russia itself, is pure fraud. Were these missiles to be pulled back to the Urals, their warheads would be aimed at targets in Western Europe just as effectively as they are at present. The only difference is, that these missiles would be out of target-range of U.S. medium-range missiles based in West Germany. Since Gorbachov did not propose to include Soviet short-range missiles,

his "zero option" means that an INF agreement of the sort Mr. Reagan appears disposed to accept, has no effect but to obliterate U.S., nuclear defenses in Europe, while increasing the Soviet capabilities in that theater.

The Washington chatter, stating that the United States will demand adequate verification of the Soviet pullback, is less than worthless. All that the U.S. could accomplish, with any amount of verification built into an INF agreement, is to verify that the Soviets have strengthened their attack-position against Western Europe, while the U.S. defense has been rendered virtually nonexistent. Not accidentally, Soviet high-ranking spokesmen have stated publicly their willingness to accede to the demands for verification.

It appears that a significant portion of the trans-Atlantic establishment has understood this curious Soviet logic. The liberal neo-isolationists, such as Senator Sam Nunn, appear willing enough to go along with the Moscow offer, but a sizable section of the Atlanticists, including Kissinger, are opposing the deal.

So far, Kissinger's arguments, in his *Newsweek* and *Washington Post* pieces, are more pragmatism than principle. Kissinger argues for a tougher bargaining position, suggesting that Mr. Reagan, like West Germany's Hans-Dietrich Genscher, may have gone too far, much too fast, in concessions to Gorbachov. Although Kissinger appears to have turned much tougher than he had been during recent years, his change in posture remains consistent with his past approaches to pragmatic "crisis management" methods.

Meanwhile, David Rockefeller appears to have adopted the view that the North-South issues popped to the surface by Brazil's debt moratorium, are more urgent than negotiating new offers with Moscow. Mr. Rockefeller did arrange his meeting with Brazil's Finance Minister Funaro in Rome, and did issue his statement on the economic situation during the period he was in Italy for that meeting. If the views of Messrs. Rockefeller and Kissinger coincide, as they often tend to do, the line emerging appears to be: Let's hold the line in Europe for the time being, while concentrating on the worsening economic crisis in the West generally. The echo of Kissinger's warnings in the influential *Frankfurt Allgemeine Zeitung's* lead editorial of March 10, and the spread of warnings about the worsening economic crisis, appear to show, at least, that the combined views of Kissinger and Rockefeller may represent a trend of thought within a sizable fraction of the trans-Atlantic liberal establishment.

Parallel estimates of the situation are surfacing among Mr. Kissinger's traditional, influential opponents. On economic issues, notables among traditionalist Democrats are expressing views not unlike those of Mr. Rockefeller and the *London Times's* Christopher Dunn. In all sections of the establishment, liberal and conservative, there appears to be a raging fight over the issues of proposed, alternative approaches to an economic situation which all seem to agree is turning disastrous.

If Mr. Reagan persists in defending the myth of a "Re-

aganomics prosperity," and attempts to use a prospective summit as a way of distracting attention from the issues of Irangate and the economy, his political support within the United States and Western Europe will fall to levels Mr. Nixon suffered during the spring of 1974. In that case, Mr. Reagan's stubbornness will find him like buckwheat in a windstorm. He can not cling to his present postures and not be broken by the political winds now building up around his administration. It couldn't happen to a nicer guy, but there you have it.

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*President Reagan can not cling to his present postures and not be broken by the political winds now building up around his administration. It couldn't happen to a nicer guy, but there you have it.*

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At the present rate, a sizable number of the Republicans will soon begin to distance themselves from the administration's foreign and economic policies, especially those worried about "running on the coattails of Herbert Hoover" in the 1988 elections. On both sides of the aisle, members of Congress are soon to be hit very hard by their constituents on the issues of the economy. The public is less and less sympathetic to the economic miracles of deregulation and budget-cutting; they are demanding that this terrible economic depression be stopped. That, and a growing fear of AIDS, will be the leading popular issues in the fall off-year elections.

The public, and increasing numbers of the politicians, will seek to use various available issues to hit the White House hard, as a reflection of growing popular rage against the President's futile, but stubborn clinging to "Reaganomics." In such a political atmosphere, the unresolved issues of Irangate are political dynamite.

The next 90 days are going to be most interesting times. Either the President scraps his present political tactics, and takes the lead both in cleaning out the "Irangate" mess and in showing willingness to face the failure of "Reaganomics," or he will be unable to reverse the rapid loss in confidence building up around the nation and the world. In this case, he will be politically on the ropes, vulnerable to every political blow thrown against him. By approximately May, or perhaps even earlier, these realities will be coming to a head.

Either way the President chooses to jump, I have a growing suspicion that his 1987 summit with Gorbachov might not take place.

# Europeans warn: Russian arms offer is 'new Munich'

*While Western governments are officially acclaiming Gorbachov's "zero-option" plan to remove nuclear missiles from Europe, a growing chorus of official and media criticism has arisen, particularly in Western Europe.*

## France

*France's Socialist President, François Mitterrand, in a statement released on March 4, cautiously welcomed the Soviet zero option, but emphasized that France's nuclear force will not be included. More caustic responses have come from the Gaullist RPR party, including Premier Chirac and other cabinet officials.*

**Premier Jacques Chirac, quoted by the daily Le Figaro March 5:**

The zero option should not be considered in and of itself, but must . . . take into account factors determining European security. . . . We cannot repeat too often, that the peril to our existence from the formidable nuclear, chemical, and conventional arsenal of the East directed toward us, must be seen in its totality, and not piece by piece. Given the superiority of the U.S.S.R. on the European continent, especially in conventional forces, the security of Western Europe will continue to demand, for a long time, a sufficient number of American nuclear weapons.

**French Foreign Trade Minister Michel Noir, in an interview with Paris-Match magazine published March 6 (Noir had returned recently from a trip to Moscow):**

This is the biggest publicity stunt and manipulation operation ever. It's a movie film, a show. The amazing thing, is that it seems to be working. The manipulation consists of selling the idea that the Soviet Union is becoming a country of the Rights of Man. They want to present an image of liberalization and tolerance, when the system is really not moving one inch. . . . It is therefore a vast camouflage operation. . . .

Gorbachov's strategy is clear: He wants to change Western opinion and governments, because he needs it. . . . This is the purpose of organizing in Moscow, by 1987, the meeting

of the human rights commission . . . which would be the greatest intellectual fraud! It would be worse than Munich! Can we imagine Westerners accepting this? What a victory for Gorbachov! It would mean that the Europeans were disappearing underground; it would mean they were selling their souls! I cannot believe it. I will fight against it, I will speak out and say that we must not be fooled, because the Soviet system is totalitarian.

**Jean-Marie Daillet, president of the defense commission of the UDF party and parliamentary deputy from La Manche, in an article in the daily Le Monde March 10, headlined "The Zero Option: Munich II?"**

[Daillet writes that the proposed zero-option deal is not part of a process of global disarmament, but would only have the effect of] rapidly aggravating the disequilibrium which is growing from year to year between West and East, to the regular rhythm of the quantitative and qualitative development of the Red Army on the ground, on the sea, in the air, and in space. . . . Are we deliberately closing our eyes to the expansionist political-military strategy of the Soviet system, which Mr. Gorbachov simply wants to modernize, without changing its overall nature nor objectives, defined 70 years ago by Lenin? . . .

All the skill of the new secretary-general of the Communist Party of the U.S.S.R., is intended to create a climate which anaesthetizes the West, and how better to do so than by returning to the West, the imprudent vocabulary that the West itself had invented? For journalists, and therefore for the public, "zero option" becomes synonymous with equitable nuclear disarmament, sought by the two parties. Just as the expression "Star Wars" has given an unpopular emblem to the idea of an anti-ballistic defense. . . . Mr. Gorbachov is successfully utilizing all the resources that can be offered to a clever communicator by the Western media, with the complicity—which he knew how to draw from, notably, at the "Forum for Peace"—of intellectuals, artists, and celebrated scientists, who sanctify him as a great reformer, if not a great liberal, and almost a democrat . . . a great pacifist.

One can ask oneself if America is not in the process of



dropping its guard. The same Ronald Reagan who had so well undertaken to redress the capacity of military defense of the Soviet Union, let himself be charmed at Reykjavik, to the point of accepting almost anything from his interlocutor. . . .

We understand that General Rogers, commandant of allied forces in Europe, criticized the disassociation of Euro-missiles from other subjects that need be debated, if one wishes to discuss disarmament.

Unfortunately, Lord Carrington, secretary-general of NATO, is holding to less firm words, which have won him plaudits from the TASS agency. . . .

**Former French ambassador to NATO François de Rose, in an article in *Le Figaro* March 9, titled "The Zero Option: A Grave Error":**

[Gorbachov is trying] "to lock Mr. Reagan and the West into the dead end in which they had placed themselves in 1983. . . .

[It was a] mistake to present that decision as a response to the need to balance the SS-20. We did not want to see that these Euromissiles were aimed at confronting the U.S.S.R. with the threat of being engaged on its own territory, in case of a conflict in Europe. . . . This threat of involvement of its own territory was obliging Moscow to respond against U.S. territory, thereby assuring the "coupling" between the defense of Europe and the U.S. strategic system. . . .

In that system, where everything is linked, withdrawing the Euromissiles would suppress an indispensable element of the chain, the one element which is the cornerstone of deterrence in Europe.

With the aggravating condition that, meanwhile, the Soviets have deployed in their satellite countries shorter-range weapons which have the same capability as the SS-20 to threaten most of Western Europe. . . .

## Great Britain

*The British government, while maintaining a cautiously optimistic public view of the zero option, is widely reported to be privately much more skeptical. The skepticism is reflected in heavy press criticism of the plan.*

**Article by columnist George Gail in the *London Sunday Mail* March 8, titled "Hold It, Cowboy: You Must Not Jump the Gun."**

[Ronald Reagan] has to confront a confident Mikhail Gorbachov apparently bearing gifts, and here lies the danger.

The temptation will be very great to redeem his Irangate mistakes and crown his Presidency with a disarmament deal with Russia. But is he up to it?

His ambition to be a peacemaker is noble, but his command of detail has always been slight. . . .

He will be no match for Gorbachov, who has already outflanked him by proposing a zero-option deal which NATO

foolishly advanced four years ago, never thinking the Russians would agree to it.

Nuclear disarming is politically tempting; but faced with the Soviet Union's overwhelming superiority in conventional forces, it is a dangerous game for the West to play.

Extreme caution and prudence is now called for. The last thing we want is President Reagan charging forward.

Whoa there, Silver!

**Editorial in the *Times of London* March 10, titled "Staying Above Zero":**

The "zero-option" had all the attraction of simplicity when it was put forward by the Americans in the autumn of 1981 as their objective for the arms talks in Geneva. As a public relations idea it looked fine. As a serious negotiating goal, it had drawbacks which were even then apparent. Those drawbacks have not gone away. . . . [The agreement] will still leave the Russians with a balance of advantage in shorter-range nuclear missiles of some 700 to 72.

[The Soviet SS-23, stationed in Eastern Europe and gradually replacing the Scud B] has a range of more than 300 miles, while the SS-22 can travel around 560 miles—enabling it to strike deeply into Western Europe (including most targets in England). . . . These are relatively small, highly mobile missiles, which could easily be moved back again, undetected by normal satellite surveillance. At best, this poses a major verification problem; at worst, an unresolved issue which would need to be removed before too long. And that will be more easily said than done, if only because NATO would have few bargaining chips left to play.

The fundamental difficulty raised by the zero-option, is that it over-simplifies an issue which in fact is very complex. In its present form, an agreement looks unwise. A zero-zero option, as presently envisaged, would remove the coupling of the American strategic deterrent to Europe, which the Pershing-2s and cruises briefly promised. At the same time, it would leave Western Europe exposed not only to Moscow's shorter-range nuclear missiles but to its vastly superior conventional forces.

As Mr. Shultz plans for next month's preparatory talks with Mr. Shevardnadze, Europe should make clear its misgivings. . . . Security is not well-founded on perceptions of good intent.

**Commentator Bernard Levin, in a *Times* column published March 9, entitled, "On Guard—Or Gorbachov Will Tickle You Red."**

So far, [Gorbachov's] behavior, announcements and decisions are perfectly consistent with his being a tyrant as ruthless and criminal as his predecessors, but more intelligent. . . . Russia's tragedy is that from 1964 to the accession of Gorbachov, she was ruled by men whose *combined* IQs ran clean off the scale on the minus side.

Arms control proposals; the pitiful parading of his wife

(the only First Lady of the Kremlin whose face doesn't look like a vegetable marrow that has been bombarded in a cyclotron for a fortnight); the sacking of a drunken blackguard like Grigori Romanov, and a good many sober blackguards as well; the homely references to God, and the careful references to Lenin; the unprecedented publication of news of disasters such as the ship that sank in the Black Sea; all these signs, and more, are congruent with both hypotheses—that Gorbachov is determined to free his country altogether from totalitarianism, and that he is determined only to modernize the country and the totalitarianism alike. . . .

It is overwhelmingly unlikely that Mr. Gorbachov is the man who has come to set his country free. But it is not impossible. What is essential for us, while we wait for more evidence (and we may have to wait a long time for evidence that is truly unambiguous) is *not to give him the benefit of the doubt*.

For the doubt is colossal, and the benefit he stands to gain even more so. . . .

I have watched too many of my own countrymen, these past few months and weeks, rolling over on their backs to have their stomachs tickled; it has been a sickening sight. The man who is doing the tickling is the heir to 70 years of slaughter and oppression, and it is very much too soon for any of us even to hope, let alone believe, that he is about to renounce his legacy. *Very much too soon*, and if we give him the benefit of the doubt before he has plainly earned it, it will be very much too late.

That evil empire has wished us harm for many decades, and done us a great deal of harm, too. That is nothing to the harm it has done to its own people, who have perished in their millions, and hungered . . . in their scores of millions. . . .

## **Federal Republic of Germany**

*The West German government has welcomed the zero-option plan, which Foreign Minister Hans-Dietrich Genscher called "a historic opportunity we cannot allow to pass." Defense Minister Manfred Wörner on March 8 said, "The zero option has been this government's policy aim since 1983." Chancellor Helmut Kohl, in a March 9 interview to the daily Bildzeitung, stressed that as soon as medium-range missiles are abolished, it is imperative that negotiations begin on reducing short-range missiles.*

**"Security—Built on Sand," the lead editorial in the daily Frankfurter Allgemeine Zeitung March 10:**

"A complete denuclearization," the article states, "would render Western Europe defenseless against the full thrust of the Warsaw Pact's conventional superiority." Recalling that NATO has always depended on nuclear weapons to compensate for its military deficit against the Warsaw Pact, the article concludes, "Now, everything is about to go under in the euphoria of the zero solution."

Portraying Gorbachov's "revolution" as "more words than deeds" and "sandy ground to build on," the article criticizes an arms-control policy that would sacrifice Western nuclear weapons "once and for all." This would maneuver the West into unilateral disarmament, from which there would be "no return."

## **United States**

*The U.S. administration's official response to Gorbachov's proposal has been overwhelmingly positive, as President Reagan on March 5 said, "I've never felt more optimistic about the prospects of success in this area than I do today." A battle is raging among policymaking elites, however, and the following two statements are typical of the increasing criticism of the proposal.*

**NATO Supreme Commander Gen. Bernard Rogers, in an interview with the Bonn daily Die Welt March 2 (Rogers is retiring from his post on June 30):**

We're hostages of our own argumentation. In 1981, everybody argued that the zero solution had to be accepted to calm down the opposition against rearmament. All of them jumped on this bandwagon, except some military men like us. Back then, I called that a political chess-game move, but from a military view, it gave me a stomach-ache. My view hasn't changed, since then.

Now, after Reykjavik and the possibility that the zero option will become a reality, I meet people in responsible positions, and they tell me: Good God, we cannot do that—look at the Soviet missiles with shorter range, and all the gaps in the conventional forces. . . .

With the zero solution, the West will not have anything left to pose a penalty on Soviet territory from Western Europe, except, perhaps, American aircraft and cruise missiles which belong to the strategic arsenals of the U.S.A. . . .

We have sold ourselves and our nations the idea that the isolated zero solution is the right way. Now, we've come to recognize the folly we've committed. But it is too late now. I don't see any among the leaders of our nations admitting having made a mistake. . . .

I won't place any bets on whether, one year from now, all of the 326,000 U.S. soldiers currently in Europe will still be here. . . . Once they begin with 100,000 soldiers, they'll soon pose the question, why not pull out more, and once the U.S.A. makes the first step, other nations will pull out their troops, too.

**Henry Kissinger, article published in the Washington Post on March 8:**

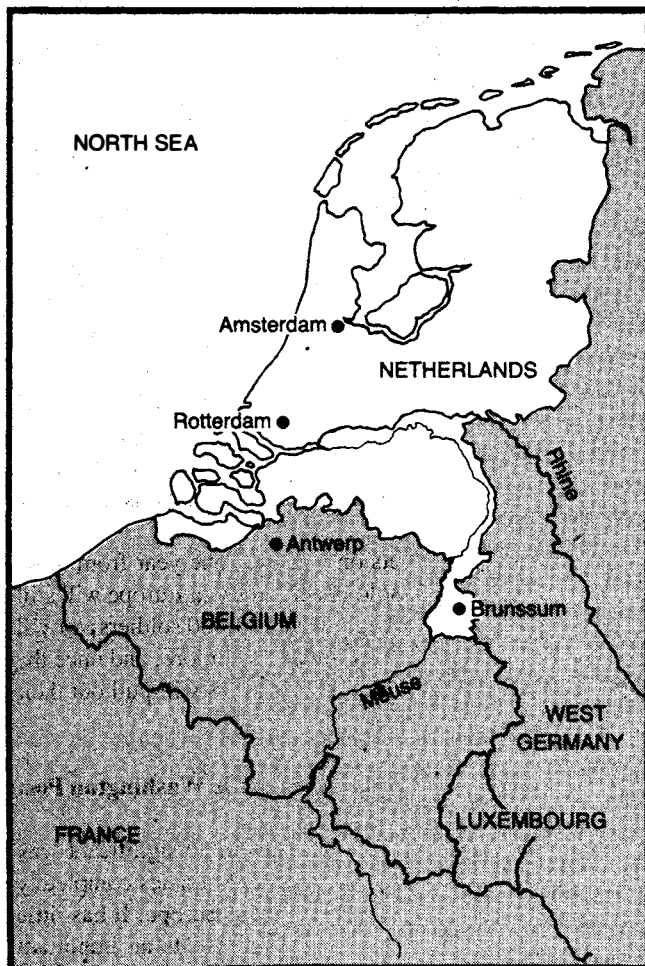
The so-called zero option reduces in no significant way the Soviet nuclear threat to Europe. It eliminates completely the American means of retaliating from Europe. It has little utility for arms control . . . [and] represents an important step in decoupling Europe from the United States politically.

# Dutch general warns of spetsnaz threat

by Dean Andromidas

A top former NATO officer, Lt. Gen. Gerard Berkhof of the Netherlands, has charged that Soviet spetsnaz and other military intelligence units were conducting major operations around one of NATO's most important facilities. The Feb. 21 issue of *De Telegraaf*, Holland's leading daily, reports that General Berkhof's charges the Soviets are preparing for the very war that "zero option" supporters on both sides of the Atlantic think they are avoiding by supporting Moscow's latest arms-control initiative.

## AFCENT countries



General Berkhof, one of the Netherlands' highest ranking officers, was dismissed three months ago from his position as chief of staff of NATO's Allied Forces Central Europe (AFCENT), the wartime command center for all NATO troops based in West Germany and the Benelux countries in the city of Brunssum in the southern region of the Netherlands bordering West Germany and Belgium. Although the official reason for his dismissal was his "personality conflict" with his commanding officer, Gen. Leopold Chalupa of the West German Army, closer to the truth was General Berkhof's concern with the tremendous vulnerability of AFCENT headquarters to attack by Soviet spetsnaz forces, the Red Army's elite troops trained to conduct sabotage, assassination, and terror behind allied lines. This threat involves not only Soviet and East bloc trucks, river barges, and other classic espionage means, but also interfaces with organized crime sex-and-drug networks used to penetrate one of the most sensitive of NATO's command centers.

In earlier interviews with several leading Dutch weeklies, General Berkhof said that he had been looking into Soviet plans to sabotage the headquarters by infiltrating spetsnaz troops into abandoned coal-mine tunnels, which cross underground no more than 10 meters beneath the base, and which can be entered from outside the perimeter of the base.

## Soviet first strike target

A glance at the map reveals that the city of Brunssum, located in the Dutch province of Limburg, commands a position at the very center of NATO's Central European Front and astride the major East-West corridor linking NATO's forces in West Germany with the ports of Rotterdam and Antwerp, NATO's main ports of entry for reinforcement and supply from the United States. The region has been of great strategic importance in every European war since Caesar's Roman legions built formidable fortifications in the region to protect the outer perimeter of the Empire, over 2,000 years ago.

Underscoring the region's potential as a first strike target in the Soviet war plan, and linking it to spetsnaz operations and terrorist attacks on the NATO communications and logistics network, General Berkhof stated: "Yes, Holland is directly involved. When bunkers are broken open, sending towers blown up, pipelines cut, that could all be incidents, but there is a thread which ties them together. Besides, the area of Limburg is very interesting for the enemy. There are numerous areas which would be considered in a first strike. It is also a natural corridor with great strategic worth, and has always been so. Once you're through here, the roads to the beaches in the west are open; from Boulogne to Kijduin [north coast of the Netherlands]. Moreover, the area is traversed by the big East-West super highway, from Antwerp to Venlo to Berlin; and half of all the truck freight of Europe is carried by Eastern Europe and we know that among the drivers there are spetsnaz, and that sometimes these trucks

are full-of listening and detection devices.”

It is a well-known fact that East bloc and Soviet trucking throughout Western Europe is routinely used as a cover by not only Warsaw Pact spetsnaz troops but also by Red Army tank commanders and armored personnell carrier drivers for surveillance of, and training in, the regions of Western Europe they would be fighting in under current Soviet war plans. The use of East bloc river barges, which freely navigate the dense network of rivers and canals throughout Western Europe for the same purposes, is also well known. Last year a Romanian truck, trailed by Dutch intelligence from the Dutch-West German border, took five days to traverse the 140 miles to the port of Rotterdam. Although under current international treaties such East-bloc traffic can be strictly regulated and confined to specific routes, no such action has been taken—despite the fact that such East bloc activity escalates sharply during NATO maneuvers.

### Drugs and subversion

In the *De Telegraaf* interview, General Berkhof goes even further, linking spetsnaz and other operations directly to Soviet drug-running, indeed pointing to how they intimately are linked up with other subversive activities. In spring 1986, a huge narcotics trafficking operation was cracked by Dutch and West German authorities. The network, involving nearly 100 individuals, including NATO military personnel, was running heroin from Southeast Asia and cocaine from Colombia into the Brunssum region, which was then distributed by a network encompassing both the military and civilian community in the Brunsum region and reaching as far as the headquarters of U.S. Army Europe in Heidelberg, West Germany!

Linking such drug operations to the celebrated *Kapitan Tomson* case, the Soviet ship which carried 220 kg of heroin from Afghanistan and was seized in the port of Rotterdam, General Berkhof charged: “In May 1986, the *Kapitan Tomson* shows up in Rotterdam. A few days later, the heroin is found. Nothing further is said and the ship is allowed to depart. Only three months later, on the 18th of August, this hit the front pages of *De Telegraaf*, and then the police spokesmen came forward with the amazing declaration: ‘The facts were right, but it was not clear that the captain, let alone the Soviet authorities, were aware of the situation’ . . . .”

“I think it is a little naive that this could come 5,000 km through the Soviet Union and that no one would know about it. I don’t know if the Soviet Union, by way of the KGB, deliberately uses drugs to destroy the ‘capitalist bloc,’ which I have from a British and an Italian source. I do know that career military men are an interesting target group for drug dealers: They have high salaries, relatively a lot of free time—and it is a fact that at Brunsum I bumped into significant drug deals.

“Imagine if you were a mafioso or KGB concerned with spreading drugs, what would you do? . . . Organize a coun-

try-and-western evening with some attractive girls from the Limburg sex parlors. Well now, such evenings are regularly held in the area surrounding Allied headquarters. I’m interested in *who* is organizing this, and if indeed you come out in Eastern Europe when you investigate this. . . . I don’t know, I’m only an investigator, and if no one else is going to do it, then I will try myself.

“The same holds true for the *Kapitan Tomson*. Two things are clear: A Dutch ship would have been locked up tight, but this ship was allowed to leave and the investigation stopped. The only people in Holland who have the power to do this are the politicians. But who? And why? I don’t know. But I would like to find out. And there are a lot of questions. Why does the Soviet Union want so badly to have a consulate in Rotterdam? Why does the Russian ‘Transworld Marine Agency’ want to buy a pier at Waalhaven [a section of the port of Rotterdam]?”

### The KGB’s 16th Directorate

General Berkhof told *De Telegraaf* how he worked to link the above to the so-called 16th Directorate of the KGB, which is responsible for developing plans for infiltration of various Western facilities via tunnels, a stratagem the North Vietnamese found devastatingly effective during the Vietnam War. The hypothesis had great credibility, given the fact that the Limburg region, extending well into the industrial Ruhr of West Germany, is the most extensive coal mining area in all of Western Europe. Many of the coal miners are of Polish origin.

He explained to the *De Telegraaf* journalist: “According to Western sources, there is a division of labor in the East bloc for this and Poland got the responsibility for the Netherlands.” Having found no information in NATO files, General Berkhof started his own investigation. “You get a hypothesis. You begin to look for indicators. And then you discover that in Greater Limburg, between the Ruhr and the Meuse river, from long before the war, there is a colony of two and a half million Poles. Many mineworkers from Silesia have long ago become naturalized Dutch citizens, but are still very much oriented to their own group. Through the Polish community, regular dance and sports clubs come from Poland, and what a coincidence, everyone in security knows that many spetsnaz have a cover in sports or dance groups. One day, I had the idea to photograph them all and send their pictures with a letter to the Polish embassies in all the NATO countries . . . but I was not allowed to do it.”

An independent investigation by *EIR* backed up General Berkhof’s leads. Representatives of the Polish ex-combatants’ associations, the leading Polish veterans organizations outside Poland, confirmed that the Polish embassy has used the Union of Polish Catholics to conduct a vigorous campaign in the Polish exile community not only to win support for the current Warsaw regime, but to cover for Warsaw Pact intelligence operations.

# Why Italy needs a Patriots' movement

by Lilliana Celani

The Italian weekly *L'Espresso* in its March 9 edition drew national attention to the formation of a new movement called the Patriots for Italy, which is dedicated to defending Italy from the Soviet threat, AIDS, and economic collapse. The movement was initiated in February with an open call to all Italians which appeared in the national economic daily *Italia Oggi* (see *EIR*'s "Report from Rome," March 6, 1987).

Quoting the founding statement's warning about the danger of the AIDS plague and of Soviet imperialism, *L'Espresso* writes that "to share these concerns and to sign the call in the name of the ideals of Dante, Leonardo, and Verdi, of the Christian heroism of Saint Francis and Saint Catherine of Siena, and of the noble political passion of the scientists and patriots around Cavour, were 50 people. Among them are some retired officers (including retired general Duilio Fanali, former chief of the defense staff, who was investigated during the Lockheed bribes scandal), and some Christian Democratic politicians (like parliamentarian Salvatore Meleleo and former senator Benedetto Todini, who is currently a provincial councilman)."

We asked several signers of the call why they decided to launch a patriotic movement at this time. Senator Todini, a member of the Christian Democratic party, replied: "I joined the Patriots for Italy, because I share their basic opposition to all imperialisms, and particularly against Soviet imperialism, which does not allow its own leaders to take into consideration the human dignity of other peoples."

Senator Todini does not believe in Gorbachov's so-called reforms: "If there is no renunciation of the basic Soviet ideology, then Gorbachov's reforms are only tactical. The Soviet political system, which has ruled until now with violence, will not change. Only deluded people can imagine that slight cosmetic changes can transform Soviet society. They have freed one scientist, because he was known all over the world, and because they needed to strengthen their regime, but what about the thousands still remaining in the mines, who are forbidden to see their relatives? When the Soviets officially announce an executive order saying that no one can be punished for what he thinks, then we will be able to speak about reforms."

Counterposed to the "ontological" nature of the Soviet

system "that Hegelian Marxism which says that the individual is subordinated to the State, and is only an instrument of the State," Senator Todini said, are those Christian values that made Western civilization possible. "The Christian conception of human dignity is that Man is the center of Creation, and that the State is worthy only if it acts for the common good. This concept has spread now to all of Western society, but at the time of Christ it was an atomic revolution." It is in the name of this concept that the Vatican Commission *Justitia et Pax* recently backed the developing countries against the IMF.

"Our brothers in Brazil, Peru, Argentina, Venezuela," said Fiorella Operto, chairwoman of the Schiller Institute in Italy and one of the signers of the Patriots' call, "should know that Italy is not only the Bank of Italy; there are important groups and institutions which are basing their actions on the pontifical letters *Populorum Progressio* and *Rerum Novarum*. Italy too is facing a bad problem of underdevelopment in the Mezzogiorno, and thanks to its historical, cultural links with Latin America, it is in a key position to explain to other industrialized countries how underdevelopment can be defeated. To be a patriot today means to support Latin America."

## No to the zero option

Another signer of the call was Giorgio Prinzi, an engineer and military expert for various Italian magazines, including the General Staff's publications, which have published his articles on Italy's role in the Strategic Defense Initiative (SDI), explained to me what would happen if Italy fell into Gorbachov's "zero option" trap. Using a typical Roman expression, Prinzi said that "Gorbachov's zero option is a *fregatura*, a public relations stunt, aimed at unilateral disarmament of the West in Europe. If the American missiles were withdrawn from Sigonella, the American base in Sicily, nothing could stop the Soviets from using Sicily and the Mediterranean as a logistical base in support of an attack on the ground in Central Europe."

As he wrote in *Rivista Marittima*, the magazine of the General Staff of the Italian Navy, in case of a conflict, the Soviets would first destroy the Italian industrial potential in the Pianura Padana, the northern industrial triangle of Milan, Turin, and Genoa. Then, with "a pincer attack, they would cut all Western naval communications, using their fleet in the Mediterranean, and gaining logistical bases not only in Yugoslavia, Albania, and Libya, but also directly in Sicily, with a blitz attack. They would not even need to conquer all Sicily, it would be enough to take over some airports and fortify them."

This vulnerability of Sicily probably has something to do with why many telephone calls of support came into the offices of the Patriots for Italy from Sicily. Sicilians still remember the Libyan missiles which hit Lampedusa Island, at the time of the American raid against Libya in April 1986.

# Is Moscow planning an Arab-Turkish war?

by Thierry Lalevée

New Kurdish guerrilla attacks against Turkey since the beginning of March are creating a new challenge for the Southern Flank of NATO, just as U.S. Defense Secretary Caspar Weinberger embarks on a tour of the region on March 13. Weinberger's itinerary includes Turkey, Italy, and Spain. Indicative of the rising tension, the Greek government of Premier Andreas Papandreu refused to receive him. On March 6, Papandreu warned that Greece would not renew the contracts of the U.S. bases, unless the United States "stopped its preferential military aid to Turkey." In Spain, Weinberger's visit will coincide with a heavy debate on whether the Spanish government should renew the contract for the American air base of Torrejon, near Madrid.

The Kurdish attacks, across Iraqi or Syrian territory, are not the usual harassment tactics, but represent a qualitative shift. On March 5, some 30 Turkish jet-bombers struck Kurdish bases within three miles of Iraqi territory. Officially this was in retaliation for a Feb. 22 guerrilla attack which had killed some 14 Turkish civilians. But it was also a preemptive move. Turkish military intelligence had received highly reliable reports that the Kurds were planning a March 21 all-out military assault, which would include strikes at military and civilian targets in Turkey, including construction projects at the Ata Turk Dam on the Euphrates. But despite the Turkish bombing runs, the Kurds have since launched two more attacks against agricultural settlements on March 6-7.

The perpetrators of these operations are a newly formed coalition of Kurdish organizations, including the Kurdish Workers' Party (PKK) of Abdullah Ocalan, based in Damascus; the Patriotic Union of Kurdistan (PUK) of Jalal Talabani, also from Damascus; and the Democratic Kurdish Party (DKP) of the Barzani brothers, headquartered in Teheran. Through an agreement signed earlier this year, the three are now sharing their training bases. The March 21 attack was expected to be a combined deployment, coinciding with Iran's New Year.

Despite promises made last year, Syria has enlarged its two military camps at Meyadin and Qashmilliye, for use by the PKK. These facilities are shared with Iranian Revolutionary Guards (*Pasdarans*) who, according to an earlier agreement with Teheran, are posted there to help protect the borders with Iraq.

Similarly, under the sponsorship of both Syria and Greece, the PKK, which is closely associated with the Popular Front for the Liberation of Palestine (PFLP) of George Habash, enlarged its operations in 1985 by creating a shadowy Kurdish Liberation Front in Athens. That bureau serves as a cover for coordination of activities between the PKK and the Armenian terrorist group ASALA. The PKK, which is under investigation in Sweden for a possible role in the February 1986 assassination of Prime Minister Olof Palme, has a long record of cooperation in Bulgarian-run drugs-for-arms deals.

## Moscow's game

Since the end of 1986, Soviet intelligence has been trying to scare Arab countries, warning that Turkey is out to take over the Iraqi oil fields around Kirkuk and Mossul, and re-establish some kind of "Ottoman Empire," merging its military might with oil and economic wealth. Intelligence sources believe that Moscow is toying with the idea of unleashing a Turkish-Arab conflict, aimed at destroying the Southern Flank of NATO, and strengthening the Soviet hand in the Middle East. Indicative of this was the transfer in February 1986 of the Soviet Southern Military Command from Tashkent to Baku. Initiated by the district's new commander, Gen. Mikhail Zaitsev, previously the commander of the Soviet forces in East Germany, the move is now considered proof that Moscow had already decided that the Turkish region would be the next area of conflict. Traditionally, Middle Eastern separatist organizations are directed out of Baku.

The latest Kurdish attacks could set the stage for a broader conflict. Turkey was able to retaliate against the guerrilla attack from Iraqi territory, because of the October 1984 agreement which allows it the right of "hot pursuit" within 10 miles of the border for three days, without requesting Baghdad's consent. However, the March 7 attacks were deliberately conducted from Syrian territory, since Ankara has no such agreement with Damascus. On March 8 and 9, the Turkish government issued two stern warnings to Damascus, not to allow such acts from its territory, but cautiously refrained from delivering any ultimatum. Then on March 10, a Syrian envoy was sent to Athens, reportedly to upgrade AS-ALA activities against Turkey. Both Iran and Libya proceeded to denounce "Turkish expansionism." Libya has supplied the Kurds with weapons and training for years, including the recent delivery of SAM-7 missiles.

Aware of Moscow's trap, Turkish leaders are expected to react cautiously, though there are domestic pressures for harsher retaliation. Some circles are talking about northern Iraq and northern Syria as "natural Turkish territories." Observers believe that Moscow may want to see the repeat of a 1957 precedent: Following several Kurdish strikes, Turkey intervened against Syria. The Soviets then mobilized their forces on the borders, to force a Turkish withdrawal. Such a move now could prove a test of the strength of the NATO alliance.

# The Venetian defectors' market: Gorbachov's grand deception

by David Goldman

*In a report for the Feb. 6 EIR, the author examined the case of Yuri Lyubimov's invitation to return to the Soviet Union, showing that Lyubimov's swing between East and West showed the underlying collaboration with the Venice-centered European cultural mafia, with the Dostoevskian group around Raisa Gorbachova and the Soviet Cultural Foundation. The following article, excerpted from a more complete account to be published soon in EIR's Special Report on Project Democracy, identifies the individuals in the West responsible for a grand deception operation against Western institutions during the past decade.*

In December 1977, the Venetian "Biennale" arts festival devoted its entire effort to "dissidence" in Eastern Europe. The affair brought protests from the Soviet ambassador to Italy, a prolonged wrangle over funding for the festival, and an international scandal. It also established the reputation of Venetian Count Carlo Ripa di Meana, then director of the Biennale, presently European Community Cultural Affairs Commissioner, and a former Communist Party member (until 1956), as the great European anti-communist; it further established Venice as the receiving-station for artistic defectors from the East bloc. Through Venice, Western intelligence services found themselves with a window on the Soviet *nomenklatura*, through the film directors, dancers, and musicians who defected to the West. Directly or indirectly, the Venetian channel brought about the defection of such stellar names as Yuri Lyubimov, theater director; Andreas Tarkovsky, film director; Oleg Bitov, cultural journalist and science-fiction translator; Mstislav Rostropovich, 'cellist and conductor.

The decision of these Soviet cultural figures to flee to the West was, at the time of their defection, heralded in the Western press as a major blow to Soviet prestige. However: Oleg Bitov, who dropped out of sight during the August 1983 "Biennale" film festival in Venice, and reappeared in the arms of British intelligence, is back at his job at *Literaturnaya Gazeta*; Andreas Tarkovsky died in Paris in December 1986, only to be eulogized in *Literaturnaya Gazeta* as a martyr to Soviet bureaucracy; Yuri Lyubimov, after being stripped of

his Soviet citizenship, has been invited back to his old job as director of the Taganka theater; and Rostropovich has been offered concerts in the Soviet Union, along with virtually the entire galaxy of Soviet artists now in the West.

The record indicates that Ripa di Meana sold Western intelligence services a lot of homing pigeons, now in various stages of return to Mother Russia. A narrow interpretation would view the entire business in the light of the October 1985 defection and re-defection of KGB official Vitaly Yurchenko, who apparently defected to American intelligence in Rome, and shortly afterwards, made his way to the Soviet embassy in Washington, and thence back home to Moscow, claiming that the CIA kidnaped and drugged him. The Yurchenko affair surfaced when Secretary of State George Shultz was in Moscow preparing the Reagan-Gorbachov summit meeting.

Although the homing of the defectors has become an important element in building the prestige of "reformer" Gorbachov, the Venice-centered operation has had a much more important, and deadly, purpose, than the mere playing-out of double agents: It is integral to the shaping of Western perceptions concerning the alleged cultural transformation of the Soviet Union. By giving credibility to a set of defectors, whose objection to the Soviet bureaucracy consisted of their criticism of the bureaucracy's lukewarm commitment to Dostoevskian Russian chauvinism, the Venetian operation has misled Western intelligence services concerning the underlying content of alleged Soviet "reforms."

Although the shenanigans associated with various of the defector cases are of more than passing importance, the Venetian program distorted the cultural perspective of Western government agencies, preparing over more than a decade, the farce of Gorbachov's "liberalization."

On the Italian side, the dissidents' market is directed by two groups, respectively, on the "secular" and "Catholic" sides. The first is Count Carlo Ripa di Meana's group inside the Italian Socialist Party; the second is the largest and most powerful Catholic lay organization in Italy, and a growing force in the Catholic Church elsewhere in the world: *Comunione e Liberazione* (Communion and Liberation), and its

political arm, the Movimento Popolare (Popular Movement). These are directed, respectively, by Don Luigi Giussani and European parliamentarian Roberto Formigoni.

Ripa di Meana, a jet-set social figure, is the creature of the old Venetian families who brought Volpi di Misurata to prominence three generations ago, and most particularly, of the Loredan and Foscari families. Two individuals exemplify the way the Venetian families work: Count Alvise Loredan, and Count Antonio Foscari. Loredan has Fascist political sympathies; indeed, he was among the founders of the European National Party in Venice in 1951, representing the neo-fascist Movimento Sociale Italiano. In intimate conversation, Loredan expresses contempt for the "poison of democracy," and predicts the collapse of all Western institutions, leading to a new era of spirituality beginning in the Soviet Union. Antonio Foscari, Loredan's intimate friend, went to the political left in Venice, developing such close associations as former Communist Party (PCI) deputy Massimo Cacciari, one of the "swing" figures between the PCI and the terrorist left. Foscari was a member of the Board of Overseers of the Biennale, at the time of Ripa di Meana's 1977 "Biennale of Dissent."

On the American side, the most prominent contact to Ripa di Meana and Formigoni, is former U.N. Ambassador Jeane Kirkpatrick, now a senior official of U.S. intelligence, as a member of the President's Foreign Intelligence Advisory Board (PFIAB). Kirkpatrick may be considered a charter member of the institutions at the heart of "Project Democracy"; she is a long-term member of the advisory board of the League for Industrial Democracy and a close collaborator of Carl Gershman's Social Democrats U.S.A. That is, she is a colleague of Ripa's in the Socialist International. In this capacity, she joined Sen. Daniel Moynihan (D-N.Y.) and the AFL-CIO in forming the Coalition for a Democratic Majority in 1972.

In November 1986, Kirkpatrick took part in the "human rights counter-conference" during the Conference on Security and Cooperation in Europe (CSCE) talks in Vienna. While Secretary of State Shultz met his Russian counterpart, Eduard Shevardnadze, Kirkpatrick, Yuri Lyubimov, and just-released dissidents Anatoly Shcharansky and Yuri Orlov, were at a rival conference sponsored by Ripa di Meana, Roberto Formigoni, and the Sakharov Institute. Within a month, physicist Andrei Sakharov was rehabilitated, and back at his old job making hydrogen bombs, and Lyubimov was negotiating his return.

### The Venetian window

*Corriere della Sera* reported Feb. 19 that at March 20-22 meetings, the Giorgio Cini Foundation would sponsor the principal East-West conference to evaluate the state of East-West cultural exchanges 10 years after the Helsinki accords. These follow an October meeting in Moscow between Italian and Soviet historians. The Cini meetings, *Corriere* says, will

do much to further the Gorbachov reforms.

Giorgio Cini, along with Italo Balbo and others, was one of a handful of leading Venetians who, under the leadership of Count Volpi di Misurata, led the Italian push eastward that culminated in the Sarajevo assassinations of 1914, and (through Gabriele D'Annunzio) controlled Benito Mussolini. These *nouveaux riches* reported to the old families, mainly Loredan, Foscari, and Marcello; descendants of these families still operate as an informal policy-making body, in conjunction with the Benedictine monks of the Monastery of the Island of San Giorgio Maggiore.

The present Count Loredan is an unreconstructed Volpi di Misurata fascist; he argues that the heyday of Venetian revival under Count Volpi, and the cultural cooperation of such figures as D'Annunzio and Malipiero, was undermined by the Allied victory in World War II, and the triumph of rotten democracy. Democracy is the root of all evil, he argues, since it pushes aside the true leaders, the men of talent; now the democratic order is collapsing in apocalyptic fashion, and the result will be a spiritual revival in both East and West. Loredan views the Soviet Empire as a new Byzantine Empire, and compares the Venetian role today to the mediating role of historical Venice between the Byzantine and Holy Roman Empires; he points out that his family was closely intermarried with the Byzantine imperial families. In Venice today, the ideological standard-bearers are not so much the old families as the Benedictines; the current abbot, Don Florian, is an old schoolmate of Loredan.

Venice had a special role, Loredan adds, with respect to developments now under way in the Soviet Union, reflected in the "liberal Soviet poet" Yevgeni Yevtushenko's regular visits to Venice, and particularly Yevtushenko's close friendship with Luigi Nono, another old schoolmate of Loredan. Yevtushenko, Loredan explained, was the principal "traveler" between Moscow and Venice, maintaining close personal ties with the Venetian cultural elite; since then, Yevtushenko has emerged as one of the leading spokesman (e.g., to *Newsweek* magazine) for Gorbachov's *glasnost*.

Soviet artists in general went into dissident status, and tended to merely imitate Western modernism, Loredan continues; but the Venetian festivals gave them a chance to measure themselves against their Western colleagues, and ultimately return to their true, Russian, spiritual roots.

From the Venetian standpoint, the cultural content of the "spiritual revival" in the East will determine the long-term content of the present trend in the Soviet Union. As Loredan noted, the Benedictines of San Giorgio Maggiore, whose monastery sits adjacent to the palatial headquarters of the Cini Foundation, are the long-term planners in the project. The member of the small group of monks responsible for music and related cultural projects, is Father Pellegrino Ernetti, also the national director of the St. Caecilia Association, the official Italian church-music organization. In this capacity, he is closely allied with Cardinal Agostino Casa-



roli, the Vatican's Secretary of State, against Joseph Cardinal Ratzinger, head of the Sacred Congregation of the Faith.

Ernetti argues that Russian culture, particularly in music, will replace the decadent culture of the West in coming years. Whereas Western musicians have failed to develop a coherent musical language, and modern Western music has splintered into innumerable contending, cacophonous factions, Russian musicians have strong cultural roots, which give them a common identity.

### Comunione e Liberazione

As noted, these are the circles who control the relatively upstart jet-set aristocrat Count Carlo Ripa di Meana; indeed, their privileged channels into the Soviet Union, provide Ripa with the stock-and-trade to sell to Western intelligence services.

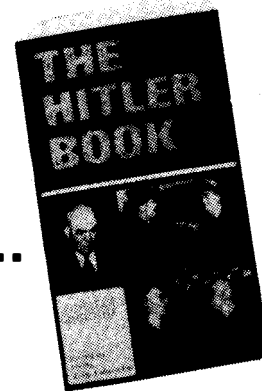
In Italian politics, Ripa's main ally in Eastern matters is the chief of Comunione e Liberazione's political front organization, Movimento Popolare, Roberto Formigoni. Formigoni, a European parliament deputy, works closely with Ripa through the Sakharov Institute. They organized the Nov. 1 intervention in Vienna in context of the CSCE talks, which Jeane Kirkpatrick attended, among others. That political tie is confirmed by both well-informed Venetian sources, as well as ranking officials of Comunione e Liberazione.

CL itself began a major operation to contact Christian and other dissidents in Eastern Europe in 1975, with the founding of the Centro Studi Europa Orientale, and the publication of its review, as well as numerous exchanges with Eastern Europe. The late defector Andreas Tarkovsky's participation in Movimento Popolare's annual August meeting in Rimini, starting in 1980, was only one expression of long-standing and continuous contacts.

Theologically, CL agrees with the "spiritual revival in the East" perspective which motivates the Loredans, Foscari, and the Venetian Benedictines. They believe in long-term rapprochement between the Catholic and Orthodox faiths, because while Protestantism emphasizes individual faith, Catholicism and Orthodoxy emphasize the collectivity, the *corpo* of communicants, the apostolic continuity, the tradition, liturgy, and so forth. Orthodoxy has certain major advantages, according to CL's national director, Maurizio Vitali since it has been "less secularized than Catholicism." Of course, there are theological differences, Vitali adds, but these are of less importance than the sociological similarities.

A major CL objective is to get the Pope to Moscow for the 1988 millenary celebration, in the service of Catholic-Orthodox rapprochement. That is still the subject of hot debate in Italy. During February, for example, the Russian weekly *Literaturnaya Gazeta* published an interview with Poland's Cardinal Glemp, the first interview with the Polish prelate ever released in any East bloc publication. The leading Italian daily *Corriere della Sera* portrayed this as an opening for the Pope to indeed come to Moscow.

## THE TRUTH ABOUT THE NAZI INTERNATIONAL



Then...

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## Book Review

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# The 'Toscanelli Project' factor in the Christopher Columbus story

by Mark Burdman

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**Christopher Columbus: The Grand Design**  
by Paolo Emilio Taviani  
Orbis Publishers, London, 1985 (Italian, 1974)  
£17.50, 573 pages.

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**Christopher Columbus, The Dream and the Obsession: A Biography**  
by Gianni Granzotto  
Collins Publishers, London, 1986 (Italian, 1984)  
£13.95, 300 pages.

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Two books that appeared in English-language editions during 1986, will hopefully reawaken interest in the "forgotten story" about how the continent we now call the Americas, was discovered, or actually rediscovered, in the late 15th century, even if the authors of these editions feel uncomfortable about the full implications of this "forgotten story."

Paolo Emilio Taviani is an Italian parliamentarian and former cabinet minister from Genoa who was, at the time of English-language publication of his study in 1985, chairman of the Foreign Affairs Committee of the Italian Senate; Gianni Granzotto was president of Italy's largest news agency until his death in 1985. Both books were originally issued in Italian.

The "forgotten story" has to do with the role of the scientists, artists, and philosophers of the 15th-century Golden Renaissance, including Nicolaus of Cusa, Enea Silvio Piccolomini, and, especially, Paolo dal Pozzo Toscanelli, in creating the circumstances which led to Columbus's famous trans-Atlantic expeditions, beginning in 1492, and continuing almost until his death in 1506. Although, for different reasons, both authors might object to the idea, the proof they offer in their books about the background to the Columbus expeditions, might well justify the suggestion, that the main 500th anniversary celebrations of the "Discovery of America," be held under the Dome of the great Cathedral of Flor-

ence, which was built by Toscanelli student Filippo Brunelleschi.

The issuance, in English, of the studies by Taviani and Granzotto, can be expected to be only the first couple, in what should become a flood of new books, reprints, monographs, gift volumes, and so on, between now and the 1992 festivities. As we look forward to this international extravaganza, especially we who are citizens of the United States of America, who celebrate the arrival of Columbus in America every Oct. 12, should ask ourselves the following question: How many of us, have ever heard of Paolo dal Pozzo Toscanelli? It would greatly surprise this writer, if a census of the American population would uncover more than a few thousand, who would reply in the affirmative. Columbus, by contrast, has become more than a household word: Countries, cities, towns, are named after him. The favored spaceship project of the European Space Agency is named after him.

This review is not meant to denigrate Columbus, or argue that his reputation is undeserved. After all, the image of Columbus making his perilous trip across the Atlantic, stirred a poet of the rank of Friedrich Schiller to write a poem, using Columbus to celebrate the strengthening of nature by genius. One of the U.S.A.'s early poet-politicians, Joel Barlow, wrote his epic poem, *Columbiad*, in honor of Columbus. Moreover, the story of Columbus could well stir the imagination of young children to become future space-colonizers, developing the courage to travel into distant and unknown regions—even if the actual Columbus, at least as represented in Granzotto's account, had some character traits that one would hardly regard as desirable.

In the usual commemorations of Columbus, the problem is more one of omission than commission, although the former must necessarily color the latter. As long as the responsibility of the great thinkers of the Florentine Renaissance for the discovery/rediscovery of America, in all its dimensions and beauty, is not widely known, then the human race is deprived of the historical, cultural, and scientific tools that are needed today, for creating the culture necessary for exploration of outer space.

The alert reader's understanding of this will be improved by reading the books of Granzotto and Taviani, even if both authors shrink away from the implications of their own historical proofs. In Taviani's book, the proofs are reinforced by an interesting array of illustrations, including maps, details of paintings, and the like.

### The 'Discovery of America' controversy

The 500th anniversary in 1992 of Columbus's first expedition, is enormously controversial. Of purely secondary importance is the matter of what we might call "patrimony," who should assume the mantle and honor, if not title, to the Americas. Spain, which sponsored Columbus's expeditions, and the Italian city of Genoa, where Columbus was born and whose bankers funded many of his activities throughout his life, have always been in peaceful and not-so-peaceful competition, while a bevy of other claimants (for example, in recent years, Israel, on the strength of a never-proven claim that Columbus was either Jewish, or of a family of converted Jews) is usually around, to put forward a claim. Some astute investigator, expert at uncovering the roots of political and historical intrigue, might even figure out the circumstances leading up to the February 1986 assassination of the then-living descendant of the original Christopher Columbus.

But the patrimony question is only a secondary, and less important, level of the controversy. The underlying issues are much more important, and are, from a negative standpoint, seen in the outrage expressed by individuals ranging from Fidel Castro to Henry Kissinger, about the "discovery of America." Castro went so far as to threaten, during Spanish Prime Minister Felipe González's state visit to Cuba last year, that he, Castro, would lead a large-scale international campaign against Spain, should it go ahead with plans for massive Columbus commemoration ceremonies leading up to and including 1992!

Castro charged that the only importance of Columbus's expedition, was that it led to genocide against Indian populations in the American hemisphere. Similar diatribes were published, during late 1984, in the magazine of the pro-Nazi Islamic-fundamentalist Ahmed Ben Bella. And, in the latter part of 1986, a group representing European regionalist-separatist movements in France, Spain, Italy, and Great Britain, announced that it would begin, long before 1992, to organize protest movements against the 500th anniversary celebrations.

Kissinger, in his 1950s *A World Restored* doctoral thesis celebrating the 1815 Congress of Vienna and the diplomacy of Austrian Count Metternich, commented with praise, on Metternich's contention, that it was the "discovery of America," that accounted, in large part, for the problems faced by the European aristocracy in the periods leading up to 1815.

Similarly, Granzotto presents examples, including a competition sponsored by the French Academy in 1792, for the best essay in response to the question, "Has the discovery

of America been helpful or harmful to humankind?" The winner of the contest claimed that the discovery of America was "dramatically destructive" in its moral consequences!

What unites this oddball coalition, against the "discovery of America"?

The answer to this question is partially, of course, that this oddball coalition shares hatred for a major *result* of the discovery/rediscovery, namely the American Revolution that happened on the continent that Columbus and friends "found." Without going into the heart of the matter in the brief space available here, the American Revolution was brought about by the republican elites of Europe, such as the group around John Milton in 17th-century Britain, who saw the "New World" across the seas, as the target-area for "republican colonization." These elites, in turn, were the continuation of the tradition of the 15th-century Golden Renaissance; there is a connection, understood negatively by those who own Kissinger, Castro, Ben Bella, et al., between the Golden Renaissance and the American Revolution, mediated by the Columbian expeditions, if the latter are properly understood.

Columbus's "discovery" was actually a "rediscovery." He was not, entirely, voyaging into the "unknown." The Columbus Project was one important product of the greatest project known to humanity, the Florentine-centered, but European-wide Renaissance. And, as "Renaissance" means being "reborn," an investigation of the Columbus Project shows that those, like Toscanelli, who caused his expedition to happen, were busy, for decades before the expeditions—even before Columbus was born!—regathering, reevaluating, recreating, and recomposing the evidence of great thinkers of time past, about "crossing the ocean," while making the breakthroughs in perspective, geography, cartography, navigation, astronomy, mathematics, painting, and so on, that would provide the body of knowledge for Columbus to embark on his adventure.

If anything, the "Columbus Project" was, fundamentally, a "Toscanelli Project," a historical fact which makes both Taviani and Granzotto quite uncomfortable, in the end.

### Toscanelli and Columbus

In an empirical sense, we will never have the answer, since almost all of Toscanelli's works, including but not exclusively, on geography, were, through one means or another, destroyed. Some knowledge of him is available in English-language studies of the Columbian expeditions, but the most thorough studies, by the Florentine historian Uzielli, were also crimped by this extraordinary "disappearance" of the writings of one of humanity's most important figures.

A full commemoration of the discovery/rediscovery of America, would have to take into account, three periods.

First, there would be the period 1418-20, when Toscanelli, Nicolaus of Cusa, and the future master of geometry and perspective, Leon Battista Alberti, were all young students in Padua. The seeds of the Renaissance, in significant

part, were planted there, at that time. Toscanelli's tutelage of Brunelleschi, in the necessary mathematical principles to build that glorious edifice to human creativity, the Dome of Florence Cathedral, is one manifestation of that Padua period, available for all, today, to see.

Second, there would be the Council of Florence, of 1438-43. Partial accounts of this appear in the Taviani and Granzotto studies, but a much fuller account is needed. Toscanelli and others spent hours, literally debriefing the delegation of Gemisthos Plethon from Byzantium, and travelers from different parts of the globe, recreating the geographical conceptions of the ancient Greek geographer Strabo, the geographical and geometrical conceptions of Plato, and so on. Certainly, in the milieu of the Council of Florence, the ancient idea of the "fourth continent" was re-awakened for the conscience of the 15th century. Even if Granzotto and Taviani stick with the more-common hypothesis, that Toscanelli was recreating the idea of an oceanic route to Asia—still a breathtaking idea, comparable to the conquest of space in this century—enough evidence has been compiled by collaborators of this reviewer, in published and unpublished studies, to provisionally prove that it was the "Fourth continent" idea, which actually catalyzed this circle.

The third moment would be, as Taviani writes, "perhaps at the bedside of the dying Cardinal Cusano" (Nicolaus of Cusa), ca. 1464. Taviani suggests that it was here that Toscanelli (the executor of the great Cusano's will) would have engaged in "long nocturnal discussions" with Portuguese Canon Martins, about the "astounding idea" of traversing the ocean, to reach "the Indies, where the Spice is produced."

This brings us close to the heart of the matter. On June 25, 1474, Taviani reports, a letter from Toscanelli reached Martins, "a confidant of the King of Portugal." The letter presented the case, as worked out by Toscanelli and friends, for the plausibility of crossing the ocean. According to Taviani, this letter reached Columbus in 1480—12 years before the ocean crossing!

To Taviani's credit, he spends a good deal of energy debunking the attempts of various historians to claim that the Toscanelli letter was somehow forged, perhaps by Columbus himself. One of the interesting points here, is that Columbus carried around a copy of that letter, re-written in his own handwriting, in the folds of his own copy of a book written by Enea Silvio Piccolomini of Siena, the man who became Pope Pius II, and who was another of the Cusan Golden Renaissance circle in Europe.

Granzotto reports that Portugal's Canon Fernando Martins had met Toscanelli—"one of the greatest scholars" of the time—and had reported on Toscanelli's ideas to Portuguese King Alfonso V, who, in turn, requested answers to certain thorny problems in geography and exploration. This request led to the 1474 Toscanelli letter to the King. Granzotto also reports speculation that Martins may have been a relative of Columbus. He writes: "It is quite likely that Mar-

tins himself, whose probable relative Columbus had become through marriage, allowed America's future discoverers to consult Toscanelli's papers under a pledge of secrecy. Columbus probably even copied them, since they can be found reproduced in detail on the flyleaves of his copy of Pope Piccolomini's *Historia rerum*, which Columbus took with him on all of his voyages, and which today is in the library of Seville."

Granzotto presents fascinating leads on the direct relation of Toscanelli's work to Columbus's expedition, but he has a peculiar hesitation to draw the right historical conclusions from these leads. For different reasons, the same might be said about Taviani.

### 'Inventing the future'

Because of what is, ultimately, a fallacy-of-composition fixation on Columbus as subject and not predicate of something much more gigantic and breathtaking, the reader cannot derive the right conclusions from reading this book at face-value. Again looking at Granzotto—whose book, in style, at its better points, has the pace and interest of a suspense-thriller, in contrast to the more-systematic, and often ponderous, all-points-covered-until-1492 thoroughness of Taviani—we note his coverage of Columbus's early life, in 1470s Lisbon, in which city an important and dense milieu of seafarers, geographers, etc., were significantly connected to Florence. Granzotto writes:

"Everyone who had anything to do with the sea—sailors, scientists, astronomers, merchants—was involved in a kind of hand-to-hand combat with the ocean. For them, too, the best was yet to come, for the world was beginning to break out of its age-old insularity and take to the sea. The Portuguese and the others living there were the first to believe that somewhere beyond the ocean, unknown lands existed. In Lisbon, this was all anyone talked about. It was the reason that maps were continually being remade and revised to conform to the new developments and discoveries made by cosmographers and navigators. What can be more contagious than excitement? Like flocks of birds in migration, some of the sharpest minds in the world—German, Italian, Jewish and Arab mathematicians, geographers, and scientists—gathered in Lisbon. They were inventing the future. And amid all this excitement, Columbus's own imagination thrived."

Indeed, a beautiful passage, with many a beautiful idea! Would that the history now be written, that deals with "inventing the future," as subject, in which the expedition which the authors see as "the immortal voyage," as perhaps the greatest discovery in the history of the human race, be shown to be the necessary product of one of history's greatest processes, the Renaissance—admittedly through the mediation of a hero, however flawed, like Columbus. Would that that history, would create new discoveries—and new Renaissances.

## Russians sweep Berlin Film Festival

*The "Berlinale," said Hollywood mogul Jack Valenti, "made possible what Reagan and Gorbachov were not able to make possible to date."*

Immediately after Moscow's International Peace Forum, Gorbachov's "new line" in the cinema world got top billing at the Berlin Film Festival (Feb. 20-March 3). Gleb Panfilov's film, *Thema*, won first prize, the Golden Bear, while the other two Soviet entries, *Farewell to Matyora* and *The Bells of Chernobyl* took honorable mention. Except for the American *Platoon* (awarded the Silver Bear), all three Russian films got by far the most coverage and publicity in West Germany, with lengthy promotional excerpts shown on German TV.

The theme of all three films was the sacred Russian soil. Panfilov's long-censored *Thema*, aside from expressing the need for more *glasnost* and "democratization" in the Soviet film world, dwelt heavily on the Dostoevskian "blood and soil" elements buried deep in the Russian psyche. The hero, a Moscow scriptwriter tired of living in a world of "passivity and lies," returns to the village of his youth to regain his Russian *dukhovnost* (spirituality). Here he plans to stage the Old Slavic epic *Song of Igor*. For inspiration, he visits the village cemetery and meets a gravedigger, a would-be author, who is seeking an exit visa to Israel. The Jewish writer argues that he'd rather feel homesick in Israel than live a life full of hate about "everything here." The message: Through Russian spirituality, the problems tormenting Russians and would-be émigrés can be solved.

Elem Klimov's *Farewell to Matyora*, is about a village on the Island of Matyora which is to be flooded by

a Siberian river in a hydroelectric construction project. On top of scenes where the village's age-old tree withstands the fire, symbolic for nature's triumph over technology, there is the scene of the old peasant woman Darya ("Matushka Rus"), who refuses to be evacuated. Digging her hands in the soil in the village cemetery, she cries: "My ancestors, my ancestors . . . so much suffering, so much pain . . . I don't want to leave."

The film is based on the novel by Valentin Rasputin, whose novels, according to Klimov, have all been read by Mikhail Gorbachov. First released under Yuri Andropov, it did much to prepare the shift three years later at Gorbachov's 27th Party Congress, where the costly "Project of the Century"—the Siberian River Diversion Project—was scrapped. Rasputin is a leading figure of the "Russian Party" school of writers called *derevenshchiki* (village prosaists), which launched the campaign against the River Diversion Project.

Interviewed in *Der Spiegel*, the 54-year-old Klimov, a communist party member since 1962, admitted his "close personal" ties to Gorbachov. Klimov, who gained notoriety for his earlier film *Agonia* depicting the mystic Rasputin as stemming from the "deep Russian soil," lost his "dissident" status when the "Russian Party" staged a coup inside the Soviet Film Makers' Union Congress in May 1986. Two-thirds of the Old Guard were ousted and Klimov was elected first secretary of the Union. The Film Makers Congress was graced by the

presence of Gorbachov and his propaganda chief Aleksander Yakovlev.

Klimov has since been put on Raisa Gorbachova's Soviet Culture Foundation staff and is leading the fight against the bureaucratic state film enterprise, Goskino. In a tribute at the Berlin Film Festival to his associate Andrei Tarkovsky, who died in exile last December, he declared that "revolutionary changes" are afoot in the U.S.S.R. The next big move for Klimov will be the July Moscow Film Festival, which he says will be "totally reorganized" to fit Gorbachov's new image.

*The Bells of Chernobyl*, which made its Western premiere in Berlin, starts with a mother recounting her son's farewell. "I'll dig the garden for you, mother. Don't try to do it yourself," he says before being buried beneath the melted-down wreck of the Block Four Chernobyl reactor. For certain Soviet "useful idiots" in the West like West German Green Party member Otto Schily, the film said "everything there was to say" about the "dangers" of nuclear power.

To the Soviet people, the Chernobyl film, depicting heroic military exploits, lives sacrificed to protect the "native soil," scenes of deserted villages and towns, and civilian refugees, evokes the image of World War II, and demonstrated Russian survival capability in case of nuclear war.

Klimov stayed for another few days in West Berlin to lead a "Klimov workshop" arranged at the Academy of Fine Arts (March 4-6) attended by German and Soviet artists and film makers. He was then admitted to the West Berlin Academy.

A Klimov associate at the Berlin Film Festival told *EIR* that the Golden Bear award was "symbolic" of the fact that "Europe and especially West Germany were taking Gorbachov's reforms seriously."

## Commander Hofsten sounds the alarm

*A Swedish officer warns that a Soviet attack is a real threat, even probable, and breaks with the country's "neutrality" taboos.*

**T**he Soviet Union is conducting advanced war preparations on our territory. I do not rule out the possibility of an isolated attack against Sweden. Completely without any forewarning and without any preceding crisis in Central Europe."

Those are the opening words of an interview with Navy Commander Hans von Hofsten, published on March 3 in *Sydsvenska Dagbladet*, a daily based in Malmö, southern Sweden. The harsh warning issued by an active officer and former chief commander of a destroyer, now the head of the Navy Staff's Nautical Department, has in effect added his professional weight to a campaign launched at the end of February by the Schiller Institute.

In a series of public forums throughout Sweden and a new mass-distribution pamphlet, "The Russian War Machine," the Schiller Institute has documented the Soviet military build-up, and called for Sweden to join the Western alliance, contribute to the U. S. Strategic Defensive Initiative (SDI), and to its European tactical (TDI) complement, as well as obtaining neutron weapons as the best defense against a Soviet invasion.

After an initial round of five campaign forums in southern Swedish towns, the regional daily *Småalänningen* on March 7 ran a full-page article, headlined, "The Schiller Institute: The Red Army is Being Built to Expand Soviet Territory." The daily described the new pamphlet, noting that Schiller Institute founder Helga Zepp-La-Rouche is now the chairman of a political party, Patriots for Germany.

Without directly commenting on the Schiller Institute campaign, Hofsten, in his March 3 interview, broke with Swedish "neutrality" protocol, naming the enemy:

"It is obvious that the Soviets are conducting energetic preparations for a surprise strike. . . . The underwater activity has been chiefly concentrated at Navy bases, the permanent facilities of the coastal artillery, the mined areas, and larger ports. One is interested in Air Force radar stations and is mapping their personnel. An investigation commissioned by the Commander-in-Chief, for example, showed that in the Östersund region, less than 3% of the population had been visited by Polish art salesmen. But 60% of those visited were Air Force pilots. This cannot be accidental."

Hofsten disagreed with official Swedish security policy, which assumes advance warning provided by a crisis situation in Central Europe:

"It is a Swedish and Western point of view that Sweden is interesting merely as a transit country in the event of a great European war. One forgets that the Soviet Union is conducting a long-term and aggressive foreign policy, characterized by successively moving its positions forward, as long as that can be done without engaging in open conflict with the main adversary.

"Through a sudden, well-prepared and broadly deployed sabotage operation . . . followed by occupation troops rapidly moved in from peacetime units, one can quickly get our

country under control. I can hardly believe that NATO would have the resolve and capacity to intervene fast enough, as long as the Soviet attack is limited to Sweden.

"An occupation of Sweden would give the Soviets significant strategic advantages. Norway cannot be defended. The Murmansk base will be well protected. The Soviet Union, in effect, would be on the Atlantic." Breaking another taboo of Swedish neutrality, Hofsten raised the issue of a Swedish alliance with the West:

"We have really only two alternatives. Either to join NATO or to organize our defense such that the threshold is increased. It does not necessarily have to mean more aircraft, vessels, and tanks. But we need a certain number of units permanently organized for war, chiefly from the Navy and the Air Force. Some form of standing alert, which reduces the probability of success of a surprise attack, and which can protect our mobilization."

Hofsten asserted that many senior officers share his professional view, but sometimes distrust his openness: "I have been obliged to make it clear that I am speaking as a private person and individual officer. But somebody must speak a clear language. Neither the authorities nor the Swedish people seem to realize what is happening. At any rate, nobody is prepared to take the consequences."

Speaking to journalists that same evening, Commander-in-Chief Bengt Gustafsson called for a new defense debate, saying, "Completely wrong issues have been discussed by the politicians," who have "not discussed defense goals with the Swedish people." Noting the inadequacy of the new defense bill, Gustafsson asked whether Sweden is expected to defeat a superpower tank assault on its southern plains.

## The strange great hurry in Bonn

*The new policy of the Kohl government toward Moscow carries some very high risks.*

**I**t is certainly true that many in Bonn are afraid of a future without U.S. nuclear weapons in Western Europe, that many are concerned about the dramatic increase of military might on the Red Army side, once the U.S. missiles are pulled out. But not even the so-called conservatives in West Germany raise their voice anymore, when reservation and skepticism would be an adequate response to Gorbachov's diplomatic overtures.

Instead, so-called "historic opportunities" get a higher rating than strategic facts in Bonn. The most shocking example of this new outlook was given on March 4, when Franz Josef Strauss, the conservative politician with the most pro-American image in Germany, welcomed Gorbachov's reform policy (of making the Soviet military sector more efficient) as "a new springtime for Europe and mankind." Strauss saw a "great historic opportunity" in Gorbachov's reforms—namely, German reunification. Strauss's remarks underline the degree of strategic disorientation ruling Bonn these days.

Many Bonn officials believe that once the missiles are gone, U.S. troops will soon follow. Deals with Moscow gain, therefore, the weight of safety contracts "in case of U.S. withdrawal." But the Red Army has never respected any contracts; at best, agreements between Bonn and Moscow under conditions of anticipated U.S. withdrawal from Europe are a "bad deal."

The idea that an orderly reunification of the two Germans could be

peacefully arranged between Moscow and Bonn, indicates the disorientation among West German diplomats. It is like turning the clock back to March 1952, when Josef Stalin offered reunification to Bonn, if it stayed out of NATO and the alliance with the Americans. Now, with the zero option, U.S. troop withdrawal and a dim future for NATO in Europe on the horizon, Bonn's diplomats dwell on dangerous nostalgic memories of Stalin's 1952 offer.

Exactly such reunification schemes are systematically circulated by Moscow's diplomats in Bonn these days. While reunification is not very likely, Soviet and East German control of German policy in Bonn is definitely increasing.

There must be more behind this rapid collapse of Western positions in Bonn than just the combined effect of appeasement vis-à-vis Moscow, anticipation of U.S. disengagement and dreams of German reunification. Whence comes this peculiar interest and hurry in reaching a strategic understanding with Gorbachov?

The key to the problem may be found in Irangate, its effects on the whole Eastern Establishment of the United States, and the effects on the many junior partners of that same establishment in the foreign policy departments of the West. As a matter of fact, the "foreign policy" of the Bonn government has, as long as there has been a foreign ministry in Bonn for the past 32 years, depended on tips and leaks from the Eastern Establishment. Anything that hurts the Eastern

Establishment, automatically also hurts what is called "foreign policy" in Bonn.

The other dominating element of foreign policy in Bonn, and especially so since the beginning of the first phase of détente—Ostpolitik—in the mid-1960s, has been the good or bad will of Moscow, the Red Army, that is. Since West Germany's first postwar chancellor, Konrad Adenauer, a staunch pro-Western conservative Catholic, left office in 1963, there has been no independent foreign policy impulse from Bonn. Virtually one hour after Adenauer left office, foreign policy in Bonn was under the total control of McGeorge Bundy, Robert McNamara, and Henry Kissinger. There has been no such thing as "West German foreign policy" in Bonn since 1963.

With Irangate shaking up the Eastern Establishment in the United States, Bonn's foreign policy—currently impersonated by Hans D. Genscher—turns to Moscow as to a life-saver. Reassurance agreements are sought, before West German heads roll in Irangate.

Take the case of deputy foreign minister Jürgen Möllemann, who was in charge of most of the Libya-Iran contacts in Genscher's foreign ministry. He was just appointed minister of public education; this is viewed as equivalent to demotion. Möllemann, probably the most exposed politician on the German side of Irangate, is the first casualty inside the Bonn government. Before the envisaged dangerous deals with Moscow are actually signed, some more prominent heads in the Bonn foreign policy establishment may roll, indeed. And for Gorbachov, it may even appear too risky to sign deals with such dead ducks. The strange great hurry in Bonn has a reason: It is a race for time against Irangate.

## Ledeen's Spanish connection

*The González government is intimately tied into the networks now being exposed in the U.S. Iran-Contra affair.*

Many people here these days have become quite sensitive to the name "Michael Ledeen." Israeli, Italian, and American political figures are also sensitive to that name. Why should Spain be different?

Ledeen, of course, is the exposed "secretary of state" in what the U.S. Senate Intelligence Committee, upon close study of Lt. Col. Oliver North's diversion of Iranian arms-sale proceeds to the Contras, identified as a "parallel government" in the United States, responsible for arming Iran—actually, although the committee did not say so, for bringing Khomeini to power in the first place—for illicit arming and funding of the Contras, and a hundred other dirty operations of which the world public is only now dimly aware.

Among them: In Italy, Ledeen is implicated in the operations of the outlawed Propaganda-2 Freemasonic lodge, its drug-running, gun-running, and plotting of terrorism and coups. He is about to be implicated in the 1980 Bologna train station bombing that killed 83. He was involved in P-2's takeover of the Italian intelligence services (SISMI), in particular, the positioning of one Francesco Pazienza as head of a "parallel SISMI," at the time of the Bologna atrocity.

Pazienza, behind bars awaiting trial in connection with the Bologna massacre, promises to tell all, and on his lips are the names "Ledeen" and "Haig," the former U.S. secretary of state to whom Ledeen was a "part-time adviser."

In Israel, Ledeen is implicated in

an "Armageddon" plot to destroy the Dome of the Rock mosque, second holiest site of Islam, to rebuild "Solomon's Temple" atop Temple Mount in Jerusalem—in the process bringing to power Ariel Sharon's faction, the Israeli grouping so active in U.S. arming of Iran.

In the United States, Ledeen is implicated in recruiting convicted spy Jonathan Jay Pollard to the Israeli Mossad unit run by Sharon's "wet-works" specialist, "Dirty" Rafi Eytan, whence "false flag" agent Pollard stole U.S. secrets for trade to the Soviets by the Sharon-Eytan group.

Ledeen and Colonel North's Contra diversion schemes were conducted through fronts collectively known in the United States as "Project Democracy," an operation of the Second International's Social Democrats U.S.A.

What about Spain? Felipe González's Socialist International government ought to be pretty nervous by now.

Last December, *El Tiempo* magazine revealed that billionaire gun merchant Adnan Khashoggi had staged a "party" at his Marbella villa in June 1985. U.S. Ambassador to Italy Maxwell Rabb was there; so was Ledeen. Some special arrangements were made with attending Spanish Socialist figures, among them then-Mayor of Barcelona Narciso Serra, and his successor, Pascual Maragall.

Subsequently, some of the weapons Israel was shipping to Iran were shipped to Barcelona first, then on to the mullahs.

Serra later became defense minis-

ter to Felipe González.

Did the Spanish government, even Prime Minister González himself, know of such operations?

When one asks Ledeen what he thinks of González's government, he is said to boast that he "created" González's government. In truth, since González came to power, his Socialist Party has been doing to Spanish institutions what P-2 was doing to Italian institutions, taking them over via covert, "parallel" mechanisms.

For example, something very similar to the Pazienza operation in Italy now appears under way here. González's former personal secretary, Julio Feo, is now the secretary of the prime minister, a newly created position. Feo has been engaged in "reorganizing" the Spanish secret services, and has authored a plan to centralize all agencies under his post in the prime minister's office. One of Feo's men, Rodriguez Colorado, has been named chief of the national police. Feo, by the way, is not just a González man. He is a close personal friend of . . . Michael Ledeen. He was also once co-owner of a U.S. "public relations firm." His partner was Thomas Enders, the former U.S. secretary of state for inter-American affairs, who then became the U.S. ambassador to Madrid.

There's much more: Spain has been rocked by "left" and "right" terrorism, very much as the P-2 lodge orchestrated "left" and "right" terrorism in Italy. The identified terrorists are linked to their Italian counterparts. Unconfirmed source reports say Khashoggi is financing some implicated parties. The net effect has been to rally much support to González's government.

Perhaps it's time for an investigation?



## What's in a budget?

*An anti-climax to the scandal-mongers, the 1987-88 budget offends no one; nor does it break new ground.*

On Feb. 28, Prime Minister Rajiv Gandhi presented the budget for FY 1987-88 to the Indian Parliament. The most immediate result was the collapse of several weeks of bilious press speculation about the radical policy shift certainly signaled in V.P. Singh's "ouster" from the Finance Ministry. Rajiv Gandhi had asked Singh to take on the Defense portfolio, and he himself took over Finance, 33 days before the budget was presented, at the start of the recent Indo-Pakistani military eyeballing incident.

But like anywhere else, the budget is neither the problem nor the solution to economic difficulties; it only reflects the basic economic policy of the government. As such the 1987-88 budget followed the course laid down by the former finance minister in his 1985-86 budget and the Long-Term Fiscal Policy that followed in 1986.

Expenditure was set at the equivalent of \$50 billion at the prevailing exchange rate, with a projected deficit of about \$5 billion. The non-plan expenditure allocation, which consists of defense, interest payments, various subsidies, economic services, and so on, rose to about \$32.7 billion. Defense, the largest single item, will absorb \$12 billion this year for expansion and modernization—up by some 17%. New tax proposals were kept to a minimum and are expected to fetch an additional \$430 million in revenues.

The new budget has, however, put the government's money where its

mouth is in support of certain economic reform concepts. For example, the import duty on machinery and specialty steel has been reduced, while the domestic tax on selected luxury items has been raised. As a result, manufacturing will be given a boost, while prices of most basic household consumption items will be held down, and the 50-brands-of-toothpaste syndrome discouraged. Similarly, depreciation rates have been raised to speed up the modernization of plant and machinery.

Fiscal incentives have also been provided to channel savings into the housing sector, in chronic short supply. A housing finance bank has been set up with an equity capital of \$80 million to promote housing construction at the local and regional level. Both education and the Integrated Rural Development Fund have received a significant budgetary boost for the coming year. One of the rural employment program's primary tasks is schoolhouse construction.

Two days before the budget was submitted, the Finance Ministry presented its *Economic Survey, 1986-87*. The survey shows an estimated 4.5-5.0% growth in GNP, with a 1% increase in agricultural production and 6.4% growth in industrial productivity. According to the survey, management of infrastructure was better last year than the year before, but foreign exchange reserves, including gold and SDRs, dropped by \$630 million to \$5.9 billion. Wholesale prices are expected

to rise by 5.9% against the rate of 3.8% in FY 1985-86, and, according to the survey, the deficit for the year could reach as high as \$5.8 billion.

Prime Minister Gandhi has described the overall indicators as "highly encouraging." Indeed, he had returned the industrial production index, newly overhauled to include sectors like oil, electronics, and small-scale industries, for rechecking, because it showed such a high rate! But most observers shy from such optimism. In particular, there is concern about the growing extent of waste in government expenditures.

The main focus of the problem is the various public sector enterprises. As the survey documents, in the past year, the public enterprises, which enjoy an absolute monopoly in most of the poorer industrial sectors, earn less than \$1 billion in profits—a mere 2% return on less than \$42 billion worth of investment.

Rajiv Gandhi is by no means unaware of this problem. But it is clear that, so far, his and other government officials' lectures on the need to increase productivity or to introduce efficiency in management have failed to register. Public money in the large schemes continues to be wasted and the country continues to suffer from the lack of reinvestable surplus and general economic betterment.

This is the only context in which histrionics in the press over the size of the budget deficit—which included the front-page "scoop" that Planning Commission member Raja Chelliah was in Washington meeting with the IMF to secure a new loan, a report quickly termed baseless by the government—has had any validity. Deficits, even sharply escalating deficits, are no problem as long as they are paced by leaps in real economic surplus generation in the basic economy.

# International Intelligence

## **Will France deploy the neutron bomb?**

The neutron bomb, which has been developed but not deployed by France, may well be deployed, given the possibility that NATO will accept Mikhail Gorbachov's "zero option" proposal—the removal of U.S. missiles from Europe—and that U.S. troops may also be pulled out.

The RPR Party ("Gaullist") of Premier Jacques Chirac is now supporting the neutron bomb's deployment, according to party spokesman Frank Borotra. Speaking to the press in Paris on March 6, he stressed the importance of the Western countries reinforcing their military potential in case of a U.S. withdrawal. "The neutron bomb is one of the conventional rebalancing elements," he said.

The neutron bomb is an anti-personnel weapon, capable of being fired in conventional artillery shells. It has been described as doing on the ground what the American Strategic Defense Initiative and related European programs are projected to do in the air against Soviet missiles. No ground forces could withstand the effects of neutron bombardment. As a defensive weapon, it would provide European nations with a means of halting a Soviet armored assault dead in its tracks.

## **Prove French-German terrorist coordination**

French and German terrorists coordinated assassination and bomb attacks, say French police who seized documents during the late February raid on a safehouse of the Direct Action group near Orleans, France. The documents confirm that Direct Action worked with the West German RAF group in the assassination of French Gen. René Audran and German industrialist Ernst Zimmermann in January 1985.

Direct Action and RAF also coordinated the bomb attack on the Rhine-Main U.S. Air

Base in Frankfurt, on Aug. 7, 1985.

Radio station Europe 1 reported that police also secured terrorist letters "explaining" the murder of Siemens Corporation manager Karl-Heinz Beckurts and Bonn government official Gerold von Braunmühl in the summer of 1986.

## **Swedish arms merchant resigns**

Martin Adabo, managing director of Sweden's biggest munitions maker, Bofors, resigned March 7, near the end of an investigation into whether the company had smuggled arms to Iran.

Officials at the Iranian Embassy in Stockholm told a news conference that no Swedish weapons had entered Iran since a ban was imposed in 1978. The London-based Institute for Strategic Studies, *Jane's Defence Weekly*, and the journal *Military Balance* have all begged to differ. All say that Swedish arms are being used by Iran in the Persian Gulf war.

Prime Minister Ingvar Carlsson has denied any knowledge of arms trade with Iran. *Svenska Dagbladet*, Sweden's leading daily, questioned whether Swedish politicians could have been ignorant of the deals: "Some government minister at some time must have wondered why Singapore needed so many missiles for its own use."

A recent *New York Times* article linked Sweden's arms sales to Iran and the murder of Prime Minister Olof Palme in February 1986.

## **South African minister warns of explosion**

Willem de Klerk, South African minister of national education, warned that "the pot would explode" if government apartheid and electoral policies were not changed.

Speaking in mid-March at a closed National Party meeting in Pretoria, he is reported to have said that it was no longer

tenable for a white minority to rule over a black majority. A more conservative government, de Klerk said, might "possibly keep the lid on the pot for another five years. But after that, the pot will explode and blow us and our future into the air."

According to the Afrikaans newspaper *Beeld*, de Klerk also said that he had made an "earnest acknowledgement that that old system that had served well over decades no longer worked," and that decisive changes were required if "big trouble" was to be avoided. By the "old system," Klerk means the system whereby blacks were given the right to vote only in elections in the various homelands.

"After 14 years in Parliament, 9 of these years as a minister, I can tell you that we have tried hard to make this work. But we have now come to the realization that it cannot work. Our theory is on the rocks. People want a vote where they live."

## **Sweden airs Soviet propaganda film**

At 11 p.m. the evening of March 6, Swedish national television broadcast a 55-minute Soviet "docu-drama" on the February 1986 assassination of Swedish Premier Olof Palme. Television officials devoted five introductory minutes to telling viewers that the film is obvious Soviet propaganda and an example of how the Soviets try to use the Palme murder for their own propaganda purposes. They also said that the film reflects the new *glasnost* (openness) policy of the Gorbachov regime.

The film portrays *EIR* founder and presidential candidate Lyndon LaRouche as responsible for the assassination.

Its broadcast was delayed seven days and put on non-prime hours following a major flap over its airing, including U.S. Embassy "concern" that the propaganda nature of the film be made clear.

LaRouche had written Swedish television urging that it be shown, with a suitable "Soviet propaganda" disclaimer.

The broadcast was produced on orders

from the Soviet KGB, charged Soviet exile Stanislas Levchenko later, in an interview with Stockholm's leading Social Democrat daily, *Aftonbladet*. He said the Russians are using the assassination of Palme as an opportunity to spread disinformation.

## Japanese armed forces expanding rapidly

U.S. Assistant Defense Secretary Richard Armitage told a congressional panel Feb. 25 that the Soviet Pacific military build-up faces an expanding and sophisticated deterrent in Japan. The idea that "Japan is enjoying a free ride in defense," has become inaccurate, Armitage told the House Asia-Pacific Committee.

By 1990, under current plans, Japan will have 200 F-15s, and 100 F-4 jets, "more aircraft than the U.S. Air Force has in Japan, Korea, and the Philippines combined, and about as many tactical aircraft as we have in the continental United States," Armitage said.

The Japanese Maritime Self-Defense Force expects to have 60 destroyers and 100 P-3 anti-submarine planes "nearly three and five times as many as in the entire U.S. 7th Fleet" in the Pacific, he said.

"This increasingly sophisticated Japanese air defense and anti-submarine self-defense network, coupled with a credible U.S. nuclear umbrella, severely complicates Soviet military adventurism in the Pacific."

## Fear guerrilla, dope mob links

Officials in Guatemala and Ecuador fear a growing link between drug traffickers and guerrilla groups in their countries, according to a report released March 7 by a delegation of the U.S. House Foreign Affairs Committee that visited the two nations.

"There is increasing concern among host government officials in the countries visited at the links between narcotics traffickers and

insurgent groups," the report said.

Guatemalan military officials believe trafficking via neighboring Belize is helped by guerrillas, who are also guarding plantations and growing marijuana, the report said.

In Ecuador, officials are concerned over possible links between a guerrilla group, Alfaro Vive, and the narcotics trade, although substantive proof of this connection is not yet available, the report said. The officials said the Alfaro Vive has strong links to Colombia's leftist M-19 group, which is heavily involved in the drug trade.

## Colombian war on drugs suffers reverse

The March 5 decision of the Colombian Supreme Court to invalidate an executive decree placing drug trafficking cases in military courts is being denounced as a major set back to that country's war on drugs. Unidentified magistrates of the Superior Military Tribunal responded: "The position of this respectable tribunal surprises us, because the country, after 40 years, has lived under the rule of state of siege, and the governments have helped military penal justice."

More to the point was the secretary general of the Latin American Episcopal Conference, Bishop Dario Castrillón: "The Supreme Court is afraid." The Bogota daily *El Espectador* editorially lamented: "Now neither of the two justices [civilian or military] can punish the traffickers. . . . We are moving towards disintegration with our eyes open."

The Barco government had authorized military jurisdiction after civilian courts had clearly been bribed and terrorized into inaction against the drug mob.

One day after the Supreme Court ruling, leading "Medellín Cartel" cocaine trafficker Evaristo Porras was released by a civilian judge—for "lack of evidence." A military court had held him for two months awaiting extradition to Peru. An extradition petition was filed—but Porras was released.

● **BOTH FRANCE** and Chad are accusing the Sudanese government of allowing some 1,500 Libyan troops to use the Sudan's Darfour province to prepare a new offensive against Eastern Chad.

● **KEN KESEY'S** *One Flew Over the Cuckoo's Nest* will be published in the Soviet Union this summer, and the film based on the novel has been purchased by a Soviet agency. A play based on the novel has already premiered in Kiev.

● **CARDINAL JOSEF GLEMP** said March 8 that Poland and the Vatican will establish diplomatic ties soon—the first since World War II's end. Work to establish diplomatic ties "is advanced," Glomp said, on returning from a trip to Belgium, the Vatican, Germany, and the Ivory Coast. The Pope will arrive in Poland June 8 for an eight-city tour.

● **PIERREMESSMER**, a national assemblyman and once France's defense minister under de Gaulle, is organizing a classical music festival in 1988 in Lorraine, he announced March 5. The festival will include German and French musicians: Paul Badura-Skoda will play Beethoven's "Emperor" concerto, and Germans will perform Mozart's *Requiem*, Bach, Haydn, and Bellini. "This festival," he winked, "could well overshadow the presidential elections. . . ."

● **'ZBIGNIEW BRZEZINSKI** . . . was given treatment usually accorded only a Politburo member when the *Moscow News* published a full-scale interview with him," reported columnists Evans & Novak March 7. Although he "takes a hard line on the Soviet Union and its territorial and ideological depredations," say the columnists, "there was no censoring in the *Moscow News*."

## Parents revolt over U.S. AIDS policy

by Warren J. Hamerman

The first week in March 1987 will go down in history as a decisive turning point in the battle over AIDS public health policy.

On March 3, the U.S. Supreme Court announced a controversial decision that highly contagious and diseased school teachers, school cafeteria workers, and others in public workplaces receiving federal funding, can continue to work in those positions under protection of the "anti-discrimination" statutes protecting the handicapped, even if they suffer from deadly contagious diseases. The Supreme Court ruled, by a vote of 7-2, in the case of a Florida schoolteacher suffering from recurrent tuberculosis—a disease for decades classified as highly contagious under America's traditional state and local public health codes.

Homosexual rights activists, the American Civil Liberties Union, and numerous liberal congressmen immediately praised the decision as a historic precedent to argue for the courts to now rule that AIDS victims suffer a handicap and therefore cannot be removed from jobs requiring public funds, even if they pose a threat to the general public by being contagious with a 100% fatal disease.

### Battle erupts in Pilsen

Only two days after the highest court made its decision, a revolt erupted March 5 at Pilsen Community Academy, in the economically collapsed slums of Chicago's largely Hispanic Southwest Side, when parents and other local residents angrily protested a School Board decision to allow an AIDS-infected child to attend classes. Four days later, six protesters holding an informational picket line and anti-AIDS rally in front of the Pilsen Community Academy were brutally arrested and herded into police vans. Ernest Washington, a Democrat who ran for Chicago City Clerk in the city's Feb.

24 primary, was thrown to the ground, punched, and kicked before being taken to jail. Washington is a supporter of presidential candidate Lyndon LaRouche. Six others, including two mothers from Pilsen who are leaders of the group SANITY (Stop AIDS Now In This Year), were handcuffed and taken to police headquarters.

The Pilsen parents' revolt closely followed another AIDS policy battle in Chicago, when a physician with AIDS was reinstated to his medical position on the staff of Cook County Hospital, the citywide hospital for Chicago's poor, over the objections of the Cook County Board of Commissioners. The Cook County Hospital scandal was a major issue of the mayoral campaign of leading LaRouche Democrat, Sheila Jones.

Dr. John Grauerholz of *Executive Intelligence Review* magazine's Biological Holocaust Task Force, arrived in Chicago to hold a press conference and address Pilsen residents the day after the police tactical unit brutally shut down the anti-AIDS rally of the parents. He offered a packet of scientific evidence on AIDS—including a case study from Dusseldorf, West Germany, first printed in the British medical journal *Lancet*—documenting AIDS transmission from one child to another, which was widely reported in the Chicago media. The principal of the school and other key officials responsible for deciding to admit the child with AIDS to the Pilsen school, however, refused to meet or accept a briefing from Grauerholz.

Nonetheless, despite threats and intimidation, the numerous parents spent hours listening to presentations by Grauerholz, who is medical adviser to 1988 Democratic presidential candidate Lyndon H. LaRouche, Jr.

Meanwhile, telegrams of support poured in from civil rights activists, health professionals, teachers, parents, and clergymen, applauding the courage of the Pilsen organizers

and protesting the brutality used to prevent an open discussion of AIDS.

Said one telegram from Canada: "We understand [your] fight to be not a local issue, but an international fight on the highest moral level to ensure the fundamental rights of the healthy who are not yet infected and to protect the sanctity of human life against AIDS." Another, from religious and civil rights leaders, warned, "The nation, if necessary, will rise to the defense of the children and parents of this district. AIDS is not 'a civil rights issue.' It is an issue of life and death."

Many compared the brutal suppression of the truth to tactics used against civil rights organizers in Selma, Alabama during the 1960s, or to KGB beatings of Jewish dissidents in the streets of Moscow. "This will trigger an explosion of outrage and activity within the population against the lying cover-up and inaction of public officials to take necessary public health measures to stop this species-threatening pandemic," wrote a group of ministers, businessmen, and others from New England.

Telegrams also came from Europe, including from Dr. John Seale, member of the Royal College of Medicine in London, and from leading West German and French doctors, government health officials, and professionals.

## Political consequences

From the standpoint of millions of parents throughout the world, the right to protect their children from possible infection by a 100% lethal disease is the most fundamental right imaginable.

The battle that has broken out in Chicago represents a fight on the highest moral level. It is the cutting edge of the population's rage at the decayed institutions of government and the health establishment, from Italy to West Germany, from California to Iowa and New Hampshire. Such battles have erupted before, for example, in Queens, New York, in Florida, and in several towns in Italy. What is unique about the Pilsen situation is that parent and community leaders rallied around the banner of the LaRouche campaign to fight back, and this fact was widely broadcast to the citizens of Chicago through the media.

The parents of Pilsen have issued an appeal to all citizens on behalf of the civil rights of the children who are *not yet infected*. The sanctity of life is the primary aspect of all Judeo-Christian teaching. If parents do not have the right to protect their own children from a 100% lethal disease, then what rights do they have?

When Lyndon LaRouche announced his 1988 presidential campaign in October 1985, he stated that the next President would be determined by the eruption of a political earthquake on the AIDS issue. In the Pilsen district of Chicago, that earthquake is now erupting, led by parent activists and LaRouche presidential campaign workers at a school which is being forced to enroll AIDS-infected children.

## Supreme Court votes for viruses

The angry mood of American parents, in fact, was triggered by the decision by the Supreme Court which was seen by many as a "last straw." First, the President, the Congress, and local government refused to mobilize the nation against this deadly disease because they viewed the necessary budget expenditures as "cost prohibitive." Second, health and scientific authorities bent the truth in their public statements on the possible threats of transmission to the general population so as to justify the pre-arranged "low-budget" policy. Then, the Supreme Court issued a ruling which could serve to reverse 200 years of U.S. public health policy based on the Constitution's commitment to "protect the general welfare."

Until the appearance of the AIDS virus, U.S. public health policy had always sought to isolate a contagious carrier of a deadly disease as a first line of defense against disease, until a vaccine, treatment, and/or cure is found.

In a footnote to his majority opinion, Associate Justice William J. Brennan declined to determine whether the 1973 Anti-Discrimination of the Handicapped law protects AIDS carriers who do not suffer full-blown AIDS symptoms. But the footnote also said that the Reagan administration's argument that such AIDS carriers are not protected by the law "is misplaced in this case, because the handicap here, tuberculosis, gave rise both to a physical impairment and to contagiousness."

The majority opinion also reads: "Allowing discrimination based on the contagious effects of a physical impairment would be inconsistent with the basic purpose of Sec. 504, which is to ensure that handicapped individuals are not denied jobs or other benefits because of the prejudiced attitudes or the ignorance of others. . . . Few aspects of a handicap give rise to the same level of public fear and misapprehension as contagiousness. . . . The fact that some persons who have contagious diseases may pose a serious health threat to others under certain circumstances does not justify excluding from the coverage of the act all persons with actual or perceived contagious diseases."

In his dissenting opinion, Chief Justice William Rehnquist argued: ". . . From as early as 1796, Congress has legislated directly in the area of contagious diseases. Congress has also, however, left significant leeway to the states, which have enacted a myriad of public health statutes designed to protect against the introduction and spread of contagious diseases."

Despite the technical peculiarities of the case, the Supreme Court chose to act in the broadest terms in defiance of the U.S. Constitution's protection of the health and "general welfare" of our society. Therefore, the decision is seen as opening the door for protecting the rights of lethal and contagious viruses to propagate at will through the citizenry, over and above the rights of the human population at large to survive.



*A rally of the National Democratic Policy Committee outside the school in Chicago's Pilsen district which allowed a child exposed to AIDS to attend.*

## The Chicago child-murderers

by Lyndon H. LaRouche, Jr.

There are precisely five issues at the center of the fascist-like use of force against AIDS-protestors in the Pilsen district of Chicago:

- 1) It is a felonious homicide, for any person to inject another person with a lethal infection.
- 2) It is a felonious attempted homicide, for any person carrying a lethal infection, to willfully expose another person to his or her contagious infection.
- 3) It is a felonious attempted homicide, for any person to willfully cause persons to be exposed to carriers of a lethal infection.
- 4) Culpability in such acts exists whether or not the guilty party knows the nature of his act, if he or she should have known, or even merely suspected the possibility of the act being of that nature.
- 5) AIDS is a lethal infection, transmitted from infected to previously noninfected persons chiefly by means of various human secretions, either directly, or by such means as mechanical transmission by insect-bites.

The relevant school and municipal officials of the City of Chicago are therefore guilty of complicity in attempted mass child-murder. They are as guilty as any person who contrib-

uted to the establishment and perpetuation of the Nazi slave-labor system.

These facts are based on natural law—God's law as accessible to the knowledge of men and women. This law is higher authority than the judgment of any court, act of any legislative body, or ruling of any government official. No court decision, no enacted law, no ruling of any government official, exonerates anyone party to these kinds of crimes from full accountability for the crimes perpetrated.

It follows from this, that those who give aid to the perpetration of such crimes, are accessory to the crime of attempted homicide.

There are two fundamental issues of political philosophy involved in the criminal behavior of the Chicago officials involved.

**First**, a large section of our political establishment and government is guilty of the crime of hubris. They imagine themselves like the mythical gods of Greek Olympus, who believe that because they temporarily enjoy power, whatever they decide is the law, even if their supposed law is in defiance of the laws of nature and the Creator. "This is our policy," they insist, "and, therefore, it is the law."

The remedy for such tyranny is to remove such immoral tyrants from power.

**Second**, when the laws of Britain, which violated natural law, became oppressive to the founders of our republic, our republic affirmed natural law's superiority to the law of the British monarchy, in our Declaration of Independence. The establishment of a constitutional federal republic, consistent with that appeal to the authority of natural law, is the true law

of these United States. Whoever opposes that law, however high in nominal authority, is a usurper who must be expelled from office on elementary grounds of perjured oath to uphold the intent of our Constitution.

If the agencies of government do not awaken to the principles of natural law at issue in AIDS policy, and if they persist so in obliging our innocent citizens and their children to march like sheep into the slaughter-house of the AIDS infection, then our institutions of law nullify themselves, and popular anarchy and its consequences are fomented by those who have so violated the moral responsibilities of their office.

We are rapidly approaching the point, that if government fails to lawfully isolate the carriers of this lethal infection, the populace will feel compelled to take matters into its own hands, and to kill the suspected carriers, as a matter of simple self-defense. If this should occur, government has no one to blame but itself.

AIDS carriers have no right to spread their lethal infection to others. Their right is to be isolated, as is necessary, by such humane means as strike a balance between the rights of the noninfected and every person's right to be treated humanely.

Moreover, if it is determined, that homosexuality and the drug-culture are the principal channels through which a reservoir of AIDS carriers is being built up, then homosexual acts, prostitution, and the use of drugs for so-called "recreational" purposes, are major crimes in and of themselves. The time has come, when we must rid our nation, our law, of the myth of the right of the individual to engage in so-called "victimless crimes" of this sort.

It is almost wishful thinking, to imagine that a cure or vaccine for AIDS will be available as soon as five years ahead. If a serious effort is made, funding fundamental and related biological research on the scale of the Apollo space program, we might hope for, but could not reasonably promise, a cure earlier than 10 years. The only means of defense of the general public, until a vaccine or cure are generally available, is regular mass screening of the total population, and provision of suitable forms of isolation and adequate health care for those infected.

At the present doubling-rate in numbers of infected carriers, in 10 years, most of the U.S. population would be either infected or threatened by a high probability of becoming infected; that would be the situation without mass-screening and adequate measures of isolation. We do not know whether the present doubling-rate of the number of infected persons will be lower or higher over the coming years; we know only that that present estimate is the best guess available. We must act accordingly.

Let those who have attempted to intimidate parents, teachers, children, and others with fascist-like tyranny lately seen in Pilsen, examine their consciences accordingly. We would hope that they would recognize the awesome enormity of their crimes against humanity, and that they would repent, and join our side in the battle against this terrible infection.

## Pilsen parent calls on Pope for help

*The following letter was sent on March 12 to His Holiness John Paul II in the Vatican, and was released to the media by the author.*

Dear Holy Father:

I am a mother from the Pilsen District in the City of Chicago, U.S.A. I am writing this letter to you, Dear Holy Father, to appeal on behalf of our children, because the Chicago Board of Health and the Chicago School Board have ruled that a child with AIDS will be admitted to the Pilsen Academy elementary school.

Pilsen is a very poor Hispanic community. Our streets are overrun with drugs, gangs, and poverty. Much sickness and poverty are in our streets and homes. The hearts and minds of the parents of Pilsen are sick with pain, as we think somehow that we are a "forgotten people" in this land of so much potential wealth and goodness.

Many of our parents and grandparents have come to Chicago from places like Colombia, Argentina, Mexico, Peru, and Brazil in search for a better future for their future generations. We, too, wish the same for our children.

As Catholics, we have been taught that the sanctity of life is the guiding light in protecting our most precious gift from God . . . our children. For us, even though we are poor, we are very right, because of our children. It is for this belief, that our hearts are sick with worry over the ruling to place a child with this most deadly disease called AIDS in our school without our voices even being heard in the decision. Even now, the Chicago School Board has ruled that no parent can transfer their children from this school, if they should desire.

I ask, Dear Holy Father, is it right that mothers and fathers should be dragged through streets and handcuffed by Chicago policemen, because we dared to question the authorities? I ask, Dear Holy Father, is it right that a father should be severely beaten because he sought to defend the sanctity of life of the children of our city from this killing disease? I ask, Dear Holy Father, if parents do not have the right to defend the sanctity of life of their children, then what has happened to the institution of the family and the role of the parent?

It is for this reason, Dear Holy Father, that I appeal with my outstretched hands to you, across the Atlantic Ocean, in earnest prayer and hope that you will give us the strength to continue our fight for the progress and future of, not only our children, but all the children of this great world of ours.

Yours sincerely,  
Mrs. Aurelia Garza  
Concerned Parent of the Pilsen Community  
Chicago, Illinois

# The 'parallel government': the case of Theodore Shackley

by Criton Zoakos

The recently released report of the Tower Commission, as *EIR* reported in its cover story last week, is most notable for what it did not say, but merely indicated in documentary fashion. Most notable, the Commission was compelled to quote Lt. Col. Oliver North saying his logistical network for Iranian arms sales and arms and money supplies to the Contras, was the network of "Project Democracy," the name of a private network funded by the State Department to "promote democracy" around the world.

Among the frequent references in the report is the name of Theodore Shackley, a former CIA Deputy Director of Plans, i.e., covert operations, apparently reassigned to this private network in 1979 by Director of Central Intelligence Stansfield Turner. It appears that Shackley's role was crucial in the overall schemes popularly associated with North.

The Shackley references are important in the following sense: None of the seven specific occasions of arms shipments to Iran would have occurred without the mediation of National Security Council "part-time consultant" Michael Ledeen. The Tower report strongly suggests that Theodore Shackley was, at the very least, the person who initially created the connection between Ledeen, certain Israelis, and certain Iranians.

Here, let us review and attempt to verify numerous other reports and assertions respecting Shackley and his friends and partners in "Project Democracy," a network of private organizations executing U.S. foreign policy, which Sen. David Boren (D-Okla.) has termed "a parallel government."

## A cabal of covert operatives

According to the Tower Commission: "By November 1984, Iranians with connections to the Teheran government were indicating a connection between such weapons and the release of Americans kidnapped in Lebanon. Theodore Shackley, a former CIA officer, reported that, in a meeting in November 19-21, 1984, in Hamburg, West Germany, General Manucher Hashemi, former head of SAVAK's Department VIII (counterespionage), introduced him to Manucher Ghorbanifar. . . . In May, Shackley recalled discussing the hostage problem over lunch with Ledeen. Shackley

told him about his report on his November 1984 meeting with Ghorbanifar. Shackley remembered that Ledeen asked for a copy of the report. Ledeen said people in the government were interested in investigating the hostage question, and asked if Shackley could 'find out whatever that was as a channel, if it is still open.'"

Manucher Ghorbanifar became the middleman for Teheran in the weapons sales eventually arranged by Ledeen and the National Security Council.

There are other references to Shackley. The statements of various witnesses, including Shackley and Ledeen, to the committee were not under oath, and can be taken to be of uncertain veracity. But let us pull on the Shackley thread a little more, and see what unravels.

Theodore Shackley has been closely associated, for many years, with persons such as Richard Secord, Thomas Clines, and Albert Hakim, who supplied both the Iranians and the Nicaraguan Contras. For example, numerous corporations were used to finance the weapons transactions with Israel and Iran—all owned by persons long associated with Shackley, like Secord, Hakim, and Clines. Certain unconfirmed reports insist that, in the case of Southern Air Transport, Theodore Shackley is a covert owner-by-proxy. (In a letter to the editor of *EIR*, Shackley's attorney denied that his client is an owner, but remains silent on the question of ownership-by-proxy.)

In its March 9, 1987 issue, *Newsweek* characterized the group associated with Shackley variously as a "cabal of covert operators," its "own Central Intelligence Agency" with "globe-straddling logistics." In describing this network, *Newsweek* agrees with many other investigators, that the roots of this network, "can be traced back 25 years, to the CIA's plots against Fidel Castro and its secret war in Laos. . . ."

## A Vesco-Shackley connection?

The case of "fugitive financier" Robert Vesco, is one of the big skeletons in the CIA's closet, with significant implications for possible wrongdoings by former CIA Deputy Director for Plans Theodore Shackley. First of all, the Swiss-based companies which laundered funds for Lieutenant Colo-



nel North, companies controlled or owned by Shackley's long-time associates, are managed by one Willard I. Zucker, the one-time attorney for Robert Vesco, and a man described as "an undercover agent who plays a discreet role in Middle Eastern arrangements."

During 1971, when Robert Vesco was serving time inside a Swiss prison, the CIA, according to court records, intervened on Vesco's behalf, to win his release and establish him, as a fugitive from U.S. justice, in Costa Rica. The establishment of fugitive Vesco, first in the Bahamas, and then Costa Rica, occurred immediately after Theodore Shackley was appointed the CIA's Chief of Western Hemispheric Operations. In short, Shackley, *ex officio*, must have been the man who provided the protection that Vesco needed.

The Vesco-Shackley relation appears to continue later, around affairs involving Libya in 1977. At this time, Shackley established his elaborate "Terpil-and-Wilson" team of logistical support for Muammar Qaddafi. Simultaneously, Vesco was arranging for President Jimmy Carter's brother Billy to visit Libya.

During the 1978-79 period, the orbits of Vesco and Shackley intertwine in a fascinating way, through a series of intrigues involving both Latin America and the Middle East. Ed Wilson, a co-owner, with Secord, Hakim, Clines, and Shackley of the Egyptian-American Transport and Services Corporation (EATSCO), was about to be indicted when CIA Director Stansfield Turner eased Shackley out of the CIA, and into a shadowy world of "private business," in which Shackley thrives to this day. Meanwhile, during that period, the whereabouts of Vesco, expelled from Costa Rica in April 1978, become mysterious and virtually impossible to trace. Whatever Vesco was up to, it had very much to do with the Sandinista revolution.

Shackley's partner and CIA employee Edwin Wilson, during 1978, visited dictator Anastasio Somoza in Nicaragua and offered his and Shackley's "special services" for a certain price. It turned out to have been too high for Somoza. Another Shackley partner, "Chi Chi Quintero," from July 1979 onward, becomes the key supplier of the original Contra operations of defeated Somocista forces operating in Honduras. Quintero used the Orca Supply Company, which had been set up by Wilson.

During this period of transition in Nicaragua, Robert Vesco, expelled from Costa Rica, wanders between the Bahamas, Antigua, and, illegally, Costa Rica, with frequent disappearances for long stretches. Eventually, in the spring of 1982, he is spotted by Nicaraguan Contra leader Alfonso Robelo, as a "guest of honor" of the Sandinista government. Robelo at the time insisted that Vesco was operating as financial adviser to the Sandinista government; he also said that Vesco was a close collaborator of Fidel Castro. Other reports, popular among disgruntled Contra circles, but also verified by U.S. intelligence sources, point out that Daniel Ortega's 1977 visit to the Carter White House, was an indication that the Sandinista regime was placed in power by some faction

of the U.S. intelligence community. This suspicion has merit.

If the Sandinista revolution was steered by some U.S. agency, it would have to be the covert component of "Project Democracy," or whatever it was that Shackley was reassigned to by Turner back in 1979. Robert Vesco, the man once rescued from a Swiss prison by Shackley, must have had a central role in the eventual victory of the Sandinistas. In August 1985, U.S. Justice Department sources disclosed to the press that Robert Vesco was in Havana, Cuba, a guest of Fidel Castro. Cuban dictator Fidel Castro subsequently confirmed this: "The first time he came here he had nowhere to go and was being chased like crazy," Castro said. "He came and asked for medical assistance. And so he was told, 'If you want to live here, live here. If you want medical treatment, you will have it.'"

There was more to it than that: Vesco, Theodore Shackley's protégé, was supplying Castro with imports of machinery to modernize the Cuban economy.

### The Christic Institute lawsuit

A legal suit has currently been filed in the Southern District of Florida, in which Tony Avirgan and Martha Honey are the plaintiffs, and Shackley, Clines, Secord, Hakim, and Quintero are among 29 defendants accused of "racketeering activity carried out in connection with a drug and arms smuggling enterprise and other enterprises engaged in or affecting interstate and foreign commerce, in violation of state and federal law," and of "physically threatening, kidnapping, beating and murdering news sources," among other charges. This lawsuit was initiated during the summer of 1986, months before the Irangate scandal started.

On Dec. 12, 1986, the attorney for the plaintiffs, Daniel P. Sheehan of the Christic Institute, submitted an affidavit for the purpose of advancing the pre-trial investigation and of subpoenaing additional evidence. The picture there presented is that of a major combined business and political intelligence operation, beyond the control of any responsible governmental agency, and beyond any procedure of accountability. The style of activity of the defendants closely fits the various descriptions of what Project Democracy officials had at various times claimed their objectives were—a network of private organizations executing foreign policy.

Unfortunately, until recently, officials both from the Justice Department and FBI, including Justice's number-two, Stephen Trott, Assistant Attorney General Mark Richard, and FBI number-two Oliver "Buck" Revell, have interfered, attempting to derail or suppress due process, sometimes fraudulently arguing that "national security" interests were involved. All these officials were, in one way or another, associated with Lt. Col. Oliver North's "Restricted Inter-agency Group."

The case, hopefully, will be tried, and Shackley and his friends will either be exculpated or found guilty as charged. What is important, meanwhile, is that the case be litigated.

## 'My fight in court is for the rights of the citizens of the world'

*Dr. K.D. Sharma is a member of the International Commission to Stop Soviet-Style Human Rights Violations in the United States. He is a citizen of India, an economist, and a Sanskrit scholar.*

*Michael Billington has been a co-thinker of Lyndon H. LaRouche for over 15 years, and is currently part of the sales and fundraising staff for organizations associated with Mr. LaRouche in Leesburg, Virginia.*

*This interview/discussion was conducted on March 10, 1987, in Leesburg.*

**Sharma:** As a member of the International Commission to Stop Soviet-Style Human Rights Violations in the United States, I would like to ask you how long you have been associated with Mr. Lyndon LaRouche?

**Billington:** I first ran into Mr. LaRouche's publications when I was living in California in 1972, and almost immediately began a certain level of collaboration with him. I was teaching school in California in the public school system, and had already come up against the fact that it was virtually impossible to teach in a classroom in which half the children were smoking marijuana, and that the idea of trying to teach anything of substance was being replaced by the idea of a fun-and-games approach of keeping children entertained, a baby-sitting approach.

I had only recently come back from four years overseas, two years in South America, in Guyana, where I was teaching, and then two years in Thailand, where I taught and helped organize a government mathematics program for the secondary schools. I came back with the intent of pursuing a career in education, but I very rapidly found that it was nearly impossible in the conditions that were developing in the United States. I met LaRouche at that time.

**Sharma:** The reason I am interested in your interest in Mr. LaRouche, is because the kind of people now associated with Mr. LaRouche, and the number of people who support him, this kind of phenomenon cannot take place unless the man is

right and unless the issues he raises and the solutions he offers are also right. So what are these issues, and what are the solutions he offers which make some people very uncomfortable?

**Billington:** Probably the thing which has most captured the minds of the American population over the last seven or eight years, has been the fact that LaRouche and all of us collaborating with him began in the 1970s to go after the question of the drug epidemic. Very rapidly we found that the drug issue touched on everything that was going wrong in the world—the economy, the social collapse, the destruction of our Third World allies.

We published the book, *Dope, Inc.*, which immediately challenged every American and every person in the world to recognize that toleration of the drug epidemic would virtually guarantee that we would not have a civilization that could possibly deal with the crises facing mankind today, in part because of the actual destruction of millions of people who are taking the drugs, the destruction of their minds.

In the process of my organizing and fundraising for this organization, I began going directly after the question with everybody I talked with, that they personally could and must take on the drug issue, and if they did so, with us, without any qualms about naming the names, going after the people trying to legalize drugs or justify the international drug traffic, that this would indeed lead us right up against those people whose policies had brought us to the brink of this economic and social disaster. And, indeed, it has; which is why we've been so hated by those who have profited from and advocated a drug economy, rather than an economy based on human rights and the development of the creative powers of the minds of our citizens.

**Sharma:** In other words, these very people who became uncomfortable because of the issues raised by Mr. LaRouche, and in fact by the civilizing influence which Mr. LaRouche was exerting on the United States, these very people became the enemies of Mr. LaRouche.



NSIPS/Philip Ulanowsky

*Indian economist K.D. Sharma (right) talks with Michael Billington about the politically motivated attacks against him and other American associates of Lyndon LaRouche.*

**Billington:** Exactly.

**Sharma:** You have been arrested four times. Can you describe the various cases on which you were held and why?

**Billington:** I was arrested four times, on only three different charges. I was arrested twice on one charge. The first arrest was during the "Great Panty Raid" in Leesburg, on Oct. 6 of last year, when I was targeted along with several of the journalists for *EIR*. My indictment allegedly stemmed from my involvement in fundraising activity in Boston.

The subsequent charges, first from Missouri, which were all subsequently dropped, and then from Virginia, which led to the arrest on Feb. 17, along with many of my associates, stemmed from the attempt to classify the loans that have been taken by various organizations associated with LaRouche, not as political loans, as they are, and as everybody who has ever loaned money to these organizations knows they are, but as securities, as stocks and bonds.

Let me point out that the fact these cases emerged the way they did, was not a surprise to us. We know from documents we received through the Freedom of Information Act, that William Weld, the U.S. Attorney in Boston and now the head of the U.S. Justice Department Criminal Division, in February of 1986 had called a national meeting of people involved in his operation. He declared that they had been unable to get any kind of evidence to bring charges against us on a national conspiracy basis, and wanted to try to contrive some way of finding such charges. They encouraged other jurisdictions to find ways of shutting down our fundraising, particularly targeting loans. This was clearly instigated as an effort to find a way of prosecuting us, a clear case

of vindictive and selective prosecution.

When the case came down from Missouri, it was so outrageous, that it ultimately led to the complete dismissal of the case. They charged me with having traveled out to Missouri, a place I had never set foot in, in my entire life, four, five, six times, and meeting with a woman there, and getting her to give loans.

They then attempted to extradite me to Missouri. We put together a very, very powerful case, showing that in fact I'd never set foot in Missouri, and could not have carried out the crime I was being accused of. Just two days before we were to present this case in court, we received an affidavit from the woman who was the supposed victim of these crimes, who admitted that I had not been in the state on any of those days when we received the loans. In other words, the entire thing was put together without a witness, for the purpose of creating a national press campaign. Indeed, it was a front-page story in virtually every newspaper in the country, that there was some sort of fraud going on, criminality, that the funds being raised were based on illegalities, securities violations, and so forth, with pictures of me being arrested in handcuffs, and led away.

I was arrested from my home at midnight, dragged out of my bed and put in chains. There were pictures of this spread throughout the nation.

After a month of a mobilization of citizens throughout the world protesting this travesty, and the absolute refusal even to grant me bail for nearly a month, in a case which ultimately was completely dropped, these people were forced to admit that the case was a fraud from the beginning.

The other cases before us in Virginia and in Boston, I'm

not at total liberty to discuss, because the charges are still pending.

**Sharma:** These arrests at midnight and people being held without bail, are the conditions which we normally associate with the Soviet Union. I am shocked that the citizens of the United States would be subjected to this kind of treatment. When we learn of the U.S. in India, we learn that the United States is a country where life, liberty, freedom, and fundamental human rights are absolutely secure. They are sacred; nobody can touch them; they are inalienable.

When you give me this account of your experience with justice in the United States, I am horrified. I am sure there are many people like me, who would really be horrified and seriously disappointed with this situation.

Would you like to describe the conditions you experienced in jail. How did you use your time in jail?

**Billington:** There are two things I'd like to say on that. In the first arrest in October, all of us who were arrested were taken to the Fairfax, Virginia jail, a jail near Washington, D.C., which receives many of the people arrested in the Washington downtown area. We were subjected to what was a totally shocking experience for me, where for three days, people in that jail were thrown into a tiny 6 × 6 foot cell, with nothing but four cement walls. The lights are kept on for 24 hours a day. You lose all sense of time, in a row of such cells, where a majority of the people being brought in are there because they are on serious drugs.

It became immediately apparent to me that the jail system today is in a certain real sense a substitute for what in previous days would have been considered an insane asylum. So many of our youth have been literally turned psychotic, through use of mind-destroying drugs, that they are brought in, uncontrollable, because of their state of intoxication, and are put in these cells where they literally go crazy. People are screaming and yelling virtually 24 hours a day. We were subjected to over two days of listening to these pathetic souls screaming, with no response coming from anybody. There was no bed, nothing to sleep on but hard cement floors. Finally we were taken to a different part of the jail which had more basic amenities.

I learned subsequently that many federal cases are based on subjecting people arrested to such hideous conditions, that they can be forced into making a deal. Most of the cases never come to trial. It's absolutely the case that they expected to be able to get some of our people to "break," like they do most of the people they're going after, because they figure those in jail have all kinds of things they're trying to hide, and they can be manipulated and broken. What our enemies are finding about us, is that we are not so easily corrupted, that we're not going to lie simply to save our skins, in a situation in which we're being subjected to this kind of tyranny.

I was finally released on bail after three days, though my associates were not. It took us nearly three months of a battle

to get them released on bail.

My subsequent arrest and incarceration for a month in Loudoun County jail, did not have such severe conditions, and I was allowed a private cell, with the necessary reading material. I must say that I took the greatest possible advantage of a 3½ week period, in which, not able to do the work required of all of us to help save this country on a day-to-day basis, I thrust myself into the kind of intense and most joyful study of things that I'd been wanting to work on for years and years, and hadn't had the chance to do. I read all of Schiller's writings that I could get my hands on. Through inspiration from that and a great deal of John Milton's poems, finally, at the age of 41, I started writing poetry, and I'm extremely proud of the fact that I took the inspiration of tyranny and the freedom of our souls, which cannot be imprisoned, to finally turn my thoughts to poetry.

**Sharma:** The issue at stake is not your personal relief, but the more important and vital issue of culture, which Mr. LaRouche stands for. One thing which really bothers me, after hearing of your experience, is that nowhere in the world are loans to a political organization considered as securities. Secondly, and more important, is that the people who support LaRouche, and donate their money, have a right to do so. If anybody is trying to prevent political donations or loans for political purposes, they are infringing on the rights of the people who are making these loans and donations. This, in my view, is a very serious matter, and the human rights of not only the people arrested and held without bail on trumped-up charges have been violated, but the human rights of those people who are supporting the organization and its causes have been violated.

I would like to ask you if the strain you have gone through has affected your morale in any way?

**Billington:** No, I'm actually in a certain sense proud of the fact that I've been targeted by the enemies of our nation, to be subjected to these police-state tactics. I'm proud in the sense that it demonstrates that I obviously have been doing something right! I'm also glad that I'm in a position where I can fight to represent the principles that we have to stand and fight for if our nation is going to survive.

There is no question but that every American who believes that we must rid this nation of drugs; that we cannot tolerate the spread of this hideous disease AIDS without immediately fighting to implement the necessary measures to stop this disease from wiping out the human race; who will not tolerate the destruction of our economy and of our allies' economies; that these people who want to fight for these issues, see in us, people who will fight with no holds barred. They have no way of expressing their own commitment to that fight except to support our efforts. In that sense, I know very well that I went to jail for those peoples' rights, not just for myself. I know my fight in court is not just for myself, but for the rights of the citizens of the world, which are on trial here.

## Looking to 1988: Choose your poison

For those who've had their fill of "survival of the fittest" economics and renegade Rambos running foreign policy from the NSC basement the last six years, the Democratic Party machine is not planning to offer any alternative in 1988.

This was the message brought in appearances at the National Press Club on March 11 by Democratic National Committee chairman Paul Kirk and presidential contender Bruce Babbitt, former governor of Arizona.

First, Kirk devoted his speech to laying down a set of eight dictatorial conditions for anyone seeking the Democratic presidential nomination. These rules, which Kirk himself called "policing mechanisms," degrade everyone seeking the presidency to a functionary of the governing Democratic Party apparatus. Kirk has already made certain that his control over that apparatus was tightened up, with new party rules set in 1986 that give the Democratic National Committee new powers over the party base.

When one reporter suspected that the rules were designed to muzzle black leader Jesse Jackson, Kirk began to slobber with condescending remarks. "Oh, no," he insisted. "My remarks today are addressed to all candidates, and I am not pointing a finger at any single candidate."

Not discriminating against any

single candidate? I asked, "How about Lyndon LaRouche? Will you invite his representative, along with all the rest, to attend your monthly meetings to ensure your reforms are implemented?"

"LaRouche! No. I will not invite Lyndon LaRouche," Kirk said, grimacing.

So much for non-discrimination.

Kirk is operating on behalf of the Eastern Liberal Establishment, to contain and control the great social upheavals that are expected to convulse the nation over the next couple years, due to the effects of economic collapse and the AIDS pandemic, in particular.

For this reason, all Kirk's policing initiatives have only one objective, really—to keep the lid on LaRouche's candidacy. LaRouche is the only candidate who has addressed these issues at all, and has gained significant national support on that account.

## The 'fix' is in

Kirk is conspiring to take the process of selecting the Democratic nominee completely out of the hands of Democratic voters. The nominee for 1988 has already been selected by the party bosses—he is Jimmy Carter's cousin, Sen. Sam Nunn (Ga.).

No one in Washington thinks that because Nunn said he is not planning to run "anytime soon," that it means he is out of the race. Nunn confirmed that he was the only "contender" to show up at the recent National League of Cities meeting to have himself photographed, shaking hands with Democratic mayors from all over the country. That's a heck of a way not to run for President!

Kirk plans that, with the help of his policing rules, the primaries will be unbearably boring, frustrating the

voters, and pitting "front-runner" Gary Hart against a pack of young, no-name candidates eager to gain national recognition. Babbitt, for one, will peddle a "futuristic" agenda of corporatism (the social and economic policy of Mussolini's Italy).

The only goal of these primaries will be to ensure that the debt-strapped Hart does not walk into the Democratic nominating convention in Atlanta next summer with enough delegates locked up to win it.

Hart may survive Iowa and New Hampshire, but never the March 9 "Super Tuesday" primaries, involving most of the southern states. With Jackson in the race to draw off the black vote (enough to win a plurality in a large field, in some states like Louisiana), Hart will fall on Super Tuesday, and this means that the Democratic nominee will have to be brokered at the convention. That is when the bashful Senator Nunn will be coaxed into accepting the nomination.

Only a ferocious demand to break the suffocating rules of the game imposed by Kirk, will prevent this scenario from being played out.

And what will the nation get for a President if they let Kirk have his way? They will not get Babbitt (this time). But they will get a lot of his policies.

"The time has come to restructure the American economy," Babbitt said at the Press Club. "The adversarial fight between labor and management is an antiquated luxury. We must have a 'gain-sharing' economy in which two-thirds of American workers share in the profits or losses of their companies."

When I asked if this wasn't corporatist, Babbitt said, "I prefer to call it 'futurist.'" He added, "The only reason I don't say corporatist, is because I'm not sure what the word means, so I am running from it."

## Beware campaign financing 'reform'

With strong backing from Senate Majority Leader Robert Byrd (D-W.Va.), who considers it a "personal priority," a major effort is being made this year to pass legislation reforming Senate campaign financing.

The Senate Rules Committee, chaired by Sen. Wendell Ford (D-Ky.), has already begun hearing testimony from over 17 senators on the many proposals introduced. The committee expects to hear from public witnesses in April, and to mark up legislation in May for Senate floor action—a relatively fast pace.

The push for reform has been fueled by media attention to the fact that campaign spending has increased roughly threefold from 1976 to 1986, necessitating a major expenditure of time and effort to raise funds for campaigns increasingly dominated by media advertising; the growth of independent campaign activity, political action committees, and negative campaign advertising; and a concern that increasingly only the extremely wealthy will be able to afford to run for public office (53 of 100 senators are millionaires).

But the proposed cures may be worse than the disease. The more sinister efforts behind campaign reform are intended to strengthen the party structure, along the lines of the parliamentary system recommended by Lloyd Cutler's Commission on the Constitutional System. This could effectively squelch political forces not under the control of the party "machines," such as the Lyndon LaRouche wing of the Democratic Party.

One of the more blatant proposals in this regard is S. 593 the Informed Electorate Act, sponsored by Sen.

Claiborne Pell (D-R.I.). The bill would require stations to grant up to 3 hours of free media time per candidate in the 60 days prior to a general election, in blocks of 15 minutes or less, for a discussion of substantive issues. Pell proposes that air time be given "to party organizations" to parcel out as they choose. A candidate not favored by the party bosses, would be out of luck.

A proposal by Sen. Pete Domenici (R-N.M.) would set a limit of \$250,000 on the personal contributions which an individual could make to his own campaign. If exceeded, the PAC and personal contribution limits imposed on his opponent would be raised.

Another idea, from Sens. Howell Heflin (D-Ala.) and Ernest Hollings (D-S.C.) would propose a constitutional amendment to overcome a Supreme Court decision, *Buckley v. Valeo*, which declared spending limits unconstitutional.

## Dallas FBI said to be involved in break-ins

The House Judiciary Subcommittee on Civil and Constitutional Rights, chaired by Rep. Don Edwards (D-Calif.), held hearings on Feb. 19-20 on reports of nearly 50 break-ins at churches, offices, and homes of opponents of U.S. policy in Central America. Frank Varelli, a former paid informant for the FBI, told the committee that the Dallas FBI office was involved in the break-ins in Dallas.

Congressman Edwards said that the break-ins "do not seem to be ordinary crimes; the burglars generally ignore items of value and focus on organizational files and membership lists." Edwards told Deputy FBI Di-

rector Oliver "Buck" Revell, "You know in your heart of hearts that these are no ordinary burglaries."

Revell told the committee that the FBI investigation had turned up no evidence of a conspiracy. He also strongly denied that the Bureau was involved in the break-ins in any direct or indirect way.

But Varelli testified that FBI agents had continually referred to "breaking" organizations politically at odds with Central America policy, and that agents had sanctioned break-ins in Dallas.

Rep. James Sensenbrenner (R-Wisc.) focused on challenging Varelli's credibility, bringing FBI field reports to light where Varelli had characterized one of these organizations as communist-controlled and involved in an effort to assassinate President Reagan at the 1984 GOP convention. Varelli admitted authorship of the letters, saying he later learned that the threat of assassination came from outside the organization he was assigned to monitor. His lawyer pointed out that Varelli was writing memos for the FBI which pushed the FBI "line." "I never once saw criminal activity" while attending meetings, Varelli said.

Rep. Robert Kastenmeier (D-Pa.) commented that Varelli's allegations, "if true, implicate the FBI in political operations of astounding proportions."

In an interview with *EIR*, Representative Kastenmeier said he thought there were now two questions to consider. First, to see if further investigation by Bureau inspectors or committee staff turns up evidence of who committed the break-ins. While it is "too early to expect results" yet, Kastenmeier said, "a very significant unanswered question" is whether the FBI

was involved. "If the allegations turn out to be substantially correct, is it true of other offices, do we have a rogue elephant here?" he asked.

Kastenmeier said the second issue is whether Congress may want to subject physical searches by government to the same warrant process that operates under the foreign intelligence surveillance act.

## Foreign assistance faces tough fight

Funding for the World Bank and other "foreign assistance" programs faces a tough fight in Congress this year, with opposition coming from liberals and conservatives alike.

Rep. David Obey (D-Wisc.), chairman of the House Appropriations Foreign Operations Subcommittee, attacked the Reagan administration's request for increased foreign assistance on March 10, at a meeting of the Bretton Woods Committee. "Anybody who thinks we can cut \$62 billion out of this budget, and at the same time add money to the appropriation for IDA [the International Development Association], is a damn fool," Obey said.

Obey told Secretary of State George Shultz, who appeared before his subcommittee the next day, that he objected to the premise that foreign assistance should increase at the expense of domestic programs. The administration is asking for \$19 billion, a \$1 billion increase.

In the Senate, Senators Nickles (R-Okla.) and Symms (R-Idaho) plan to introduce legislation mandating that the United States oppose any development agency loans to foreign countries which will increase production of

goods that can be produced in the United States. "American tax dollars are being used to subsidize foreign agriculture and mineral production that is often in direct competition with our producers," Nickles said, in a letter seeking cosponsors for the bill.

## AIDS vote could signal a turning point

A House vote to require mandatory AIDS tests for homeless individuals seeking medical care, took both supporters and opponents by surprise on March 5, when the proposed measure received 101 votes.

The large vote prompted its sponsor, Rep. William Dannemeyer (R-Calif.), to suggest, according to his office, that the vote "could be a turning point against the mind set that AIDS is a civil rights issue."

The measure was defeated 292 to 101, but the amount of support was far more than the idea of mandatory testing has ever received in Congress (hitherto considered to be in the range of one or two dozen votes, at most).

Dannemeyer offered his initiative as an amendment to legislation for aid to the homeless which the House had under consideration. Dannemeyer indicated that he favored a wider testing program, but this could not have been proposed as an amendment to the bill at hand.

Rep. Dan Burton (R-Ind.) warned the House during the debate that it is necessary to conduct tests to see who is carrying the virus "and we are going to have to come up with a program to redirect their activities; either voluntarily or mandatory at some point in the future." Infected prostitutes and others who refuse to stop their behavior, Burton warned, "are going to have

to be extricated from society; they are going to have to be moved away."

Dannemeyer and Burton are hosting a luncheon for Members of Congress on March 18, where they will be briefed by medical experts on the AIDS threat.

## In memorium: Sen. Edward Zorinsky

Nebraska's senior senator, Edward Zorinsky, died March 6 of a heart attack, at the age of 58.

Zorinsky, a Democrat, had often bucked the party leadership on votes on matters of crucial importance to national security. He also resisted the policies of Federal Reserve chairman Paul Volcker, which were destroying his constituency. Always open to differing points of view, Zorinsky showed a great deal of that independence and integrity which are in such short supply in Washington.

Once, after voting to provide AWACS to Saudi Arabia, the Anti-Defamation League (ADL) offered to let Zorinsky, who is of the Jewish faith, back into their good graces if he would agree to do their dirty work against Lyndon LaRouche. Zorinsky refused.

Zorinsky had been a longstanding critic of the National Endowment for Democracy and the U.S. Information Agency, organizations recently exposed for their role in "Project Democracy," the private covert operations bureau of the "bankers' CIA." It was expected that Zorinsky would pursue investigation of this secret government as chairman of a newly created subcommittee on International Narcotics, Terrorism, and Communications.

# National News

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## Two new studies bare Chicago vote fraud

Two new, independent studies show a magnitude of vote fraud in Chicago's Feb. 24 Democratic mayoral primary exceeding the margin of victory of incumbent Harold Washington.

Vote fraud and other irregularities that could account for up to 100,000 improperly cast ballots in the primary have been reported, in two separate election reviews. A Board of Elections canvass showed that 36,000 to 52,000 people were permitted to improperly cast votes. And an election "watchdog" group headed by former U.S. Attorney Dan Webb, found thousands of additional illegal votes.

People voted in the name of deceased Chicago residents, nonregistered people voted, as did people who gave nonexistent addresses or vacant lots. The fraud occurred citywide and it is "impossible" to know for whom the improper votes were cast, says the *Chicago Tribune*. The irregular votes add up to more than Mayor Washington's margin of victory, 78,158.

Following the election, "LaRouche Democrat" Sheila Jones, credited with only 2,400 votes, had charged fraud.

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## Government to drop charges against Beggs

The Justice Department is planning to drop charges against former NASA head James Beggs, according to a source at NASA.

The fraud case, manufactured by the department's number-two man, Stephen Trott, through the department's criminal division, succeeded in forcing Beggs out of the NASA directorship in late 1985.

That move, spurred by Don Regan's faction in the White House, opened the door for the incompetent William Graham to move into the NASA leadership. The Challenger shuttle disaster followed in January 1986.

The charges of fraud against Beggs stemmed from the company's contract to

produce a prototype of the since-cancelled Sargeant York gun. It took the Justice Department more than two years to cook up the semblance of a case, which then fell apart. The case is a simple matter of the Justice Department conducting a direct assault on a pro-science spokesman in the administration, and on the aerospace-defense industry.

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## AMA, NBC push for more euthanasia

The latest edition of the newspaper of the American Medical Association has given strong support to the campaign for legalized euthanasia being waged by such organizations as the Hemlock Society. In a recent television broadcast, the National Broadcasting Company also extended its support to Nazi euthanasia practices.

The Feb. 27 issue of *American Medical News*, the AMA newspaper, ran an article titled "MD with AIDS backs voluntary euthanasia." The paper interviews California psychiatrist Steve Yarnell, an AIDS victim, who says, "The time may come when I might want to commit suicide." Yarnell is out to gather 1 million signatures and \$2 million to place on the California ballot the "physician-assisted suicide" initiative of a new group formed by Hemlock Society founder Derek Humphrey, Americans Against Human Pain (AAHP).

The AMA quotes Yarnell saying that when he hears what happens to AIDS patients, "that's when I start thinking of suicide." The AMA then printed information on reaching AAHP and Derek Humphrey for assistance in suicide.

Not to be outdone, NBC's March 7 "Headlines on Trial" show ended with the audience "voting" for the "right to die." After hammering the audience with worst-case suffering scenarios, pro-death moderator Arthur Miller attacked all objections by guests to suicide and outright murder by starvation of comatose patients.

Miller stated that the AMA says "you can starve the comatose," and an AMA poll says "Americans want starvation as part of their right to die."

Derek Humphrey was a guest on the show.

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## Most Americans want defense of Europe

A new poll shows that the vast majority of Americans favor continuing or increasing the U.S. commitment to the defense of Europe. The survey was sponsored by the Chicago Council on Foreign Relations.

The survey found strong support for NATO: "On a par with levels of support four years ago, 70% of the public and 85% of the leaders believe that we should support either increased or the same level of military commitment to NATO. Similarly, when the leadership sample was asked to choose between leaving American troops in Europe for the time being or withdrawing over the next five years, and letting Europe provide for their own nuclear as well as conventional military defense, 82% favored the status quo over change."

The report calls this result particularly noteworthy "given the continuing discussion about the advisability of our conventional military presence on the continent. . . ."

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## Hart campaign won't repay loans

The Gary Hart campaign committee of 1984 is deeply in debt and being sued by creditors.

- The Hart campaign is being sued for \$107,000 by pollster Patrick Caddell who says his firm conducted polls for Hart and did not receive the balance due.

- Hart's chief pollster in 1984, Dotty Lynch, says she is owed \$61,000. Lynch was planning to sue her former boss until an "amicable settlement" was reached.

- According to the *Washington Post*, many of Hart's other creditors settled their accounts by accepting payments of 10-20¢ on the dollar.

All in all, Hart's 1984 campaign is still in debt to the tune of \$1.6 million.



## Briefly

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### Richard Perle leaves Pentagon

Richard Perle, in charge of technology transfer decisions at the Pentagon, said March 8 he would be leaving his post soon. "Well, sometime in the near future," was his comment on "John McLaughlin's One on One" television show, in answer to a question.

Perle made good on that commitment on Thursday, March 12.

Perle has been assistant defense secretary for international security policy for the duration of the Reagan presidency.

Washington has been rife with speculation about his departure ever since remarks Perle made critical of U.S. allies in Europe were harshly criticized by Secretary Weinberger's office late last year. The remarks were interpreted as furthering pressure for the United States to desert Europe ("decouple").

Although his name has not yet arisen in connection with the Iran-Contra scandal, an EIR Special Report issued in the spring of 1986, *Moscow's Secret Weapon: Ariel Sharon and the Israeli Mafia*, tied Perle closely to the circles of convicted Israeli spy Jonathan Jay Pollard, and the networks involved in Iranian gun-running.

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### Weinberger orders probe of Lehman

Defense Secretary Caspar Weinberger has asked for an investigation into Navy Secretary John Lehman's dissolution of a promotion board and the dismissal of its admiral-president, officials said March 9. Weinberger told the Pentagon's inspector-general to look into the matter last week after receiving a letter from the Senate Armed Services Committee.

Lehman dissolved the captain's promotion board and dismissed its president, Vice Admiral Bruce DeMars, after DeMars refused to delete from the promotion list three

submariners chosen to be upgraded from commander to captain. He charged that Lehman's order to "de-select" the officers was illegal.

The letter, signed by Chairman Sam Nunn and ranking Republican John Warner, stated, "If military members begin to feel that the independence and integrity of the promotion process is being undermined, the impact on the morale and performance of the officer corps in the military services could be very serious."

Lehman told a March 3 news conference, "It is really a question of civilian control and the responsibility of the duly constituted civilian secretary of the Navy to approve the promotion plan and set the needs of the Navy." Lehman said he had dissolved five previous promotion boards during his six-year term of office, all because of disputes with submarine officers.

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### Homosexuals leave New York church

A group of 1,000 homosexuals held their last Roman Catholic Mass in a Manhattan church March 7, and then marched through the streets chanting, "We are the church." The homosexual group, Dignity New York, was expelled from the Church by John Cardinal O'Connor, following recent rulings on the "inherent sinfulness" of homosexuality by Josef Cardinal Ratzinger, Prefect of the Congregation for the Doctrine of the Faith at the Vatican.

"No one, not even a Pope or a pompous Cardinal, can take away our baptismal right," stated a homosexual leader as they left the Jesuit order's St. Francis Xavier in Manhattan. "We are not some fringe group in the church. We are everywhere and in everything the Archdiocese does. We are your priests, your nuns, your religious brothers. We run and staff your schools, colleges, and hospitals. We are your social workers, your accountants, and your janitors. And, no doubt, we even make your fancy robes, Cardinal O'Connor."

Cardinal O'Connor said simply, "There are divine laws which give us life. We don't believe that they can be changed."

● **SURGEON GENERAL C. Everett Koop** strode into the room of an AIDS victim and said, "I gotta tell you, you'd feel better if you'll stop smoking." "I've been trying," stammered the AIDS victim. "When the Surgeon General himself asks you, you'd better listen," said Koop, shaking hands with the incredulous patient.

● **A RESOLUTION** to impeach President Reagan was introduced by Rep. Henry Gonzalez (D-Tex.) March 6. The measure contends that Reagan intends to launch "a war in Central America to the greatest detriment of the national interest," and accuses the President of violating national security and arms control laws, and the law requiring him to report covert intelligence activities to Congress.

● **A SMALL ROCKET** carrying a physics experiment exploded shortly after blastoff at Poker Flats, Alaska, NASA officials announced March 7. The explosion occurred 8 to 10 seconds after ignition of the second stage. An investigation is under way.

● **BOB DOLE**, Senate Republican leader, came in first in a presidential preference poll conducted at a GOP conference that has supported George Bush for the past two years. Dole received 78 votes, with Howard Baker garnering 65. Bush tied with Kemp for third place with 55 votes each.

● **JOHN ZACCARO**, husband of former Democratic vice presidential candidate Geraldine Ferraro, allegedly tried to extort \$1 million from Cablevision Systems, Inc. for a franchise in Queens, New York. Zaccaro was serving as a "bagman" for Queens Borough President Donald Manes, who committed suicide last year after other corruption was exposed. The latest revelations appeared in court papers filed March 10, seeking to show that the prosecution has sufficient evidence to put Zaccaro on trial.

### *The Irangate scorecard*

In an editorial of April 25, 1986, *EIR* demanded the ouster of Richard Perle, the Assistant Secretary of Defense for Policy. We had caught Perle red-handed in Japan, trying to stop Japanese collaboration in the Strategic Defense Initiative program by telling them that the program could not be guaranteed to last after President Reagan's term. Fortunately—in great part due to our own efforts—the Japanese disregarded Perle's lying counsels.

Now Richard Perle, a notorious agent of the subversive parallel government brought to light by the Irangate scandal, has become the second major victim of the Irangate purges. After White House "Rasputin" Donald Regan, who left on Feb. 27, Perle is the next most important saboteur to leave the Reagan administration, on March 12.

Perle has a long history of undermining U.S. government policy:

- In the 1970s Perle was proven to have provided secret documents to the Israeli government;
- In 1984 Perle stepped in personally to sabotage participation by U.S. military personnel in an international campaign to stop decoupling of the United States from Western Europe;
- In 1986 Perle authored the insane zero-option proposal for Europe that was sprung on the President at Reykjavik, and did untold damage by convincing the Europeans that the United States would abandon them to the Soviets;
- In early 1987 Perle took the occasion of the West German conference on the military-strategic situation to insult the European allies—an action for which he was directly criticized by his superior Caspar Weinberger;
- Only two weeks before he left office, Perle misrepresented the SDI in testimony to Congress as a "point-defense," rather than a population defense for the United States and its allies.

Despite this sordid record, no reason was given by Perle or the administration for his resignation. That is how the Irangate process is working. Slowly, and behind the scenes, members of the secret government are

being cleaned out, one by one.

The patriots who touched off the Irangate scandal targeted three main tentacles of the "secret government" which has run U.S. policy on orders of the Eastern Establishment. The first was the banking network around Don Regan; the second was the Mossad-Kissinger apparatus in the intelligence community; the third was the controlling position of European and U.S. rentier-finance interests in U.S. policy-shaping.

There has been considerable progress in all these areas. Don Regan's entire coterie of "mice" is being removed in his wake; Frank Carlucci is carrying out mass firings at the National Security Council; and the Wall Street firms of Kidder Peabody, Goldman Sachs, and Merrill Lynch, which have maintained a blackmail hold over the administration, are on the ropes in the fast-expanding insider-trading scandal.

The other major related operation is a spin-off from the sentencing of Israeli spy Jonathan Pollard, who gathered top-secret intelligence for the Israelis, which is widely suspected to have been forwarded to the Soviet secret services.

The crucial guide for following up the Mossad networks is the *EIR* Special Report issued exactly one year ago, entitled "Moscow's Secret Weapon: Ariel Sharon and the Israeli Mafia." We outlined there in great detail the political network that has protected Israeli mafia operations, including top Irangate target Michael Ledeen. Not surprisingly, these are the same characters who have been working with the Israelis in the arms-for-hostages deal, and the illegal funding of the Contras. Richard Perle tops the list, but others are not far behind: including Assistant Secretary of State Elliott Abrams.

Quite a few heads have yet to roll. We must clean out the wild disorder from the financial markets, and break the dirty arms of the Liberal Establishment and the foul weapons trafficking and illegal narcotics. After cleaning out the parasites, we must give the departments of our government healthy policy-missions and a sense of professionalism in public service. Irangate has started the process.

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