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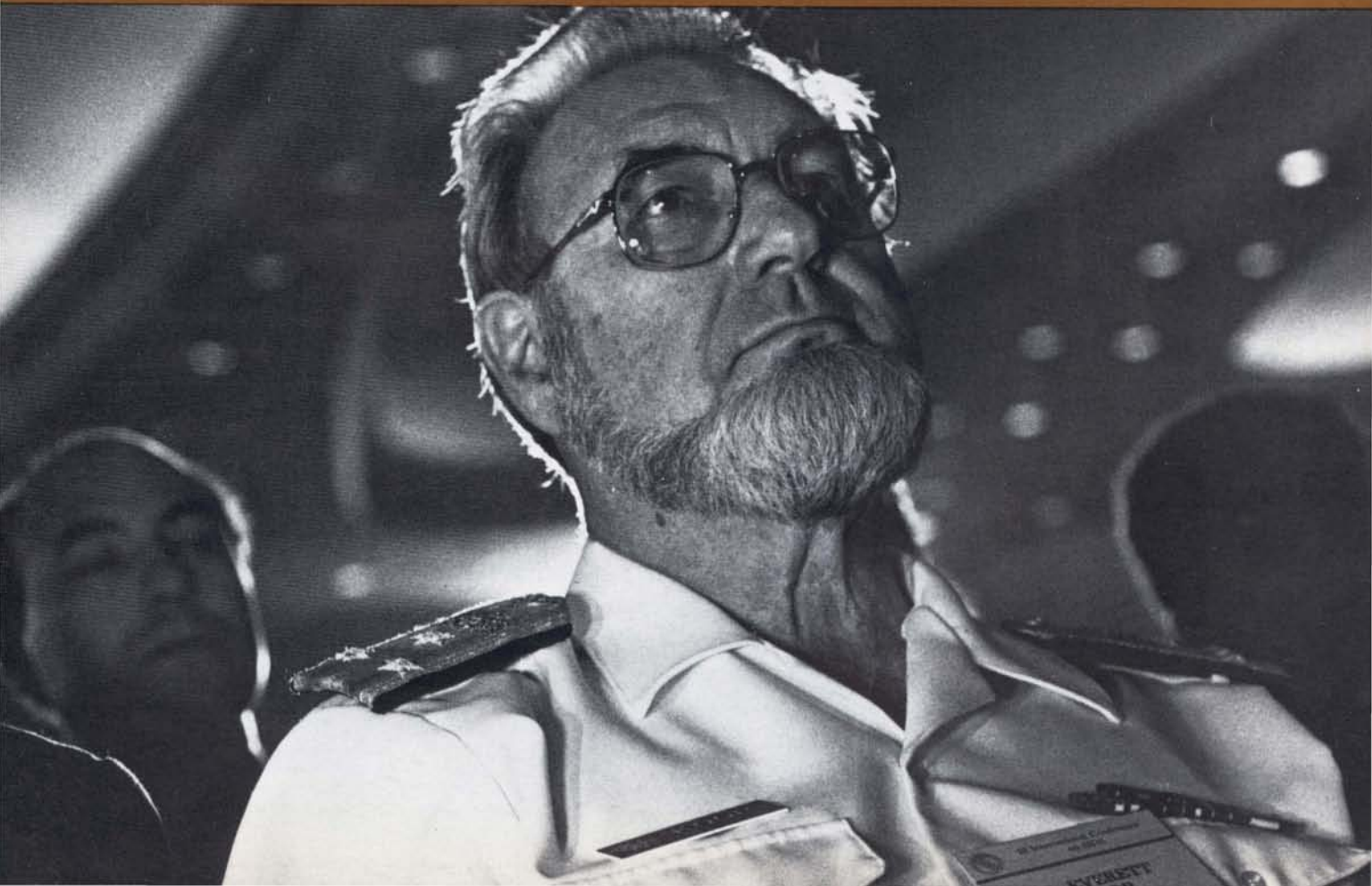
Executive Intelligence Review

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Savings & loan crash is battleground for '88
Panama is not the Philippines: Noriega
Why laser chemistry makes economic sense

**War on AIDS: too many lies
—and too little science**



What do the Russians think of *Executive Intelligence Review*?



**"Dirty, dirty
magazine."**

—Aleksander Bovin, *Izvestia* political commentator and top spokesman for the Soviet Politburo, at Reykjavik Oct. 11.

- Only *EIR*, among Western print-media, stated before and during the Reykjavik meeting that the Strategic Defense Initiative was the *only* issue at stake for the Russians. The dramatic ending of the pre-summit proved us right—and the liberal media wrong.
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- In March 1983, President Reagan gave his historic speech announcing the new strategic doctrine based on defensive weapons that could make nuclear missiles "impotent and obsolete," *EIR* was the only general-circulation weekly to define this as the key to reviving the Western ideal of technological optimism.
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- *EIR* issued a *Special Report* in 1983 on how beam-weapons technologies would transform the civilian economy and start a real worldwide recovery. Since 1983, *EIR* brought together political and industrial leaders in Paris, Rome, Stockholm, Tokyo, Bonn, and elsewhere in major conferences on the SDI. The Russians called these meetings "gatherings of cavemen" in their press!
- *EIR*'s founder Lyndon LaRouche in spring 1984 proposed guidelines for U.S. Soviet negotiations to develop the SDI in parallel and deploy it jointly. In 1986, this approach was fully adopted by President Ronald Reagan.

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EIR

From the Editor

One of the greatest shocks that the American population has been subjected to, was Ronald Reagan's announcement shortly after his visit to West Berlin on June 12, that Secretary Shultz and other NATO representatives meeting at Reykjavik, had just agreed on accepting Soviet dictator Gorbachov's conditions for a new round of arms negotiations.

This sort of deal is not what we would have expected of President Reagan up to the time of the Daniloff affair, in August 1986. Things have changed. The President is now prepared to take massive cuts in the very defense programs he most cherishes!

If Gorbachov's conditions were accepted in their present form, over the coming years Moscow would gain sufficient military superiority to gobble up Western Europe piecemeal, and the United States would have no means to prevent this. Between pages 40 and 48, we focus our international coverage this week on the Soviets' rapid moves to consolidate superiority in Europe and at such global "chokepoints" as Korea and Panama.

How did Reagan's shocking backdown occur? In mid-1986, foreseeing the Republican electoral debacle in the fall, some of the President's advisers encouraged him to create the image of a strong Reagan presidency by what might be seen as an "historic agreement" with Moscow. His advisers also insist, that, by one trick after the other, he can delay the financial crash until after the January 1989 inauguration of the next President.

That gives a glimpse into the nasty financial interests who have taken Reagan captive. Another glimpse is provided by the fact that the Reagan administration still tolerates the condom-obsessed ideologue C. Everett Koop as surgeon-general, after his "pro-life" cover has been totally shattered.

We believe that this week's comprehensive *Feature* report will bring Koop's career in federal office to a rapid close, none too soon for the future of the nation and the human race.

In the centerfold (pp. 36-37), you will find a graphic overview of a key aspect of *EIR* founder Lyndon LaRouche's AIDS policy: routine mass testing, in the one place it has been applied, the U.S. military. Now, no one can deny that it can be done—effectively!

Nora Hamerman

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NSIPS/Stuart Lewis

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The disastrous results of the budget showdown

by Chris White

Prospects for an international financial blow-out in the period between now and October have been significantly increased as a result of the political shenanigans around the U.S. budget for fiscal year 1988. Confrontational fun and games between the Executive Branch and the Congress, set into motion by the President's televised address to the nation on Monday, June 14, and escalated by the House and Senate Democrats' responses, pretty much ensure that the United States will not be doing what so-called "international markets" demand it do, "rapidly and fully."

For his part, the President has challenged the Democratic leadership in the Congress to a showdown on budget policy. The President, and his advisers, have mapped out a campaign to go to the American people to make the fight on the terrain they have chosen. For the White House, the issues are that the so-called budget process has to be reformed, before any specific budget discussions take place. Beyond this, the President demands passage by Congress, of an amendment to the Constitution to mandate so-called balanced budgets, a line-item veto, and perhaps budgeting under two-year authority for the budget.

Absolutely unacceptable for the White House, is any package involving tax increases, or what they call budget-busting expenditures on the domestic social program side.

'An offer I can refuse'

Meanwhile, the budget package adopted by the congressional Democrats in their conference committee, and scheduled for floor vote in the House and Senate in the last week of June, or first week of July, violates all the President's proscriptions. The congressional budget permits a \$7 billion nominal increase in the defense budget, provided the Presi-

dent adopts a program to increase tax revenues by \$65 billion over the next three years. Without a first increment of \$19.5 billion for fiscal year 1988, there will be no increase in the defense budget at all.

The outlined package has been already rejected by the President, "treating the budget deficit with tax increases, is like treating anemia with leeches," he said. White House spokesman Marlin Fitzwater, and Office of Management and the Budget's James Miller, have both announced that the package will be vetoed. Defense Secretary Caspar Weinberger has denounced the package for destroying the U.S. defense build-up. "Reason has slipped its leash," Weinberger said. As for the President, he said in a prepared statement, "This is an offer I can refuse."

These developments set the framework for an escalating international confrontation on U.S. government finances, over the months of July, August, and September. Full congressional passage of the budget will be followed by White House veto, by congressional mobilization to override the veto, and so forth. By the middle of July, as the veto fight gears up, the whole will become combined with the equally devastating question of the U.S. debt ceiling.

In the meantime, the President will have embarked on his national mobilization, beginning with trips to Florida, and then on to other parts of the country. The fight will be on. In this chicken game, the loser will be the one held politically responsible for the international financial collapse that will almost surely ensue. And that indeed was the substance of the President's threats against Congress in his June 14 televised address to the nation.

Meanwhile, leading international institutions, such as the Basel, Switzerland-based Bank for International Settle-

ments, and the Organization for Economic Cooperation and Development in Paris, have increasingly linked the maintenance of financial confidence in the dollar credit system to the demand that the U.S. budget and trade deficits be reduced. Both organizations have recently produced reports to that effect.

If they are heeded in the form they present them, they will probably be disappointed.

Both the BIS and the OECD argue that monetary policy alone is insufficient to do what is required under present crisis conditions. They contrast the required changes in so-called fiscal policy. For them, monetary policy involves manipulations of interest rates and currency exchange rates. Fiscal policy concerns taxation policies of governments. Their demand is that the U.S. government, along with the governments of West Germany and Japan, employ taxation to reverse the patterns of demand between the three nations. The United States should no longer import the exported production of Germany and Japan. Further, the United States should reduce domestic spending, slow the growth of defense spending, and increase taxes.

This policy itself is in fact a recipe for producing the biggest monetary and economic debacle in human history. The only way what the OECD calls a "rebalancing of demand patterns within the major nations" could be adopted is by collapsing the financial system, and plunging Germany and Japan into depression along with the United States.

Not an economic policy

This is not actually an economic policy. It is a blueprint to hand the entire world over to Russian domination; on the other side of the financial crash, this will undoubtedly ensue. If that's the only way the United States can restore confidence among international private investors, as both the OECD and the BIS claim, then those private investors probably deserve to end up in Russian psychiatric wards.

There are different kinds of problems here. On the one side, there are those among the listed protagonists, such as the President, who really do not know what they are talking about. On the other side, there are those within the U.S. Congress, the BIS, and the OECD, who may well know what they are talking about; what they are actually doing, however, turns out to be something very different.

The President, for his part, is now in the process of transforming his usual ideological baggage into another demagogic campaign to save the American people from tax increases and the U.S. Congress. He insists, as he has for the last seven years, that what is required is a constitutional amendment to balance the budget, and a reform of what is now becoming known as the "failed budget process."

His record is sufficient to demonstrate that a constitutional amendment to balance the budget would actually change nothing. If such an amendment had been passed during his very first year in office, back in 1981, and his economic

policies had remained the same, the budget deficit would still be where it is today, in the region of \$200-220 billion. If the Constitution of the United States had to be changed every time somebody wasn't prepared to admit they didn't know what they were talking about, it would not guarantee that they would learn what they had up to then refused to master.

On the congressional side, as in the case of the Bank for International Settlements and the OECD, the budget of the United States, and therefore the economies of the Western world, are being held hostage to a very different kind of agenda. The gutting of especially the U.S. defense budget is a precondition for ongoing capitulationist negotiations with the Russians, a sign that the Western heirs of Neville Chamberlain, and his friends, are in good faith in their negotiations with the Russians. The President since August of 1986, when it was decided to overlook approximately \$80 billion of the budget deficit to maintain the pretense that Gramm-Rudman targets were being met, has pursued such negotiations with the Russians, to maintain the appearance that his economic policies actually work.

The pretenses may have worked, in the negotiations leading up to the adoption of the budget for the current fiscal year. They will not work in the same kind of way again.

The United States is now the world's largest debtor nation. It depends on an inflow of foreign funds of about \$180-200 billion to finance its budget deficit, and its trade deficit. This year, at least through the end of May, the inflow dried up. There was no net inflow of foreign funds into the United States. Uncertainty, now, about what will happen to the U.S. budget, and budget deficit, fueled by the confrontationism rampant between the White House and Congress, will help accelerate the dissolution of the international markets on which the dollar credit system rests.

This time it ought to be clear that what is needed is a new approach entirely. The present mess cannot be cleaned up by drawing from the store of rhetoric and palliatives that created the disaster in the first place. All that will do is create an even bigger mess.

There are alternative proposals, put on the table by economist and presidential candidate Lyndon LaRouche, who takes his point of departure respecting what to do from grounds which all others refuse to acknowledge even exist. The breakdown of U.S. government finances is part and parcel of the \$13 trillion bankruptcy of the dollar credit system as a whole. The profile of the breakdown of government finances conforms to the profile of the breakdown of the whole. The growth of the claims of debt has been outstripping the production of real wealth available to monetize the debt.

What are urgently needed are measures to increase the wealth-producing capacities of society by revitalizing economic activity, including productive employment in agriculture, industry, and infrastructure. Unless the developing confrontation around the budget is soon shifted in that direction, the disastrous consequences will not be long in emerging.

Savings & loan crash becomes battleground for 1988

by David Goldman

The Reagan administration has set off a partisan-political battle over the \$1.2 trillion savings sector, undermining what chance remains to postpone the crash of the thrift industry, as a prelude to a general banking panic. In its panic to manage the *political* consequences of the thrift crisis, the administration appears to have damaged its goal of postponing the outbreak of financial crisis until after the 1988 elections.

While Texas savings banks face a run by big depositors, U.S. Assistant Attorney General William Weld has launched the biggest-ever criminal investigation into fraud by savings bankers. Three hundred subpoenas have already been issued by a Dallas federal grand jury, to S&L executives, real-estate developers, and brokers who made deals with 100 Texas S&Ls. An FBI spokesman described it as "one of the largest S&L investigations in history."

Weld is not everyone's model of a squeaky-clean prosecutor. In 1984, after the Bank of Boston pleaded guilty to laundering \$1.2 billion of Angiullo crime-family drug money, Weld, then U.S. Attorney for Boston, arranged a minimal \$500,000 fine for a bank to which his family (of the White, Weld firm of Wall Street traders) had longstanding connections. Even after the fine and legal expenses, Bank of Boston walked away from the scandal with a substantial profit. The incident almost cost Weld his appointment as Assistant U.S. Attorney for the Criminal Division in 1986.

Regulatory officials familiar with the investigation are suspicious. They complain that attorneys for the Federal Home Loan Banks, which monitor S&Ls, had sent "the equivalent of cratesfuls of smoking guns" to the Department of Justice for years, without response. "The understanding was that these are good, Republican political donors, and we should leave them alone. The Department of Justice just didn't want to prosecute these people. Our attorneys were appalled," complained one senior regulator. Attorney General Edwin Meese, as well as his predecessor William French Smith, has close ties to the California savings industry.

Meanwhile, the Democratic-controlled House oversight committee on Banking, chaired by Georgia's Rep. Doug Barnard, has leveled its guns at fraud in the California thrift industry, i.e., at the dead center of President Reagan's political base. Congressional sources close to the inquiry point

out the California investigation was instigated by the state's Republican-appointed savings and loan commissioner, and deny any partisan intent. The net effect will not be much different.

Both the Justice Department and the banking subcommittee have agreed to a pernicious, and dangerous piece of sophistry: Since the pattern of fraud is provably widespread, then banking failures are principally due to banking misconduct, rather than economic conditions. The Federal Home Loan Bank Board staff takes the same view. "You've got S&Ls out there with a \$500 million negative net worth, that never made a mortgage loan. How can you attribute their problems to interest rates?" asked one analyst.

The problem is, in an economy based largely on real-estate speculation, to differentiate between "legitimate" speculation and "illegitimate" insider dealings. The combination of the Reagan administration's 1981 tax code, and Paul Volcker's first round of banking deregulation, turned failing S&Ls into shells for real-estate speculation.

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 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%."

Looked at another way, the boom in office-building and shopping-mall construction *created* the bottom-quality employment growth of the spurious "Reagan recovery." The collapse of the boom will take down the men of the "Reagan revolution," the get-rich-quick real estate operators who head the contributors lists of every Republican organization (and

some Democratic ones) in major American cities. The collapse of the thrift industry represents, in fact, the dismal hangover after the "Reagan revolution," and it is big enough to trigger a global financial disaster.

Nonetheless, both sides are committed to lying about the nature of the problem, such that any action to cure the problem before it explodes cannot be foreseen under present political circumstances.

Wright's worry

A large part of the reason for House Speaker Jim Wright's (D-Tex.) reluctance to provide additional funds to the bankrupt Federal Savings and Loan Insurance Corporation, reportedly stems from fears that an official regulatory windup of the affairs of Texas S&Ls "might compromise the entire Texas congressional delegation," as campaign contributions are traced back to alleged bank fraud, according to knowledgeable sources. Of course, Wright has reason to be concerned for the effect of the shutdowns on the Texas economy as well. Hearings last March by Rep. John Dingell (D-Mich.) accused the FSLIC of closing troubled but potentially healthy S&Ls without proper cause. FSLIC takeovers, Wright and his colleagues point out, result in the dumping of S&Ls' real-estate holdings onto an already-depressed market, further collapsing real-estate prices.

Until April 28, Wright held out for a mere \$5 billion recapitalization of FSLIC—the agency needs closer to \$50 billion immediately—in order to prevent it from having to shut down regional institutions (the Dallas Federal Home Loan Bank alone says it needs \$4 billion in immediate cash). He only reversed himself, and accepted the administration's still-inadequate figure of \$15 billion, after writing language into the bill which prevents the closure of savings banks whose trouble stems from the economic depression, rather than fraud. When a House-Senate conference knocked the sum allocated to the FSLIC down to a token \$7.5 billion, sources at the Federal Home Loan Bank Board complained that Wright had sabotaged the funding from behind the scenes.

The *Washington Post* complained in a June 13 editorial, "In a spectacularly dangerous example of misguided sympathy, Congress is hard at work on legislation to make S&L regulation weaker than ever. It has nothing to do with Reaganite enthusiasm for deregulation. The impetus is coming from Democrats and mainly from Texas. The House has passed a bill that would make it harder for an S&L to foreclose on delinquent loans, of which there are many in Texas, and very much harder for federal regulators to close an S&L that is insolvent. The chief regulator says that the bill, if enacted, 'will shut down effective enforcement.' . . . Out of the nearly 3,200 federally insured S&Ls, some 450 are now bankrupt but still in business and still taking deposits from the public. If they were banks, they would have been shut down long since. But the S&L regulators can't afford to close down these bankrupts because there isn't enough money in the

federal S&L deposit insurance fund to pay off the depositors."

It should not surprise the editors of the *Post* that Wright and his friends refuse to come along quietly; this is a matter of life and death not only for the regional economy, and their friends, but perhaps for themselves as well.

The problem is that the Texas thrifts really are bankrupt, and the fiction perpetrated by the also-bankrupt FSLIC in keeping them operating can only last so long, as the *Post* editorial continued: "The Fed Home Loan Bank Board, which oversees the S&Ls, has reported that April, the last month for which figures are available, was the eighth consecutive month in which withdrawals from the S&L system nationwide were greater than new deposits. That doesn't amount to a run on the system. But if a run were to begin at one of the bankrupts, there's very little in the fund to stop it. Congress would have to use taxpayers' money from the Treasury."

In fact, regulatory sources speculate that Congress would not have time to act, in the event that a run broke out of control; the Federal Reserve might have to lend directly to bankrupt thrifts, printing the money it required to do so, with disastrous repercussions for the dollar and the U.S. credit system.

Texas gets the runs

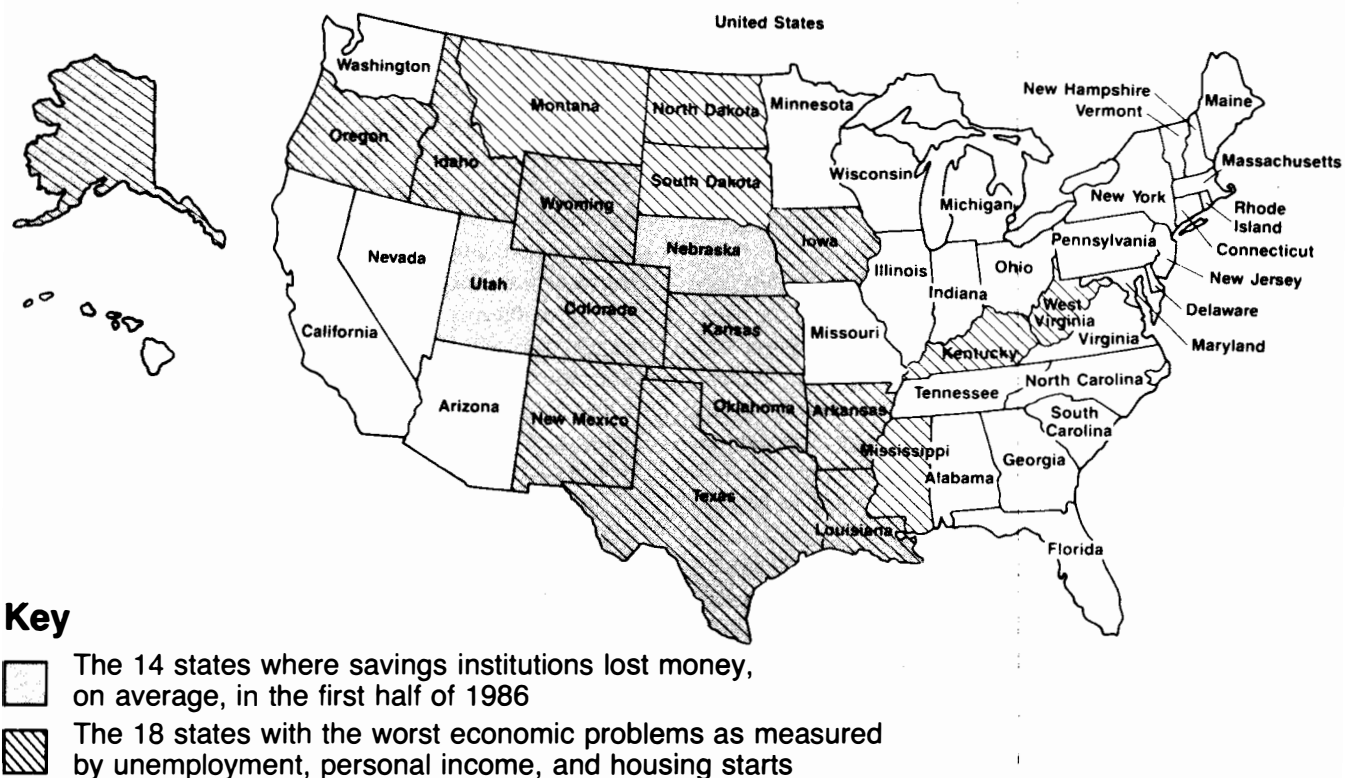
The flight of big depositors from Texas savings and loans has been in the works for months, and some of the weaker institutions are still liquid, only because the regulators persuaded stronger institutions to take money from the deposit-brokers, and re-lend it to their weaker brethren. How many more days or weeks the support operation mounted by the FHLBB can last, is far from clear. "I wouldn't call it a run, I'd call it a gradual and persistent withdrawal of jumbo deposits," i.e., large deposits from institutional investors not protected by FSLIC insurance, Joe Selby of the Dallas Federal Home Loan Bank told journalists.

Part of the thrift industry is still profitable, and wants to remain so, by avoiding the bill for the bail-out of the collapsing part of the industry. Senior analysts at the Federal Home Loan Bank Board, which regulates the thrifts, believe that larger S&Ls are "inciting to riot" against the so-called "zombie" institutions, doing their best to provoke a run against their deposits. Unless the Treasury (or Federal Reserve) steps in to bail out the dying S&Ls with money borrowed, taxed, or printed, the stronger institutions will be left to pay the bill. "We have a system where the survivors pay," one analyst commented, "and they don't want to." They prefer to have an old-fashioned panic now, and force the government to come in.

Meanwhile, the vultures from Washington are already circling. On May 17, the *Houston Post* quoted Criminal Division chief Weld saying, "The nation's financial institutions remain increasingly vulnerable to enormous losses brought about by insider fraud and misconduct." Weld said

FIGURE 1

Savings banks' troubles correlate with economic distress



Source: United States League of Savings Institutions.

that weak or failing institutions are vulnerable to takeover by “unscrupulous” promoters for a relatively small investment. He said that by using FDIC or FSLIC certificates as a “drawing card,” these unscrupulous bankers can offer “jumbo” certificates of deposit at above-market rates to attract depositors, then use the funds to make loans on speculative projects.

Weld said that some of these speculators might even use the funds to buy up other weak financial institutions. “With two and more institutions involved, the scheme becomes more sophisticated through a complex network of reciprocal lending or back scratching,” Weld said. “Organized crime is aware of this weakness in the system and has exploited it.”

Meanwhile, the Federal Bureau of Investigation has declared bank fraud its number-one priority in the region, and added 30 agents in Texas and Oklahoma. The Justice Department itself is adding five fraud specialists to the Dallas U.S. Attorney’s office.

Department of Justice Criminal Division official Steve Learned said Dallas will get the help, not only due to the backlog of cases, but because of anticipated bank and thrift failures in the area. He cited recent testimony by Roy Green, president of the Federal Home Loan Bank in Dallas, that

between 21 and 28 thrifts are “hopelessly insolvent” and that closing them could cost the FSLIC \$5-8 billion. “When you have that kind of statement, you have to prepare,” Learned said.

But in California, where savings and loan associations form the backbone of the Republican funding apparatus, U.S. Attorney for Los Angeles William Bonner, and U.S. Attorney for San Diego Peter Nunez, testified before congressional hearings June 14 that they did not have resources to follow up regulators’ recommendations for fraud prosecution.

It happens that some of the Texas thrift operators prominently mentioned in press accounts as targets of the Justice Department investigation, are close associates of Speaker Wright. Ed McBirney of Sunbelt Savings (known locally as “Gunbelt Savings”), Jarret Woods of Western Savings, Don Dixon of Vernon Savings; and Tom Graubert of Independent American Savings, are prominent Democratic political contributors. Press accounts allege that they engaged in a speculative orgy of real-estate lending, taking their profits, and leaving the FSLIC holding the bag when they inevitably crashed.

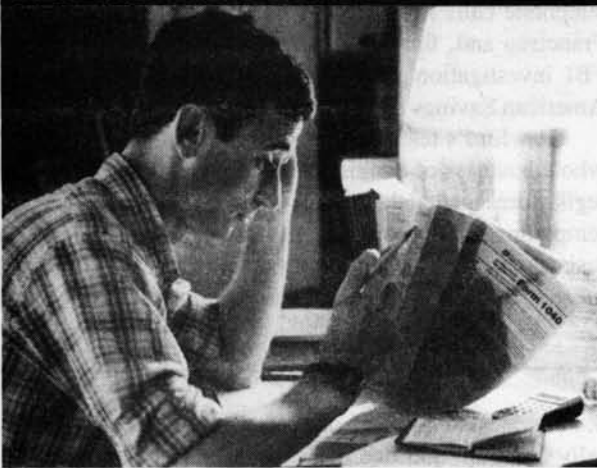
Continued on page 10.

How to stop the economic collapse

1. STOP BANK CLOSINGS.



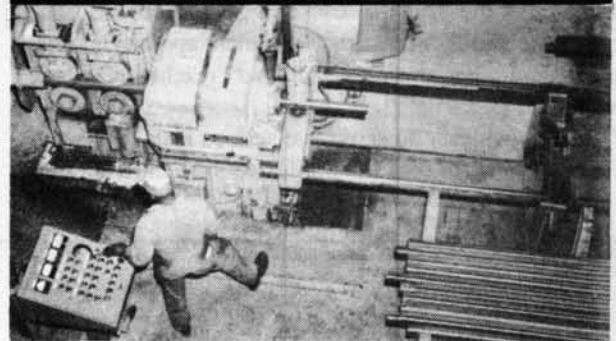
3. REVISE TAX CODE.



2. GIVE CREDIT TO PRODUCE.



4. REBUILD MACHINE TOOLS.



The following is excerpted from a response by 1988 Democratic presidential candidate Lyndon H. LaRouche, Jr., to President Reagan's Berlin speech. The response was delivered June 17 during LaRouche's regular five-minute radio broadcast.

Rather than admitting that the Reagan "economic agenda" has been a disaster, the President chooses to seek arms-reduction agreements, which would, in some eyes, justify large cuts in U.S. defense programs. At the same time, the President was lied to about Soviet motives for arms agreements. He was told the lie, that Gorbachov was seeking Soviet arms-reductions in order to relieve the pressure of Soviet arms-spending on a Soviet civilian economy in serious crisis. . . .

Four things must be done to save our collapsing economy and provide an adequate economic basis for effective defense:

1) We must stop the financial crash, by using the regulatory powers of government to prevent banks' doors

from being closed.

2) Government must organize low-cost credit in large volumes for investments in the production of useful goods and for financing exports.

3) We must have an emergency revision of the tax-code, with investment tax-credit incentives for expansion in the number of industrial workplaces. My target is not less than 5 million new industrial workplaces during the next four to five years. It is a very realistic objective.

4) Government must assist in rebuilding the U.S. machine-tool industry. The machine-tool sector is the normal channel for delivering advanced technologies into the private sector.

By these methods, we can stop the crash, and launch a real economic recovery. This will enable us to meet our obligations to the general well-being of all Americans, including the tens of billions of dollars we must spend in the war against AIDS.

It will also enable us to afford an adequate national defense.

Continued from page 8.

Early this year, congressional sources report, California Savings and Loan Commissioner William Crawford—a Republican savings banker appointed by a Republican governor—came to Washington to ask the help of Democratic Congressman Doug Barnard (D-Ga.), the chairman of the Government Operations banking subcommittee. He had been unable to convince either the California authorities (e.g., Attorney General John Van de Kamp), or Meese's U.S. Attorneys in California, to act on evidence he had accumulated that a massive and widespread pattern of fraud was bleeding the California thrift industry. Barnard sent staff investigators to California in April, and in June issued a report demonstrating that the (overwhelmingly Republican) savings banks in California were cheating, and that the Department of Justice had no interest in doing anything about it. California S&Ls have assets of \$311 billion, almost a third of the national total.

The report was released at hearings in Los Angeles June 13, where Barnard's staff argued that collapsing real estate, oil, and farm prices in the Southwest and other depressed regions are not the principal cause of S&L problems. The price collapse merely unmasked fraudulent appraisals, insider loans, and other abuses, which had "reached epidemic proportions."

"There is evidence to show that serious insider misconduct is implicated in most of California's 31 thrift failures

over the past three years, that appraisals were used to facilitate much of this misconduct and the fraud is responsible for a large percentage of the \$3.7 billion in accompanying losses" to the Federal Savings and Loan Insurance Corporation, according to a staff memo. In 1984, Barnard's staff argued that misconduct was a key factor in 25-30% of S&L insolvencies; now, they argue fraud plays a major role in 80-90% of such failures.

Barnard's staff faults the Federal Home Loan Bank Board for lacking an aggressive policy of referring criminal cases to law enforcement officials, a charge that FHLBB officials vehemently deny. The evidence went regularly to the Justice Department, with recommendations for prosecution, but the Justice Department failed to act, they reply.

Barnard's star witness at the hearings was Commissioner Crawford, who detailed a pattern of federal inaction that ultimately could cost the insurance fund billions of dollars. On one occasion, for example, Crawford had to make 17 telephone calls in eight days to the FBI, the FHLB of San Francisco and, finally, a U.S. senator, to try to prompt an FBI investigation into allegations of corruption at North American Savings and Loan.

Crawford's testimony amounted to an indictment of the whole business of banking deregulation. "Congress and the legislatures loaded the system in favor of cheating. If you put temptation and opportunity in front of greed, people can't resist. . . . I won't say it got out of hand in California any more than anywhere else. There's crooks that got into the

Organized crime to take rap for monetary crisis?

Possibly with a view to the 1988 election campaign, the Reagan administration is building an alibi for the collapse of the thrift industry, which is likely to take the banking system with it. This time round, the crash will be blamed on organized crime, the Justice Department appears to be saying. A June 17 feature in the *New York Post* exults, "An investigation by the *Post* into the record-breaking collapses of savings and loans and small commercial banks—closing their doors at the rate of one every business day—has uncovered widespread allegations of fraud and racketeering.

"Linked financing—the process of arranging deposits with the understanding that they will be quickly loaned to designated recipients—is credited by the government with playing a central role in the \$25 billion crisis that has left

the Federal Savings and Loan Insurance Corporation virtually bankrupt and one of every three S&Ls and small banking institutions broke."

The *Post* story centers not on Texas, but on New York's Mario Renda, the nation's biggest deposit broker, who placed pension-fund and other institutional money with small banks looking for funds, in denominations of \$100,000—the limit which the FSLIC guarantees per depositor. Renda's First United Fund Ltd. handled \$6.5 billion per year. Renda, who was "indicted [June 16] in an underworld scheme to skim \$16 million from two New York unions," allegedly arranged deposits in return for loans to his real-estate enterprises.


Whatever Renda's organized-crime credentials, it does not appear to have occurred to either federal prosecutors, or the *Post*, that "linkage" of deposits and loans is the basis of normal banking business. Whom else do banks lend to, except their usual depositors? The thin line between legitimate high-stakes "speculation" and outright fraud in the real-estate industry might consume the time (and retainers) of a large part of the legal profession for some years to come.

business, but that's because the government lowered the standards."

Specifically, banking deregulation allowed savings banks to make direct investments in real estate, rather than merely make loans. The dangers implicit in direct investment are obvious; they are analogous to commercial bank ownership of corporate equity. If a commercial bank can speculate in the securities of the same corporations it finances, the result is a 1929 crash; if savings banks can speculate in the real-estate market they finance, the result is the real-estate market disaster now in the works.

California's Commissioner Crawford appears to be the only public figure in the chaos to state the truth simply: By lowering standards of lending, the Reagan administration created conditions where "normal" lending operations are differentiated only finely from fraud.

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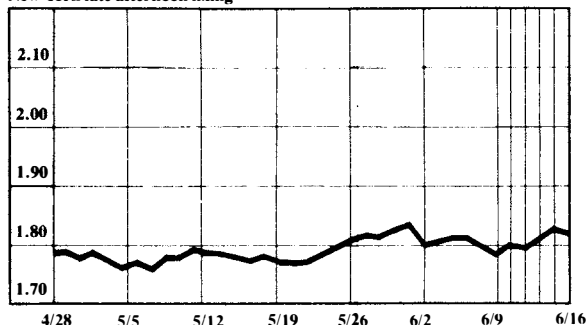
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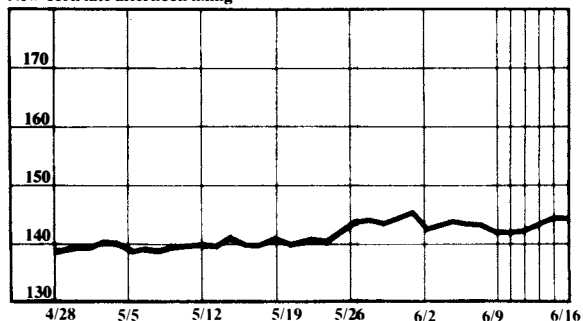
The dollar in deutschmarks

New York late afternoon fixing



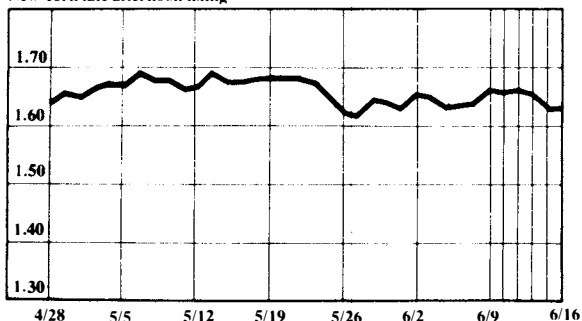
The dollar in yen

New York late afternoon fixing



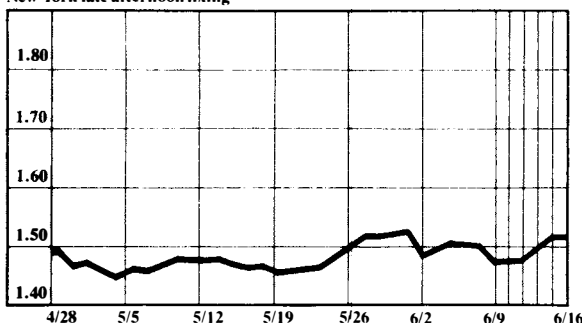
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Will Mexico shut down its only nuclear power plant?

by Hugo López Ochoa

A ferocious factional battle has broken out inside the Mexican government around the decision to bring on line the country's first nuclear plant, located at Laguna Verde, Veracruz, on the Gulf of Mexico. More than 1,000 Mexican technicians already work on the operational tests of the first reactor, and it is hoped that its first start-up will take place at the end of next September, to be fully on line by mid-1988. The project consists of two BW/5 reactors which will produce 654 megawatts apiece, more than 5% of the total electrical production of the country, by 1988.

But the International Monetary Fund's henchmen within the government are putting heavy pressures on President Miguel de la Madrid to abandon the idea of bringing the country into the nuclear age, as "cost prohibitive." During a recent forum on the subject organized by the Congress, Gabriel Quadri de la Torre, a Bank of Mexico "investigator," called the project a "whim of the arrogant nucleocracy." These same arguments have been used by the boss of Quadri de la Torre, Miguel Mancera Aguayo, director of the Bank of Mexico, to dismantle large industrial sectors controlled by the state, or turn them over to the holders of Mexico's more than \$100 million foreign debt.

Mancera Aguayo's cronies are the malthusian ecologists of Miguel de la Madrid's cabinet, in particular Secretary of Urban Development and Ecology Manuel Camacho Solís, who have financed a multimillion peso campaign of informational terror to spread the lie that the nuclear plant at Laguna Verde could be "another Chernobyl," besides the traditional environmentalist arguments on "radioactive contamination." Heading this disinformation campaign is the Televisa group, of the powerful Azcarraga-Alemán financial empire, whose station in the state of Veracruz, where the plant is located, transmits a daily half hour of horror stories about nuclear power. This informational terrorism may soon turn into armed terrorism. On June 15, the ecologist review *Proceso*, published a review of a forthcoming book, *Laguna Verde: Mexico's Contribution to the Pacific Holocaust*, whose authors, Armando Morones and Javier Esquivel, "predict"

that "international terrorists" will arise to attack Laguna Verde. *Proceso* targets as a potential victim the vice-director of the Federal Electricity Commission, Juan Eibenschutz, considered the father of Mexican nuclear power, attacking him as a "petty fascist."

Through interviews and "inquests" in the press, radio, and TV, the government malthusians launched the drive to "democratically" force the suspension of the project.

On June 15, the Secretary of Urban Development and Ecology told the national media that "pro and con opinions are still being heard," on opening the plant, and "the overall policy is being analyzed, to make a decision that corresponds to the national interest." This, when the reactor of the first unit is 99% completed! In contrast, Eibenschutz had stated the day before that "in the future of electrical power in Mexico, there is no way to go to but nuclear." And in an interview in *Proceso*, on June 8, he reiterated that before the end of this year, "we will already be in full tests" of the first reactor. On June 16, Eibenschutz pinpointed the source of the only problem faced by the development of the nuclear industry in Mexico, the economic austerity demanded by the International Monetary Fund: "We are at a kind of crossroads; there is awareness that we need to build more nuclear plants; but as long as economic conditions don't let us, it will be hard."

The 'Hundred' Nazi-communists

Not accidentally, Manuel Camacho's statements on Laguna Verde were given during the awards ceremony of the United Nations to the environmentalist intellectuals known as the "Hundred," for "their efforts in favor of a better natural environment (*El Universal*, June 16). "We are proud that the U.N.O. has given you prizes," said Camacho. The "Hundred" gathers the most outstanding intellectuals of Nazi-communist stamp in the country, such as Homero Aridjis, ex-ambassador to Holland, and Octavio Paz. Many of them are flagrant homosexuals who act as the interface between the Nazi right wing, such as the National Action Party (PAN), and the left, such as the PSM (Mexican Socialist Party), which are elec-

torally allied.

Comacho was trained at Princeton University by Richard Falk, a professor whose zeal to stop nuclear power was so great that he led a delegation of supporters to Teheran to march in the streets with Khomeini's mullahs, and demand the overthrow of the Shah, who had angered the Trilateral Commission by mapping an ambitious nuclear energy program for Iran.

Manuel Camacho is part of the so-called Tepoztlán Center, founded under the aegis of the Trilateral Commission, which is devoted to spreading propaganda in favor of a rural, deindustrialized Mexico ruled by the fanaticism of "Aztec fundamentalism." Camacho was trained under the intellectual tutelage of the star poet of the Televisa group, Octavio Paz, and Enrique González Pedrero, current Tabasco governor and author of the greenie book, *The wealth of poverty*. Octavio Paz is the architect of the artificial fame acquired by the "Hundred" group thanks to Televisa.

Another important component of this machine is the Mexican branch of the Socialist International long headed by Jesús Reyes Heróles, who died in 1985. As Mexico's Secretary of the Interior from 1976 to 1979, Reyes Heróles was the architect of a Political Reform conceived to give power to the Nazi-communist parties of the opposition, to pressure the ruling PRI "from within" and force the conversion of the Mexican presidential system into a British style parliamentary system. In 1979, then-President José López Portillo threw him out as a traitor. Reyes Heróles trained a generation of young politicians known as "Reyes Heróles's orphans." Camacho Solís is one of the most brilliant "orphans." Other "orphans" formed a tiny band of dissidents within the PRI known as the "Democratic Current," headed by Porfirio Muñoz Ledo, ex-president of the PRI, and Cuauhtémoc Cárdenas, ex-governor of Michoacán, who had turned down an experimental nuclear plant in his state, for ecological reasons. On May 24, he led a demonstration against Laguna Verde. Manuel Moreno Sánchez, ex-presidential candidate of the Social Democratic Party (PSD)—known as the State Department party—and recently affiliated with the "Current," announced that this group of PRI dissidents is backing Manuel Camacho for President of Mexico.

Pro-nuclear Mexico

Supporters of nuclear energy in Mexico come from all walks of life. Early this year, the Committee to Defend Laguna Verde was founded by nuclear technicians, teachers, doctors, students, and industrialists. The committee got out thousands of leaflets in the state of Veracruz, entitled "A nuclear plant is not an atomic bomb, nor is Laguna Verde Chernobyl." This was widely covered in the national press.

On June 9, *Excelsior* and *Universal* reported the statements of Francisco González Telles, the director of industrial coordination of the Chamber of Transformation Industries of Monterrey, the second industrial city of the country. "We've

had enough studies. . . . Nuclear electricity must now go on line so that the country can enter the nuclear age and with it guarantee the energy needs of the productive sector," he said. On June 6, Engineer Carlos León Hinojosa, of the College of Mechanical Electrical Engineers, said that "if we stay behind in such [nuclear-electric] projects, the country will put the brakes on its development." On June 4, Dr. Gonzalo Halfter, winner of the national medal of merit in ecology and conservation, indicated that "Laguna Verde is an option in the face of growing electricity consumption."

Overall policy and nuclear energy

Laguna Verde was planned under President Luis Echeverría, at the outset of the 1970s, but it was not until 1976 that work began under President José López Portillo, who proposed to build 20 nuclear plants by the year 2000. But this project was suspended because of the debt payments crisis of 1982. On June 16, Eibenschutz proposed, in an interview in *Excelsior*, building five plants "similar to Laguna Verde," in the next 15 years. Eibenschutz explained that there are projects to triple the national capacity of hydroelectrical production, which would exhaust the potential for "economical" electricity production. "Nevertheless, if by magic we could put all of these projects into action tomorrow, it would still not be enough to fully satisfy today's electricity needs." Moreover, for power production, "We are burning a precious resource, which is coal . . . and at present two-thirds of the electricity we consume in the country comes from petroleum."

When the malthusian ecology secretary, Manuel Camacho Solís, referred to "overall policy" before deciding on Laguna Verde, he was referring to the crucial decision that will be made by President Miguel de la Madrid in less than three months: the choice of the candidate of the governing Revolutionary Institutional Party (PRI), for the 1988 presidential elections. One of the agents of Camacho Solís, José Arias Chávez, coordinator of the Council of Pacts of Ecologist Groups, announced on June 3 to the national press that activation of the reactors "would mean political suicide for the officials who decide on it." "We will not support the presidential candidate, whoever he may be, if within his program of government he contemplates bringing on line nuclear plants," he threatened. Then he announced that the sabotage will include "seizure of city halls, blocking of highways, and suspension of payments to the Federal Electricity Commission."

None of the visible pre-candidates of the PRI has come out categorically for nuclear power. If President Miguel de la Madrid suspends the project and orders the reconversion of Laguna Verde into a gas-generating plant, as the ecologists propose, all the talk about "modernization" of Mexico and "industrial reconversion" used by him and some of the potential candidates will be unmasked as the malthusian doubletalk of the post-industrial age.

Brazil surrenders to IMF austerity

Finance Minister Bresser gouges wages, suspends development, and gives up sovereignty to foreign bankers.

On July 12, the Brazilian government, in hopes of reaching an agreement with the international banks, ordered a brutal austerity program. Finance Minister Luiz Carlos Bresser Pereira is willing to dismantle the debt moratorium decreed Feb. 20, the great infrastructure projects which are Brazil's pride, and sovereignty over internal credit—all in order to please Brazil's creditors.

Called "The New Cruzado," the program gives in to demands which the International Monetary Fund (IMF) had made for years. It postpones every major public investment for six months: the north-south railroad (which had already been vetoed by World Bank technocrats), the east-west "Production Railroad," 25% of the general railroad and port program, 60% of the steel program, the second nuclear plant, and petrochemical complexes in Rio Grande do Sul and Rio de Janeiro.

The social democrat Bresser aspires to halve the public deficit from its estimated 7% of Gross National Product, at the expense of killing the productive economy. The wheat subsidy was eliminated and public utility rates raised an average of 30%. Prices will hypothetically be frozen for 90 days, while wages certainly will be. As was done at the start of Argentina's Austral Plan exactly two years ago, real wages will never be allowed to recover what was lost to the 30% price increases which took place during the first half of June.

Further wage-gouging will take place after the price freeze ends; at the end of September, wages will be increased for only a third of that month's expected abrupt price increases. "The New Cruzado is causing the biggest wage theft in our country's history and the lowest minimum wage of all times," labor union economist Walter Barelli concluded June 16.

With the combining of all government budgets into one, the decade-long dream of the World Bank and IMF has come true. As central bank president Fernando Milliet put it, "For the first time in history, by having only one budget, the government will only invest what it collects in taxes." The central bank was granted its "independence," so that it, like the U.S. Federal Reserve, can act with contempt toward the elected government.

"It is a highly recessive plan, especially for the northeast," Miguel Arraes, the governor of the state of Pernambuco, declared June 13. Arraes, who supported ex-Finance Minister Dilson Funaro's policies of debt moratorium and nationalist development, explained, "There is no so-called 'repressed demand' here, because, for 90% of the inhabitants of this region, 'demand' simply does not exist."

The perennial conditions of misery in the northeast have been amplified by this year's drought and high interest rates. Last week, Bresser told representatives of thousands of farmers going bankrupt, "I was invited to visit, not to provide solutions. I cannot

subsidize interest rates, because that increases the public deficit. . . . I can tell you in advance that the government has no money."

Bresser's only solutions are capitulation to the bankers. His austerity packet was launched to show "good will" to Henry Kissinger and to an IMF delegation, both of which will be in Brazil by June 22. Kissinger will present the Brazilians with his IMF-style "macroeconomic plan," which is Brazil's informal "letter of intent." Bresser still pretends that his plan was not imposed by the IMF, but that he would welcome its approval. An IMF nod would serve as a green light for the Club of Paris and private bankers to renegotiate Brazil's debts.

Labor Minister Almir Pazzianoto broke his image as a lobbyist for labor, by defending the intended wage gouging, attacking the moratorium and defending Brazil's going to the IMF: "I don't see sovereignty threatened by that. We stopped paying the debt; and what happened? The country's problems got worse."

Bresser promises the banks that he will suspend the moratorium if they refinance \$7.3 billion of the interest due them during the next 18 months, at rates equal or less than those recently obtained by Mexico and Argentina.

In contrast to Bresser's hopes for leniency from the IMF, Dilson Funaro, who is leading a growing nationalist movement, wrote in his column in *Folha de São Paulo* June 13, "The Venice summit left it clear, at least as far as Brazil is concerned, that nobody should wait for the creditors to provide a solution. We have no option other than sticking to a position which assures our economic growth, no matter what. That is the only way we can preserve our negotiating capacity and our right to decide our own destiny."

Reagan discovers 'overproduction'

The President's silly statements in Venice fooled no one; if there is so much food in the world, why are millions starving?

Both at the Venice summit and in his televised June 15 report-back speech, President Reagan called for the phase-out of government subsidies to farmers, and for an end to world food "overproduction." Using canned references to such things as the "dynamics of the international economy," he called for "market signals" to come along and govern agricultural production and trade.

In other words, the same old "magic of the marketplace."

Farmers and hungry people will not be confused by this rhetoric. The so-called subsidies going to farmers, are in reality, just passing through their hands, and lining the pockets of the cartel export companies (Cargill, Nestlé, Continental, Bunge, André/Garnac, Louis Dreyfus, Archer Daniels Midland) who broker world food trade.

The so-called overproduction of food also does not exist. Because of the policies of the International Monetary Fund and related commodity cartels, the volume of world food traded has declined, and in some parts of the world, food is stored and rotting, with no "market" because of the IMF.

President Reagan has been given a script about mythical "market signals," that in reality serves the purposes of the special-interest cartel companies who are positioning themselves (through mergers and buyouts of shipping and processing facilities) to dominate shrinking world food stocks, and to allow millions of "excess peoples" to die off. At the same time, representatives of these compa-

nies, like Archer Daniels Midland head Dwayne Andreas, shuttle back and forth between Moscow and the West, thinking they are making deals that will prevent Moscow from taking advantage of the Western collapse.

What is required is an agricultural mobilization to both produce more food and to organize the logistics to preserve and distribute it where needed to roll back the starvation and misery. Initiating this mobilization depends more on the average citizen's leading the charge for new food and farm policies, than on farmers themselves, or on the world's hungry and sick who are prevented from mobilizing. To keep the citizen stupid about the food supply, the major media have carried cartel propaganda about the "food glut," and fat subsidies to farmers. But the truth is now coming out even in local U.S. supermarkets, where bacon prices are up over 12% in the last two months, and good beef is up 25%. This is just the beginning.

Subsequent issues of *EIR* will present the story—in pounds, bushels, dollars and cents, about how much or how little food is in short supply at home and abroad.

But here it is worth reviewing the "off-the-shelf" facts that President Reagan has had available to him from his government agencies, that prove—despite notoriously inaccurate figures—that there exists a huge gap in world food supplies. The President is wrong on his facts.

First, in May, the U.S. Department of Agriculture published a report

on the "Effect of Fiscal Austerity on African Food Imports" (USDA Economic Research Service, Foreign Agriculture Economic Report # 230). This study took 25 import-dependent African nations, and analyzed the factors influencing how much food they are getting. The results show that some nations, such as Liberia, Somalia, Lesotho, and Egypt, are as much as 13-22% dependent on food aid as a share of total food consumed, and are not in a position to afford the additional food purchases required. Despite government jargon, the consequences are still clear: "Any deterioration in the financial situation of low-income countries, therefore, reduces food imports and increases vulnerability to malnutrition and loss of life."

Also in May, the USDA published its "World Food Needs and Availabilities, 1986/87: Spring Update" (USDA: Economic Research Service). This is part of a series begun in 1984, as a result of an official presidential initiative to assess world food needs. The tables in the latest issue show countries desperate for food. "The 69 developing countries are estimated to be short 17.5 million tons of cereals to meet minimum nutritional standards in 1986/87. Nutritional needs are greatest in South Asia at 7.8 million tons and East Africa at 4.3 million tons." When minimal stocks management and logistics adjustments are made, nutrition-based needs are 18.1 million tons.

Even the most optimistic estimates show that food aid pledges are way below these minimal needs. The May "World Food Needs" report says, "The Food and Agriculture Organization estimates shipments of cereal aid in the July 1896-June 1987 trade year to be about 10.2 million tons, down more than 15% from the 1984-85 peak of nearly 12.5 million tons."

Business Briefs

Industry

Can the economy produce for defense?

The U.S. economy is not capable of sustaining a major military campaign by U.S. forces, according to the retiring Chief of Staff of the U.S. Army. Gen. John Wickham told the *Washington Post* June 16 that he was concerned about a "mismatch" between fighting forces and the industries that support them.

The Army, said Wickham, could fight up to three months without running out of supplies. But it would then have to wait nine months before American industry could start delivering replacements for destroyed tanks and guns.

"We have taken risks in the Free World" by favoring fast reaction over "sustainment capability," Wickham said.

He called attention to the floating warehouses being deployed to the Persian Gulf and other areas because of a lack of stockpiled war goods and bases, commenting, "You don't just drop them [U.S. forces] there and say, 'Bye, boys!'" with no supplies to back them up.

Agriculture

Farm failures up 300% in Texas

This is the "worst year yet" for Texas farmers, according to Texas Agriculture Commissioner Jim Hightower. Texas farmers are going out of business in numbers three times those of a year ago.

"We will continue to lose our best, most productive farmers who are the backbone of our family farm system unless current federal farm policies are changed," he said. "If the current disastrous economic price structure in agriculture continues, another 1 out of every 8 Texas producers does not expect to last beyond 1987."

An aide to Hightower, Andrew Welch, added: "The ones we are losing now are the ones we are most concerned about—the full-time producers who are doing the most to

provide our supper. We lost more than 14,000 of them in 1986, and we started 1986 with roughly 49,600. [Federal farm policy] has deliberately driven down the prices farmers receive to barely half the cost of production."

Space

Energia may orbit solar satellites

The Soviet Union allegedly plans to use the *Energia* super-booster rocket to place huge solar satellites into orbit starting in the 1990s. But according to the *New York Times*, the *Energia* is a purely peace-loving rocket. It said the satellites "would convert sunlight into electricity for cities and industry on earth."

"Power is a prerequisite for anything you do in space," said Peter E. Glaser, vice president at Arthur D. Little. "Proceeding with solar power satellites will give them a number of options. They're planning all kinds of moves, years ahead of us."

But Dr. Glaser said active solar satellites should also be viewed as a considerable military threat, one that "might undo" the Strategic Defense Initiative.

He added that, without international participation, the West might never know if some solar satellites carried powerful, hidden lasers aimed at anti-missile batteries.

Government

Justice Dept. scored for bankrupting firm

The U.S. Justice Department acted improperly in trying to drive a small computer software company into Chapter 7 forced bankruptcy, according to a ruling handed down by a federal bankruptcy judge in Washington, D.C. June 13.

The judge said that the Justice Department officials made "undue and improper attempts" to convince the U.S. trustee in Alexandria, Va. to convert the Inslaw, Inc.

bankruptcy case from a Chapter 11 reorganization to a Chapter 7 liquidation, in order to "put Inslaw out of business."

The judge also ordered Justice Department officials to refrain from all but routine contact with the U.S. trustee's office in Alexandria.

It was the same U.S. trustee in Alexandria who, after extraordinary approaches by the Justice Department, appointed interim trustees to seize the offices of three La-Rouche-associated companies in Leesburg, Va. on April 21. Lawyers have also charged improper Justice Department conduct in those cases.

Malthusianism

Hospitals ordered to set killing rules

U.S. hospitals have been ordered to set rules on killing patients, or, if you prefer, "ending care," as the relevant authorities term their euthanasia edict.

The Joint Commission on Accreditation of Hospitals, an agency which reviews hospitals for compliance with federal regulations and Medicare standards, has announced that it will require all accredited institutions to set standards for "ending care" of patients who are "irreversibly ill or likely to die within a few weeks."

This, claims the commission, is to protect patients' "rights" and bring an end to "abusing patients" and "traumatizing families" through "the massive exercise of cardiopulmonary resuscitation" for patients whose death is "imminent."

The joint commission is responsible for accrediting 80% of America's hospitals.

Technology

Pentagon spurs changes in U.S. industry

U.S. Air Force and other Pentagon quality assurance and production programs have begun to effect major changes in U.S. in-

dustry, according to a feature article in the *London Economist*.

The results in U.S. industry could have a major global impact within two years, it predicts.

The *Economist* cites a Hewlett-Packard estimate that "96,000 factories in the United States are currently in process of installing computer integrated manufacturing (CIM) in one form or another."

"In a year or two's time, many of them will become global forces to be reckoned with; some will no doubt conquer the foreign competition and become the new market leaders. . . . Never discount the genius of the defense industry in the United States," says the London weekly.

The firms which developed the new CIM industrial expertise under Pentagon demand, it reports, are now selling their knowledge to civilian industry.

Corporate Strategy

Takeovers continue at record levels

Despite all of the insider trading scandals and new laws, U.S. corporate takeovers continue at record levels, according to a June 16 report in London's *Financial Times*, which says that "the mania" for speculative corporate acquisitions in the United States is greater than ever.

"Deal-making fever in mergers, corporate raids, and leveraged buyouts has shown no signs of cooling off," says the report. "Wall Street has come up with new and ever more spectacular methods."

The London daily warns, however, that because most recent mergers gamble on being able to resell the victim company's assets into an ever-rising stock market, "if the market were to go into a prolonged decline, or interest rates were to rise sharply, many of the highly leveraged deals which depend on the disposal of corporate assets at ever higher prices, would quickly unravel. . . ."

"The few bears on Wall Street see the unabated deal-making frenzy as one of the most alarming portents for the year ahead," it concludes.

Finance

Bankers afraid of instability in Gulf

All the curious attacks on administration policy in the Persian Gulf now coming from Congress may reflect some string-pulling from a familiar source. Wall Street bankers are actively campaigning in favor of an American-Soviet agreement over the Gulf crisis, according to financial sources.

According to these sources, the bankers are arguing: "Don't talk to us about threats from the Soviets, the Reds, or anything else. Just make sure that there is no upheaval in oil prices."

Given the shaky world financial situation, bankers are afraid that a decrease or increase in the price of oil would be just enough to provoke a major financial crisis.

Free Enterprise

FBI ends operation against money laundering

The FBI has ended a major operation against drug-money laundering, arresting dozens, including several top narcotics traffickers. The operation took more than three years.

Attorney General Edwin Meese announced June 14 that *Operation Cashweb Expressway* had ended a day earlier with the arrest of 40 people. Over the two-year period, FBI undercover operatives set themselves up as money-launderers for the drug-runners, including for several top figures of Colombia's notorious "Medellín Cartel" drug network, who were among those arrested.

The same operation involved earlier arrests of over 69 people bringing the overall number of people arrested to 109 during the three-year period, said Meese.

He added that the most important result of the operation would be that "from now on, drug pushers will never be sure if they are laundering their money through a U.S. police force covert operation."

● **REP. JIM WRIGHT** told reports at the White House June 15 that, during his meeting with President Reagan that morning, he had urged development of a coordinated, comprehensive national strategy on domestic energy development. He said the United States cannot wait for another major disruption in world energy supplies, as portended by the current situation in the Persian Gulf. He stressed development of "alternative energy resources," including coal, solar, and nuclear.

● **MEXICO** has apparently agreed to a Soviet proposal that Mexico provide oil to Cuba in lieu of Soviet supplies, while the Soviets supply Mexico's current Western European clients, both saving costs in transport. The net result is to tie Mexico to Cuba, while increasing European dependency on the Soviets.

● **BANKAMERICA** has gone begging in Japan, according to Reuter. The bank "has been plagued with losses because of problem loans," and has "asked Japanese commercial banks to buy \$350 million in notes and preferred stock as part of a \$1 billion package to raise badly needed cash." Corporate officials met with representatives of 20 Japanese banks at a "hastily convened" session. Said Reuter, "Initial reaction was less than enthusiastic."

● **AMERICAN EXPRESS** announced June 18 that its banking subsidiary, the American Express Bank, Ltd. would set aside \$600 million in the second quarter for loan-loss reserves, increasing its reserve to \$795 million, or 38% of its total Ibero-American loans, and 10.6% of all loans outstanding. Amex says it expects to report a \$50 million loss for the second quarter, but the best yearly earnings ever. In 1986, the company earned \$1.25 billion. Its banking subsidiary contributed \$175 million of that.

Laser chemistry: economical because it is nonlinear

Robert Gallagher refutes the thinking of those who claim industrial applications of laser chemistry will cost too much, and reviews the methods to be used.

The Strategic Defense Initiative is advancing laser technology across a broad front and will produce many technologies applicable in industry. Research into optical biophysics required to develop an understanding of the AIDS virus, and develop a vaccine, will advance our knowledge of photochemical processes far beyond their present primitive level. Nonetheless, despite these demands for advancement in science and technology, there has been considerable debate over the economy of using lasers in industrial chemical processes. Many writers have argued that since the cost of laser photons (units of coherent radiation) is hundreds of times more than the price of most bulk-produced industrial chemicals, laser chemistry processes will not find widespread application in industry because they appear uneconomical. If a process depends on the use of one photon to produce one atom or molecule of product, then it will only be economical if the value of the product is extraordinarily high, such as enriched uranium fuel for nuclear reactors. Therefore, some believe that use of lasers would only be economical in specialty production where even with the use of one photon per molecule or atom of product, photon cost will account for a small fraction of overall cost.

This argument fails on at least two counts. First, it rests on current economic conditions. The operating cost of lasers that will be used in industry in the future (such as free electron lasers), will scale directly with the cost of electricity. Entirely for political reasons, the cost of electricity today (on which the calculations of the cost of laser photons are partially based) is about 10 times greater than it was in 1965. A rational energy policy based on nuclear power would return the cost of electricity to at least 1965 levels and thus reduce the operating cost of lasers by an order of magnitude. Commercial nuclear fusion power would bring the cost of electricity (and

therefore laser radiation) down even more.

Second, and more important, successful laser-assisted chemistry processes are economical because they are based on the selective and nonlinear action of coherent radiation. An example of this is a process developed by J. Wolfrum of the Max Planck Institute for Research in Hydrodynamics (Göttingen, Federal Republic of Germany). Absorption of a single photon of ultraviolet light initiates a chemical chain reaction that produces more than 10,000 molecules of vinyl chloride, a principal feedstock used by the chemical industry for the manufacture of polymers. Photon cost ceases to present a problem because the product yield in molecules per photon absorbed (known as the *quantum yield*) is so high.

Fortunately, many of the synthetic reactions used in the production of industrial bulk chemicals, like vinyl chloride synthesis, involve chain reactions initiated by the production of highly reactive chemical "free radicals" (atoms or groups of atoms possessing an odd number of electrons, such as chlorine), which "link" the chain reaction so that it propagates. In comparison with methods of producing free radicals by heat or flashlamps, laser radiation is more selective. As a result it is possible to increase the lengths of the chemical chain reaction by an order of magnitude or more.

All that is required to make lasers economical in many bulk industrial chemical processes is the identification of the particular wavelength(s) of laser radiation whose absorption will optimize free radical production and maximize chemical chain reaction lengths, product output per photon absorbed, and quantum yield. **Figure 1** shows that with a high enough quantum yield, even cheap chemicals like methyl chloride or ethylene can be produced economically with laser photochemistry. (The figure shows the cost of both photons and chemicals in units of dollars per mole. One mole is equal to

6×10^{23} quanta of a substance. Laser photons cost about \$1-2 per mole, while most industrial chemicals cost only a few pennies to a few mills per mole.)

Degrees of freedom

The contention that laser-assisted processes are uneconomical for production of relatively cheap chemicals, appears to be wrong. Indeed, just as misguided is the reasoning that lasers are economical for the production of materials with high price-tags only because laser radiation costs are, in such cases, low relative to product value. This derives from a misunderstanding of the one laser chemistry process that preoccupied laser chemists over the past decade: laser separation of uranium isotopes for production of nuclear fuel.

In atomic vapor laser isotope separation, the quantum yield is low compared to vinyl chloride synthesis (about 10 for production of commercial enriched uranium fuel and theoretically 0.33 for pure U-235); this is because it takes at least three photons to ionize a single atom of the desired U-235 isotope for extraction from the uranium feed. It thus appears, from an accountant's standpoint, that the photon

economics are poor. This is an improper conclusion.

Enriched uranium is expensive only because the product is more difficult to produce than industrial chemicals. There are *fewer degrees of freedom available* by which laser radiation (or any other kind of physical action, for that matter) can separate uranium isotopes, than accomplish practically any other chemical task. The extreme difficulty of laser isotope separation, and its success in laser uranium enrichment, prove that simpler chemical tasks, that have more degrees of freedom available for photochemical action, and whose products are consequently less expensive, will be economical once the appropriate path of nonlinear least action photochemistry is discovered.

It is the powerful nonlinearity of laser processes that makes them economical. Probably the best presentation of such processes appears in *Nonlinear Laser Chemistry* (Springer-Verlag, 1983) by V.S. Letokhov of the Institute of Spectroscopy of the Soviet Academy of Sciences. Remarkably, this book, finished in 1982, remains "the most complete treatment of nonlinear laser chemistry available," according to a laser chemist who plays a leading role in the U.S. laser isotope separation program. It is unfortunate that U.S. surveys of the field (at least unclassified ones), are less general and less optimistic than Letokhov's.

One application of nonlinear laser chemistry is to selectively excite atomic or molecular species until a desired transformation has occurred that allows production of a finished or semi-finished product. Among the methods of nonlinear laser chemistry discussed by Letokhov and others are:

1) Multi-step selective excitation-transformation of atoms or molecules.

This technique is employed in isotope separation, and other applications; Letokhov has proposed this as one method of selective photochemistry with bio-macromolecules, such as the nucleic acids, DNA, and RNA.

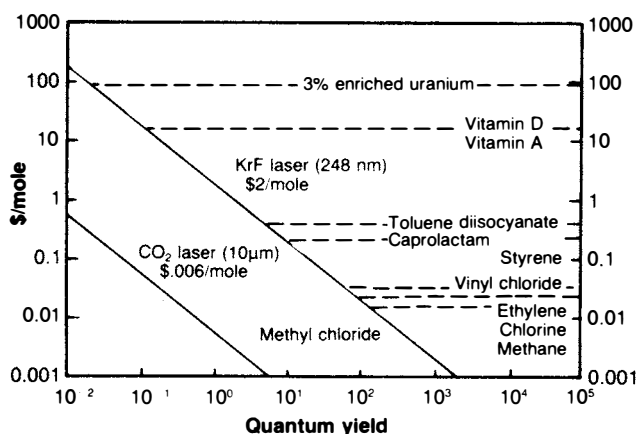
In multi-step excitation, an atom or molecule absorbs a sequence of two or more photons of coherent radiation with wavelengths that are resonant with a sequence of quantum state transitions through which the laser light is said to drive the excited atomic or molecular species. In other words, the photon energies match those of the transitions. (A photon is a quantum of coherent radiation; photons are presently quantified in units of the wavelength of radiation.)

In atomic vapor laser isotope separation, coherent orange light of three distinct wavelengths excites an atom of uranium-235 through three quantum transitions to ionization. The excitation energies of the three transitions total 6.19 electron volts (eV) (Figure 2). (One electron volt is said to equal about 4×10^{-26} calories.)

In accordance with quantum theory, to be excited through multiple steps, an atom or molecule must absorb in sequence, a number of photons equal to the number of transitions and whose photon energies must equal the excitation energies of the sequentially corresponding transitions. If there is a range or band of photon wavelengths that may produce a transition,

FIGURE 1

Laser photochemistry: economics



Photochemical processes with a high quantum yield (the number of product molecules—or atoms—per photon of coherent radiation absorbed) are economical regardless of the cost of photons. The figure shows, on the right, the price per mole of selected products. For comparison, on the left, the hypothetical cost per mole of product, produced with the carbon dioxide and krypton fluoride lasers is plotted for a range of quantum yields (solid lines). The intersection of the dotted line at the height of the cost of a chemical with one of the laser cost lines, indicates the quantum yield at which a laser process becomes economical even in today's economy. For quantum yields greater than 1000, laser production of bulk industrial chemicals becomes economical.

Source: K.V. Reddy, "Ultraviolet Laser-triggered Chemical Chain Reactions," *Applications of Lasers to Industrial Chemistry*, R. Woodin, A. Kaldor, eds., *Proceedings of the SPIE* 458 (1984).

then the exciting photon must fall within this band. Such a resonance between the wavelengths of the orange photons used in atomic vapor laser isotope separation and the quantum states through which they excite uranium-235, is the basis for its high selectivity in separating the fissionable U-235 from the more abundant U-238 whose quantum transitions differ (see *EIR*, May 15, 1985).

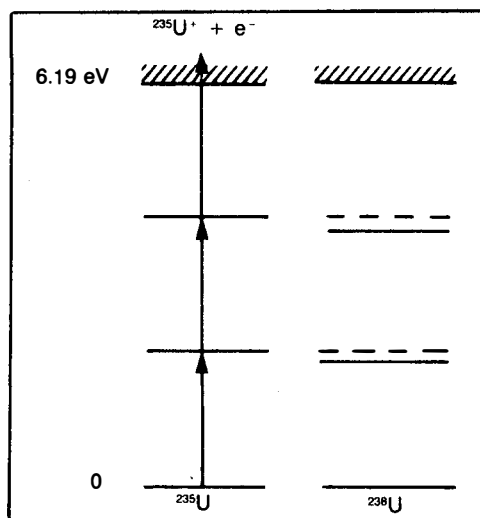
2) Multi-photon excitation of atoms or molecules.

Though in principle this technique appears to violate quantum theory, it has been successfully applied to produce chemical free radicals for the propagation of chain reactions in organic chemical synthesis, to separate isotopes, and to perform many other chemical tasks.

Unlike multi-step excitation, the multi-photon technique does not require absorption of a photon of a wavelength tuned to the absorption band of a quantum transition to excite an atomic or molecular species through it. Absorption of two or more photons none of which are tuned to the transition, and each of whose energy is less than the expected energy of the transition, may produce the transition (**Figure 3a**); or the action of two photons, neither of which is tuned to a transition, may sum to effect the excitation of the atomic or molecular species across two transitions (**Fig. 3b**); or a single photon may accomplish more than one quantum transition, etc.

FIGURE 2

Baseline process



Multi-step excitation of atoms or molecules requires that photons resonate with quantum transitions. Three orange photons that match a sequence of three quantum transitions, excite uranium-235 to ionization in a multi-step process in the atomic vapor laser isotope separation process.

Source: J. Davis and J. Paisner, "Science, Technology, and the Industrialization of Laser-driven Processes," Lawrence Livermore National Lab, May 1985, UCID-20448.

The practical significance of these results, is that they permit use of a wider range of wavelengths of coherent radiation to perform tasks that previously were thought to require a narrow range. They permit a fixed wavelength laser to be adapted to perform tasks to which it was previously thought inapplicable, since the wavelength of its radiation need not fall within a quantum transition's bandwidth. In some cases, product yield and process selectivity can be significantly enhanced.

The U.S. Patent Office issued a patent Feb. 17 to Joshua Zavelovich and Virupaksha Reddy of Amoco Corporation for invention of a process for multi-photon generation of bromine radicals by photochemical dissociation of hydrogen bromide, to initiate chemical chain reactions that produce ethyl bromide from ethylene with a quantum yield greater than 10,000.

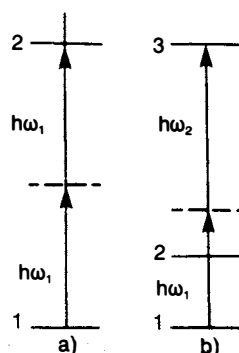
Ethylene is the simplest of the unsaturated hydrocarbons. The unsaturated hydrocarbons, called alkenes or olefins, have less than the maximum quantity of hydrogen in their molecular structure and are characterized by the presence of carbon-carbon double bonds. Zavelovich and Reddy claim that their process will apply to hydrogen bromide reactions with any of the alkenes or olefins, which include propylene, butylene, and other chemicals.

Even if the process is only applicable to ethyl bromide production it will be economically viable. Ethyl bromide is produced from the combination of ethylene with a hydrogen atom and a bromine atom; the reaction sequence is called "hydrobromination." The Zavelovich-Reddy patent (No. 4,643,812) reports: "Ethyl bromide . . . is a commercially significant material which has found use as a refrigerant, as an ethylating agent in organic synthesis, and as a grain and fruit fumigant."

Laser radiation is used in the newly patented process to dissociate hydrogen bromide (HBr) to produce the bromine radical. The single-step electronic transition that produces HBr dissociation has a minimum excitation energy of 3.76 eV, corresponding to absorption of a photon with a wave-

FIGURE 3

Multiple photon excitation



Multiple photon excitation does not require that photon energies match the energies of quantum transitions. In (a), two photons of the same wavelength combine to excite an atom or molecule through a single transition. In (b), two photons of different wavelengths combine to excite an atom or molecule through two transitions.

length of at most 330 billionths of a meter (330 nm). Laser sources are available that produce ultraviolet radiation with photon energy within the bandwidth to dissociate the molecule with a single photon: the xenon chloride laser (193 nm, or 4.03 eV), krypton fluoride (248 nm, or 4.98 eV) and argon fluoride (308 nm, or 6.42 eV), but the radiation of each of these, destructively interacts with the ethyl bromide chain reaction product, dissociating it and reducing the yield. Zavelovich and Reddy discovered, however, that radiation produced by xenon fluoride lasers with a photon wavelength of 351 nm (3.53 eV), if of sufficient intensity, produces HBr dissociation without destructive interaction, even though its radiation is not resonant with hydrogen bromide. Ethyl bromide is transparent to this radiation. The patent states:

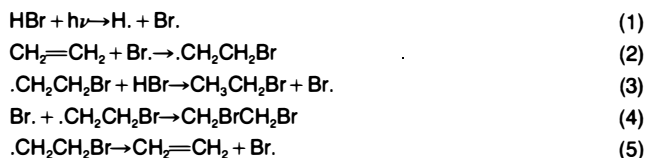
Although the single photon absorption of light by hydrogen bromide is negligible at wavelengths in the range from about 335 to about 500 nm, we have found that coherent light in this range of wavelengths can be utilized to initiate the free radical addition of hydrogen bromide to olefinic double bonds by dissociation of hydrogen bromide into its constituent atoms. The use of photons in this region of the spectrum would not be expected to initiate a free radical hydrobromination process in view of the low absorbance by hydrogen bromide in this region of the spectrum and the fact that these photons have an energy which is less than that which is required to dissociate the hydrogen bromide into its constituent atoms. We have found, however, that at these wavelengths, the very high photon concentrations produced by a laser cause the dissociation of hydrogen bromide by way of an unexpected multiple photon process. . . . Any single photon process is ruled out because light of this wavelength consists of photons having an energy of 3.53 eV, which is less than the hydrogen bromide dissociation energy of 3.76 eV. Only the absorption of two or more photons by hydrogen bromide can lead to its dissociation at 351 nm. There is no state of hydrogen bromide which can be resonant with 351 nm photons. Accordingly, it is believed that the photoinitiation of the hydrobromination of ethylene at this wavelength is by the simultaneous absorption of two photons by a molecule of hydrogen bromide. The sum of the energy of two of the 351 nm photons corresponds to the maximum of a one photon absorption band of hydrogen bromide in the vacuum ultraviolet [7.06 eV].

Laser-initiated free radical chain reactions

The transformation of ethylene to ethyl bromide is a good example of a free-radical initiated chain reaction. In such processes, light or heat produce free radicals by dissociating a molecule that carries a radical, such as bromine. In ethyl bromide production, hydrogen bromide in solution with ethylene, is dissociated into a hydrogen atom and the bromine

TABLE 1

Nonlinear process produces ethyl bromide



Bromine chemical free radical produced by laser dissociation of hydrogen bromide in step 1, initiates but is not consumed by chain reaction of steps 2 and 3. It initiates as many as 10,000 reactions until it is destroyed by collision with the walls of the reactor vessel, or combines with some other reaction product as in step 4.

Source: Zavelovich et al., "Photochemical Process for the Hydrobromination of Olefinic Double Bonds," U.S. Patent 4,643,812, issued Feb. 17, 1987.

radical (Table 1, Equation 1). The bromine atom is highly reactive, because as expressed in chemical theory, like all free radicals, it possesses an electron that is not paired with another of opposite spin. The bromine quickly combines with an ethylene molecule to yield the ethylene-bromine free radical ($\cdot\text{CH}_2\text{CH}_2\text{Br}$, see Table 1, Equation 2), which in turn reacts with a molecule of hydrogen bromide to yield the ethyl bromide product, plus a bromine free radical (Table 1, Equation 3).

The bromine free radical is not consumed in the reactions that produce the ethyl bromide product. It remains available to transform ethylene into ethyl bromide via steps 2 and 3 as shown in Table 1. Production of a single free radical can link the pair of reactions producing the product, into a chain hundreds or thousands of reaction-pairs long. Reaction propagation steps 2 and 3 continue to repeat until the free radical collides with the walls of the reaction vessel (and is neutralized) or is destroyed in a termination reaction (as in Equation 4).

Free radical-initiated chain reactions are widely prevalent in chemical synthesis. Lasers offer several advantages over simple heating or the use of flashlamps for the production of the necessary free radicals.

1) Production of free radicals by thermal means usually requires a higher temperature than that necessary to sustain the chain reaction once it is initiated. These high temperatures may produce undesirable side reactions that reduce selectivity, that is, the proportion of the desired reaction product to all others. The use of lasers to produce the free radicals, eliminates any need for such high temperatures.

2) With heat or flashlamps, the production of the free radicals is not spatially controllable by the chemical engineer. Because of the homogeneous action of heat and the broad divergence of radiation from flashlamps, as many free radicals are produced per unit volume near the walls of the reaction vessel as in the interior. Those produced at the walls

quickly collide with them and are neutralized—reducing the chain reaction length, the number of product molecules per free radical generated. Laser beams on the other hand, can be formed into a column of radiation that only acts on the chemicals well into the interior of the reaction vessel. They also may be pulsed, so that radicals are produced when they are needed, rather than continuously. Free radicals are needed only when neutralization of radicals previously generated, has proceeded so far as to markedly slow process throughput. Use of lasers enables better temporal and spatial control over free radical production.

Lower temperatures are better

Wolfrum's laser-assisted technique for vinyl chloride production confirms this hypothesis. Laser production of chlorine free radicals at the same high temperature as the thermal process (500° C), resulted in a 25% increase in overall yield of reaction products (Table 2). Reducing the temperature to 350° C, brought the yield of the laser process down to that of the high-temperature thermal process, *but increased the selectivity*, the ratio of the desired vinyl chloride to other reaction products, from 6 to 1,000.

The ethyl bromide process discussed above is optimized at lower operating temperatures. Higher temperatures lower the quantum yield. The Zavelovich-Reddy patent states:

The commercial preparation of ethyl bromide by the hydrobromination of ethylene has been carried out photochemically using high-energy ionizing radiation such as gamma radiation from a cobalt-60 radiation source. . . . Although this process has been commercially successful, it requires the use of extensive shielding and the use of a hazardous radiation source. In addition, the use of high-energy ionizing radiation such as gamma radiation is undesirable because each photon carries about 1 million times the amount of

energy actually required to dissociate a molecule of hydrogen bromide into atoms. This excess energy is converted into heat and results in an increase in the temperature of the reaction mixture, which is undesirable since the quantum yield of the reaction decreases as the temperature increases. . . .

The quantum yield for the free radical addition of hydrogen bromide to olefins ordinarily decreases with an increase in temperature. This is believed to be a result of the thermal instability of the intermediate organic free radical which is formed in the hydrobromination reaction. For the case of ethylene, this intermediate free radical is believed to decompose into ethylene and a bromine atom (the reverse of Equation 2) as shown in Equation 5 (see Table 1). As the temperature increases, this decomposition competes more effectively with the propagation steps which are set forth above in Equations 2 and 3. Accordingly, the photochemical hydrobromination reaction of this invention is preferably carried out at relatively low temperatures. For example, the reaction is desirably carried out at a temperature below about 400° C, preferably below about 200° C, and more preferably below about 100° C.

Operating at a lower temperature, the xenon fluoride laser process involves a greater coherence of least action, relative to the gamma-ray process.

Has the economics of such laser processes ever been worked out in detail?

Before a conference of the Society of Photo-optical Instrumentation Engineers in January 1984, Reddy showed that only a few thousand 100-watt excimer laser units were required to produce the entirety of U.S. vinyl chloride and phenol annual output—strongly making the point of the relevance of lasers to industrial chemistry (see Table 3). Given that SDI will bring the capital costs of lasers down tremendously, what are we waiting for?

Nonlinear shifts in absorption spectra

With nonlinear methods, such as multi-photon excitation and efficient production of free radicals, laser chemistry will become quite economical. Within *multi-step* excitation of atoms and molecules, there are also a variety of nonlinear methods available to achieve high selectivities of laser action. Multi-step excitation of molecules displays its own nonlinear features. Selective excitation of infrared radiation produces a transformation in the spectrum of wavelengths of ultraviolet light that are absorbed by the excited molecules, that is, they absorb frequencies of light that they previously had not. This effect provides the basis for separating molecules with atoms of different isotopes from each other, for example, separation of uranium-235 hexafluoride from uranium-238 hexafluoride. Usually there is almost a complete overlap in the ultraviolet absorption spectrum of molecules

TABLE 2
Laser-assisted vinyl chloride production is superior to thermal process

Process type	Product yield*	Selectivity**	Quantum yield
At 500° C			
Thermal	60%	5.7 (85%)	NA
Laser	75%	5.7 (85%)	20,000
At 350° C			
Laser	60%	1,000 (99.9%)	5,000

*Percentage of dichloroethane feed transformed into a reaction product.

**Ratio of vinyl chloride to all other reaction products. In parentheses, this is expressed as vinyl chloride as a percentage of all products.

Source: Figures from A. Kaldor and R. Woodin, "Applications of Lasers to Chemical Processing," *Proceedings of the IEEE*, Vol. 70, No. 6, June 1982.

TABLE 3

Excimer laser power requirements for production of bulk chemicals

Chemical name	Annual volume		Quantum yield	Req. laser power (kW)	# of 100W units
	kg/yr	moles/year			
Vinyl chloride	3.02×10^9	4.90×10^{10}	10,000	110	1,100
Phenol	1.14×10^9	1.21×10^{10}	1,000	190	1,900

Source: K.V. Reddy, "Ultraviolet Laser-triggered Chemical Chain Reactions," *Applications of Lasers to Industrial Chemistry*, R. Woodin, A. Kaldor, eds., *Proceedings of the SPIE* 458 (1984).

with different isotopes. If the initial infrared excitation can be made isotope-specific, the ultraviolet light of the new absorption frequencies can be used to photodissociate the desired molecule and separate the isotope it carries.

In the 1970s, Letokhov and his associates reported that selective excitation of isotopes of ammonia (NH_3) with infrared laser radiation of a wavelength of about 10 microns, produced a dramatic shift in the spectra of ultraviolet light that the ammonia molecules would absorb. The excited molecules displayed high absorption of ultraviolet light at a wavelength of 221 nanometers, at which the unexcited ammonia displayed no or little absorption (see **Figure 4**). By selectively exciting ammonia carrying nitrogen-15 with a specific wavelength of infrared radiation, the shift in the absorption spectra could be induced, so that the isotope-specific molecule could be photodissociated with ultraviolet radiation at the new wavelength that it absorbed, yielding a gas enriched in the nitrogen-15 isotope.

The action of the infrared radiation shifts the absorption spectra of the excited isotope to longer wavelengths relative to the spectra of the unexcited material; the new spectra are called "red-shifted," since in visible light, red light is of the longest wavelength. The red-shift in the absorption spectrum is said to occur because the molecules already excited by absorption of infrared radiation, only require ultraviolet photons of lower energy (and longer wavelength) to be dissociated.

The technique of producing shifts in the absorption spectra of isotopes by irradiation with photons of one wavelength, to prepare them for selective action by photons of other wavelengths, has been employed at Los Alamos National Lab to separate isotopes of uranium, sulphur, and other elements.

In sum, the technique of multi-step molecular excitation is based on selectively transforming the chemical feed material into a state in which its absorption spectra provides opportunities for efficient transformation of the intermediate state of excitation into a product. The model of multi-step excitation refers to excitation through one or more short-lived intermediate states of photon excitation. The two-step photoisomerization of 7-dehydrocholesterol into previtamin-D, illustrates the principle of the technique, even though the pri-

mary intermediate state is not short-lived but is the stable tachysterol isomer.

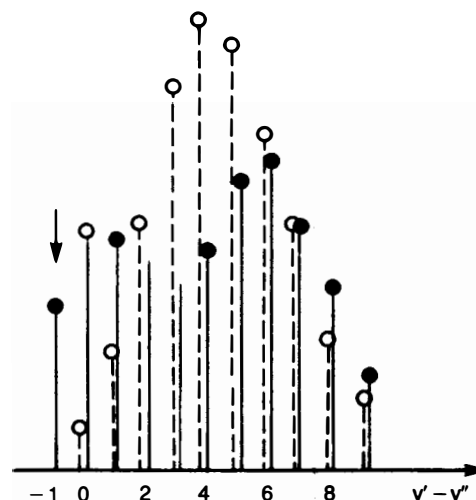
Vitamin-D regulates bone growth in man, and is produced in the body by the action of sunlight on cholesterol in the skin. Vitamin-D deficiency leads to the disease of rickets. Existing commercial methods of vitamin-D production cannot avoid use of a photochemical stage to convert 7-dihydrocholesterol (7-DHC) to its previtamin-D isomer.

A group of researchers led by Peter Hackett at the National Research Council of Canada, have developed a two-photon, two-step method of photoisomerization (or transformation) of the 7-DHC isomer to the previtamin-D isomer.

An isomer of a molecule has the same elements, though

FIGURE 4

Spectral lines for normal and laser-excited molecules



Infrared laser excitation of molecules shifts their absorption spectra relative to unexcited molecules and presents opportunities for selective action. The figure shows the spectral lines for normal (dashed lines) and laser-excited (solid lines) ammonia.

Source: Adapted from V.S. Letokhov, *Nonlinear Laser Chemistry* (Springer-Verlag, 1983).

arranged in a geometrically different manner. There are several isomers of 7-DHC of which only previtamin-D is biologically active.

Figure 5 shows that the ultraviolet absorption spectra of 7-DHC and its four principal isomers overlap almost entirely, except for the 310 to 370 nanometer absorption band of tachysterol (T_3), which provides the basis for selective action. Under ultraviolet radiation, tachysterol "is smoothly converted . . . into previtamin-D," writes Hackett.

Hackett and his colleagues explored whether the use of two ultraviolet sources operating at different wavelengths, could take advantage of this difference in the absorption spectra of the isomers. Ultimately, they used a krypton-fluoride laser operating at 248 nanometers wavelength, to convert 26% of the 7-DHC input into previtamin-D and 71% of it into tachysterol. They then irradiated this mix of isomers with a nitrogen laser operating at 353 nanometers which selectively acts on the tachysterol to convert it to previtamin-D. They obtained a total two-step conversion of 7-DHC of 99.9% of which previtamin-D constituted 80%.

By contrast, the yield (the percent of 7-DHC converted to reaction products) in the conventional process, is only about 40%, of which only 30% is previtamin-D. Table 4 contrasts the yields and selectivities of the conventional and two-photon processes. The selectivity, the ratio of the desired

TABLE 4

Two-step photochemical production of vitamin-D superior to conventional process

	Product yield*	Selectivity**
Conventional process	40%	0.43 (30%)
Two-photon process	99.9%	4.0 (80%)

*Percentage of 7-dehydrocholesterol feed converted to a reaction product.

**Ratio of previtamin-D to all other reaction products. The figures in parentheses give previtamin-D as a percentage of all reaction products.

Source: P.A. Hackett et al., "Viable Commercial Ventures Involving Laser Chemistry Production: Two Medium Scale Processes," *Applications of Lasers to Industrial Chemistry*, Richard L. Woodin and Andrew Kaldor, eds., *Proceedings of the SPIE* 458 (1984).

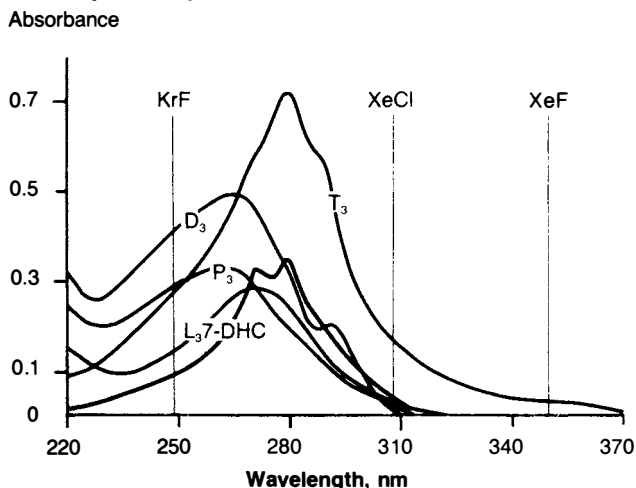
product to all other molecules in the output, is 10 times greater for the two-photon process which makes use of the difference in the absorption spectra of the isomers, than for the conventional process. The yield of the photochemical reaction is more than double. Regarding the industrial feasibility of this process Hackett et al. write:

The immediate implications of this work for industrial production of vitamin-D are straightforward. The KrF photolysis stage can be replaced by the cheap, efficient, reliable, spectrally pure, low pressure mercury lamp at 254 nm. The second stage may be effected by a suitably filtered medium-pressure mercury lamp. Vitamin-D produced by this dual wavelength photolysis route will be sufficiently active . . . for use in animal feed without additional purification. Moreover, existing production facilities could be upgraded simply by adding the second photolysis stage to convert useless tachysterol into potentially active previtamin-D.

Here we have an example of how experimental laser chemistry, can discover new ways to employ existing, less coherent flashlamps.

In some cases of multi-step excitation of isotopes, atoms, or molecules, absorption spectra may overlap so much in the ground state so that there may be no selectivity of action by laser radiation until all chemical feed material has been excited to an intermediate quantum state, from which selective excitation may be achieved. Selectivity may be achievable at the intermediate state as a result of differences in the absorption spectra of the excited isotopes, atoms, or molecules that may occur there, or as a result of differences in the lifetimes of short-lived quantum states excited by absorption of a photon. In the latter case, some species of atoms or molecules may decay from an excited state (produced by absorption of a photon) to the ground or unexcited state, faster than other species. This provides the opportunity for achieving selectivity by exciting both species, and then selectively transforming the species with the longer excited-

FIGURE 5
Absorption spectra of vitamin-D isomers



The shift in the absorption spectra for tachysterol (T_3) versus pre-vitamin-D (P_3) and other 7-dehydrocholesterol (7-DHC) isomers, provides a means of selectively producing the vitamin. Shown here are the ultraviolet absorption spectra for 7-DHC and four of its isomers.

Source: P.A. Hackett et al., "Viable Commercial Ventures Involving Laser Chemistry Production: Two Medium Scale Processes," *Applications of Lasers to Industrial Chemistry*, Richard L. Woodin and Andrew Kaldor, eds., *Proceedings of the SPIE*, Vol. 458 (1984).

state lifetime, after the other species had decayed to the ground state.

Letokhov proposed to apply these methods to develop selective photochemistry and photophysics with DNA and RNA:

All of the nucleic acids [DNA, RNA, etc.] absorb in approximately the same region. However, one can increase the excitation selectivity by exploiting the differences in the lifetimes of the intermediate states, the differences in cross-sections of the transitions from excited states, etc. . . . Nucleic acids which contain five types of bases and deoxyribose-phosphate chains, are one of the most interesting targets of selective processes. Such processes involving DNA and RNA are very important since in this way it is possible to change the genetic structure of living cells and to study the primary structure of DNA and RNA, which is particularly interesting for the development of new physical methods of sequencing the bases of DNA.

Letokhov discusses how, by varying the wavelength of multiple excitation steps and the radiation intensity of ultraviolet laser pulses of trillionths of a second in duration, it is possible to selectively dissociate the five bases from the DNA or RNA macromolecules.

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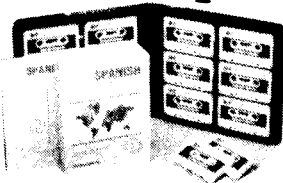
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War on AIDS: too many lies and not enough science

by Warren J. Hamerman

The global war on AIDS has to be fought on three fronts simultaneously: the public health front, the public information front, and the basic scientific research front. All three fronts must be coordinated through a wartime Manhattan Project “crash program” based upon space-age, high-technology biological science, unprecedented in scope, which has the objective of effectively giving the scientific command a “blank check” to do whatever is required to defeat the enemy.

Happily, the decision by President Reagan to initiate mass “routine testing” has finally broken the logjam on one part of the necessary public health battle—the urgent need through mass testing to ascertain how far the AIDS viruses have penetrated our society.

Nonetheless to date, on all three fronts, there have been too many lies and not enough science.

There have been those who propose lies instead of science because it costs less money.

There have been those who propose lies instead of science because they wish to radically overthrow the basic family-centered values of Western civilization in favor of the overt dominance of all forms of the rock-drug-sex counterculture, polymorphous perversity, and even open satanic cult practices.

There have been those ideological malthusians who propose lies instead of science because that will help reduce the “overpopulation crisis” among those they deem “useless eaters.” At a recent parade of homosexual activists in Boston, Massachusetts, for example, one of the popular chants was “Two, Four, Six, Eight, We don’t overpopulate!”

There have been those, as well, who wish to use the AIDS crisis as a pretext to revive Nazi practices such as euthanasia (so-called mercy killing).

Who is still lying?

The very individuals who have fought heretofore against traditional public health measures to slow down the spread of AIDS, are still in control of the Centers for Disease Control (CDC), the National Institutes of Health (NIH), the World



Washington, D.C. police donned rubber gloves to arrest "gay rights" protesters on June 1. Hardly anyone buys the lies about "safe sex" and "no casual transmission" any more—except Surgeon Koop and the Atlanta Centers for Disease Control.

Health Organization (WHO), the cabinet department of Health and Human Services (HHS) and the Surgeon General's office. The network of homosexual activists who have infiltrated these and other policy institutions is still thoroughly entrenched and determined to "take out their rage" on traditional public health values of society.

The principal lies maintained by this unholy alliance were disgustingly displayed at the recent III International AIDS Conference in Washington, D.C. and can be summarized as follows:

Lie #1. AIDS is a sexually transmitted disease or an occupational hazard of intravenous drug abuse. The risk factors for AIDS, from New York to Paris to Uganda and Zaire, are promiscuous heterosexual and homosexual activity as well as IV drug abuse.

Lie #2. AIDS is not readily contagious. AIDS cannot be transmitted through casual contact. The risk to health care workers is quite low and all of the health care workers who become infected were guilty of not taking proper precautions.

Lie #3. There are no environmental "co-factors" to the out-of-control spread of AIDS among impoverished populations in tropical "hell-holes" such as Belle Glade, Florida, Africa, and Brazil. All of the seemingly "No-Identifiable-Risk" or NIR cases in Belle Glade, Africa, and elsewhere can be reclassified into one or another of the acceptable risk categories.

Lie #4. There are no socio-economic "co-factors" to the

widespread increase of AIDS among blacks and Hispanics in the U.S., and among the poor of the Tropics, except the propensity of poor people to be promiscuous and use drugs.

Lie #5. There is no basis to focus attention on the possibility of AIDS transmission through saliva or other respiratory fluid. (Scientists such as Dr. Robert Gallo and Dr. Friedrich Deinhardt have created the especially egregious piece of misinformation that the AIDS virus exists in "particularly rich concentrations" in semen, as opposed to saliva.)

Lie #6. AIDS and insect-borne disease under no circumstances are "co-infections." Insects cannot be the vectors for the AIDS virus through "mechanical transmission," or flying contaminated needles, as it were. Despite the fact that the AIDS virus has been isolated from various species of insects in Africa, the case is open and shut that there is no correlation between the widespread cases of insect-borne (or arthropod-borne) diseases in the Tropics and the infection of millions with AIDS there.

Lie #7. So-called "safe sex" and "safe drug abuse" campaigns can slow down the spread of the epidemic, and should be taught in the elementary schools.

Why Dr. Koop must go

If the Reagan administration is serious about fighting AIDS, the President must fire Surgeon General Koop who has knowingly spread misinformation about AIDS. When directly confronted in England approximately nine months

ago by Dr. John Seale of the Royal Society of Medicine, as to why his vaunted public pamphlet on AIDS ignored those "cases" which could not be explained by the theory that AIDS was a sexually transmitted disease, Koop acknowledged that there were anomalous cases but that he could not put them in his pamphlet. Dr. Koop explained his rationale in the following direct statement to Dr. Seale: "I was writing a pamphlet for 250 million Americans and if I included these rare exceptional cases, I would only confuse them."

There exist certain well-known "fast-track" modes of transmission. These include: by the re-use of unsterilized hypodermics by drug abusers, or for therapeutic purposes in poor countries; through repeated close contact of sexual intercourse (particularly the contact with rectal mucosa characteristic of male homosexual activities); perinatally from infected mother to infant; and by the injection of blood and blood products.

Nonetheless, there also exist "inexplicable" cases which do not fit into these accepted modes. What are the principal anomalous cases, which have been thoroughly documented in the scientific literature?

Case #1: A mother was infected by her 1-year-old son (*JAMA* 1986; 255:1005).

Case #2: A 6-year-old boy was infected by his 3-year-old brother (*Lancet* 1986; 2:694).

Case #3: A 61-year-old woman was infected when she was kissed mouth-to-mouth by her impotent husband (*Lancet* 1984; 2:1418).

Case #4: A woman providing home nursing care for her sick neighbor was infected (*JAMA* 1986; 255:1005).

Case #5: Nurses were infected by superficial needle-stick injuries (*NEJM* 1986; 315:382).

Cases #6, 7, 8: Three health care workers were infected in the course of their work when their hands or faces were contaminated by blood (*MMWR* May 1987).

Not enough basic science

The problems with the scientific side of the war on AIDS are multifold:

1) The sociological "soft sciences" such as epidemiology, public health, and social work have been allowed to set policy, rather than the more advanced biological, biophysical, and biomedical sciences. The sociological "soft sciences" are ruled by methods of statistical "shell-and-pea games," rather than searching for the basic scientific mechanisms of biological "causality" and co-factors of the transmission, infection, long dormancy virus "hibernation," and disease process.

2) Many of the leading AIDS scientists have allowed themselves to be compromised through misrepresenting the truth about what was known about AIDS as "authoritative backup" to many of the various lies.

3) Many of the leading AIDS team leaders were them-

selves formerly cancer researchers, a field which became demoralized after the initial program to "wage a war" and "find a cure" for cancer was scaled down. Cancer researchers (oncologists) set lesser goals for themselves of merely "crisis-managing" disease symptoms through chemotherapy in an otherwise doomed patient. Clinical management ought to be a by-product of advanced scientific research and not vice versa.

4) The AIDS research community is too in-grown, coming from a single section of the medically oriented scientific community, rather than involving a crash interdisciplinary mission team from across the spectrum of fundamental biological research, biophysics, space medicine, basic plasma and particle physics, and classically oriented geometry and mathematics. Since the takedown of the NASA space program in the late 1960s, the advanced scientific frontiers of optical biophysics or what can be called "nonlinear biological spectroscopies" have been devalued in research programs in favor of the more reductionist approaches of molecular biology. We find ourselves in the anomalous position today of having achieved a brilliant genetic sequencing of the AIDS virus in an unprecedentedly short period of time, with too many dead ends in the understanding of the basic causal factors in the process.

Mastering mitosis to cure AIDS

One of the most significant areas of research bearing upon the fundamentals of the AIDS question is the exploration of why some cells which are "infected" with the virus express or reproduce the virus when they undergo cell division, while others do not. Furthermore, some cells may undergo a sequence of cell divisions without expressing the virus, and then, mysteriously break the pattern and express the virus.

How do healthy cells divide, as opposed to diseased cells? Is there a relationship between the way cells divide normally in the brain and neurological system, as opposed to the immunological system? Is there, in short, a mapping relationship between the way we think and the way our body fights disease?

The unique biological feature of the slow-acting AIDS virus is that when it infects a cell, the genetic message or "genome" of the virus migrates to the nucleus, where it incorporates itself into the normal genetic message of the cell. Although the virus's genome succeeds in getting incorporated into the host cell's DNA in its nucleus, it may lie sleeping or dormant across many cell divisions of the parent cell before the virus's message takes over, expresses itself, and turns the cell into a virus "factory."

In short, after infection the virus has three "choices": It can replicate; it can partially express; or it can lie dormant. Scientists such as Dr. William Hazeltine of Harvard are increasingly beginning to speak about the virus having an "intricate regulatory loop" which is sensitive to the cellular

environment. Some aspects of the virus cause it to replicate from 5 to 1,000 times more slowly, but spread more easily from cell to cell. Other aspects of the virus effectively turn on a "fast forward."

What is the nature of the "activation signal" to convert a latent into an actual infection? This is the one of the most central questions of AIDS research. There is currently a debate in the scientific community over whether the "activation signal" is an antigenic or a mitogenic stimulus, or both. An antigenic signal would refer to the stimulus from an antigen or protein specific to another disease, which the immune system is responding to. A mitogenic stimulus results from a specific growth factor associated with cell division.

In either case of the signal's origin, its "tuning mechanism" may be similar. Since the AIDS virus effectively "infects" the chromosome DNA in the host cell, but only replicates itself at some future cell division after it is activated, it is theoretically possible to seek a means to send the cell nucleus a "deactivation" signal instead of an "activation" signal.

Perhaps the most important biological "clue" to the unique nature of AIDS, is that when the virus is "activated," it causes the cells it infects to "fuse" or "clump" together with hundreds and thousands of other cells. The mitotic process in AIDS-infected cells "looks" exactly like the processes of reproduction which occur among the most primitive organisms in the evolutionary scale, such as slime molds. The primitive slime mold grows in clumps, in which one large mass can have hundreds and thousands of nuclei, effectively in the midst of a single cellular blob. The process whereby many cells clump together is often called "cell fusion."

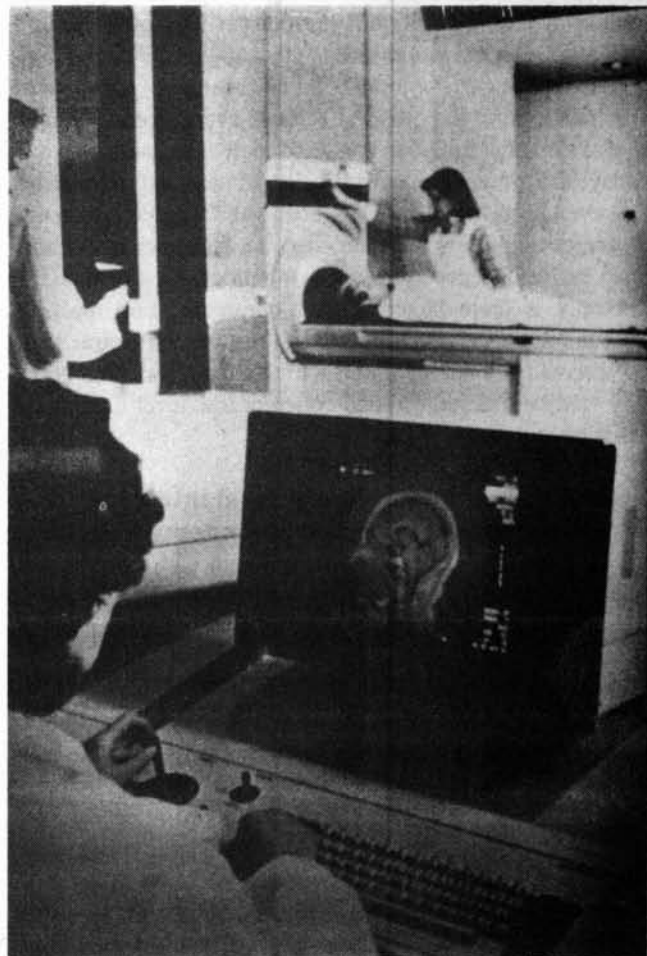
Cell fusion can be artificially induced and controlled in the modern laboratory, through two means:

1) The less efficient means is through various enzymes and chemicals, using the 1970s and 1980s technologies of molecular biology;

2) The more efficient means is through "tuned" or "shaped" electromagnetic pulses, using the technologies of the 1990s in optical biophysics and bioelectromagnetics.

Cell fusion, however, is not just a phenomenon of primitive slime molds or laboratory experiments. It is the clinical essence of what the AIDS virus does to the human body when infection takes over! The AIDS virus only infects one T-cell in every 10 thousand cells. One infected cell, however, can fuse with 100-500 uninfected T4 + T-cells. Thus, certain laboratory experiments show that one virus can kill up to 1-5% of the uninfected T4 + T-cells!

Medical doctors refer to the AIDS-caused cell mass or clump as a "syncytia" or "multi-nucleated giant cell" because of all of the nuclei contained in the large mass. It is the infected monocyte macrophages, which transport the AIDS virus to the brain and other organs. Once present in the brain, they produce the giant multi-nucleated cells which are the



For a crash scientific effort to stop AIDS: Nuclear Magnetic Resonance technology, at the forefront of biophysics.

one well-documented tissue pathology finding in AIDS patients.

Thus, if a scientist can cause the host cell line to "eject" the virus message during the course of mitosis, he can "cure" AIDS and not just fight a losing war by "crisis managing" the clinical systems of a dying patient using chemotherapy.

The goal is to cause the host cell *not* to reproduce the portions of the nuclear DNA that contain the virus's message, but only the healthy portions of the DNA. We have to get a lot of scientific research off the ground to make this more than a dream.

Almost certainly, a strategy of intervention into the mitotic process will not succeed if it is based on the "hit-and-miss" methods of mainline medical and pharmaceutical technologies of molecular biology or biochemistry, which randomly try to find a unique gene, chemical, or molecule and then deduce its function through a series of trial and error experiments.

There is an alternative, more advanced method of "opti-

cal biophysics” or “nonlinear biological spectroscopy,” the method of biological inquiry introduced by Louis Pasteur (1822-95). Optical biophysics is the study of the interaction of living substances with light—understood as electromagnetic radiation in the broadest sense—over the entire range of wavelengths from gamma- and x-rays to radio waves. Today, these areas not only already provide and promise to give even more wonderful diagnostic and therapeutic methodologies to biology and medicine, but they also unlock the basic intrinsic means by which living processes are “tuned.” Not only is there “intercellular” communication through “bioluminescence” or photon emissions, but the “intracellular” events from healthy mitosis to abnormal virus infection may well be ordered through coherent low-level biophoton radiation.

Neurological and immunological interface

The HIV infection initiates a slow progressive degeneration of both the central nervous system and the immune system. In the brain and central nervous system, the virus can be readily found in those neurological cells which undergo mitosis, while it appears to be absent in those cells which do not undergo mitosis.

The virus can be cultured from the cerebral spinal fluid (CSF) of asymptomatic people. Furthermore, individuals can show severe neurological deficiencies without any immune suppression. At early stages in the course of infection, the virus is “transported” to the brain by certain large cells called “monocytes” where they cause cognitive and motor brain dysfunctions that are not immediately noticeable as gross behavioral problems. For instance, the person infected loses the ability to rapidly tap his fingers in a timed experiment, or he or she may lose the ability to connect in sequence a group of circles marked with the numbers 1 through 10 in them. Later in the course of the disease cycle, full-blown AIDS dementia results.

It is significant to note that there are common surface “receptors” to the immunological and neurological cells. There are neurotransmitter receptors on the surface of immune system cells such as macrophages and T-lymphocytes. Similarly, the famous immune system T-4 surface receptor has been isolated from cells in the brain. Also receptors for the thymus hormone, thymosin, have been demonstrated in the brain. The thymus is the source of T-lymphocytes, whose function is in part regulated by thymosin.

Thus, there is fairly direct evidence that the basis exists for the immune system and neurological system to “communicate” with each other. The differences in communication between the healthy phase-state, the infected “dormant” phase-state and the full-scale disease phase state must be scientifically explored.

Using advanced technologies such as Nuclear Magnetic Resonance (NMR) imaging scientists have already been able to do dramatic comparisons of the images between healthy

and AIDS-infected brains. Multicolor NMR images demonstrate that lesions develop in a majority of the brains of AIDS patients due to a change in the water content of the brain. Furthermore, there is a generalized “atrophy” or dramatic shrinkage visible in the NMR images of AIDS patients.

One team in Sweden under Dr. Lennart Wetterberg at the Karolinska Institutet took NMR scans of up to 40 healthy patients to get a composite “healthy brain” image which could be stored in the computer. On command the computer can “paint” all healthy tissue green and all CSF fluid blue in the healthy brain. When an NMR scan of an AIDS-infected patient is then taken, the scientist instructs the computer to find all abnormalities and paint them red. Using such techniques the basic pattern of an AIDS-infected brain emerges: dramatic lesions in the midst of an even more dramatic overall tendency to atrophy or “shrink.”

Another team at the University of California at San Diego is engaged in an intensive research protocol to map the patterns of Nuclear Magnetic Resonance brain scanning in AIDS and ARC patients. They have resolved pictures which pick up dramatic shrinkage in the brains of AIDS patients.

A true crash program

To win the War on AIDS, as 1988 Democratic presidential candidate Lyndon H. LaRouche has repeatedly emphasized, science must be unleashed on a broad front in a true “crash program” method on the scale of the Manhattan Project in World War II or the Apollo space program in the 1960s.

One of the most exciting aspects of frontier optical biophysics research is that there is no clear division between split-second precise diagnostics and screening on the one hand, and potential therapeutic interventions. The scientist compares the unique signatures of a healthy and a diseased cell. At the moment he or she achieves a unique “signal” or spectrum, he also has the potential to “retune” the source of the signal. Since the AIDS virus incorporates itself into the chromosomes of infected cells, the means for future outbreak of the full-blown disease state, is reproduced in the very process of mitosis and replication of the infected tissues.

Currently, the AIDS virus is ahead of science. When the virus infects a cell, a latency or low-level chronic infection results. Under certain conditions the cellular activities issue an activation “signal” to convert the latent infection into an actual infection.

The formidable challenge to science is to reverse the signal and “deactivate” the AIDS time bomb, perhaps during the course of mitosis, in living cells.

Therefore, the types of experimental approaches which have given science the most advanced nonlinear spectroscopy of the mitotic process itself, ought to be a major included feature in frontier AIDS research.

To win the war on AIDS, in sum, we need a quantum leap in the amount of basic scientific discovery—honestly, openly, and truthfully reported.

Salk maps plan for an AIDS vaccine

by John Grauerholz, M.D.

Dr. Jonas Salk, developer of the first effective polio vaccine, has proposed the first comprehensive strategy to prevent the development of AIDS in already-infected individuals. In an article in the June 11, 1987 issue of *Nature* magazine, Salk argues that preventing the development of AIDS in already-infected individuals would have a greater impact on disease and death from HIV (Human Immunodeficiency Virus) than immunizing uninfected individuals. In addition, if immunization of seropositive virus carriers reduced their contagiousness, this would rapidly decrease the virus reservoir in the population and slow the spread of the disease.

This is a radical departure from the current line of the World Health Organization and other malthusian organizations, which write off the 100 million persons who will probably become infected over the next five years.

One approach to the problem would be to compare the immunological profiles of healthy infected persons, with those of AIDS and AIDS Related Complex (ARC) patients. Understanding why disease does not develop in some healthy carriers, would provide leads to immunologic interventions that could prolong the disease-free state.

One clue to the resistance of some infected individuals to development of disease, relates to certain antibodies which are formed in all infected individuals, but are subsequently lost in individuals who become ill. Virus-neutralizing antibodies, which normally should protect against infection, are present in healthy carriers and also in AIDS and ARC patients. On the other hand, antibodies to p24, a protein which forms the inner protein capsule of the virus, decline as the person becomes ill. Another antibody, to the reverse transcriptase enzyme of the virus, also declines with the onset of illness.

The anti-p24 antibody correlates with a phenomenon known as antibody dependent cell cytotoxicity (ADCC), in which cells known as macrophages recognize and destroy virus-infected T-4 cells. In the early stages of infection, this would prevent the spread of virus and virus proteins, but later on this same process would destroy infected T-cells as well as cells with virus proteins on their surfaces. This would lead to depletion of the T-4 cells at a more rapid rate than they can be replaced, as well as self-destruction of antibody-dependent cell cytotoxicity associated with loss of the anti-p24 antibody.

If the persistence of antibodies to p24 and reverse transcriptase prevents the development of AIDS, then, Salk believes, it may be possible to boost the level of these antibodies by an appropriate immunization. This is known as an anamnestic response, in which the body "remembers" a previous exposure to an immunizing antigen, or immunogen. This anamnestic response is the basis of "booster" shots, which amplify and sustain the antibodies produced in response to an initial immunization.

Salk proposes to enhance protective factors produced by the initial immune response to infection, by administering a potent, noninfectious, immunogen to seropositive virus carriers. Such an immunogen would be prepared from killed whole virus (like the Salk polio vaccine), or a mixture of virus antigens produced by genetic engineering, combined with a chemical known as an adjuvant—a substance, such as mineral oil, which markedly enhances the immune response to an antigen.

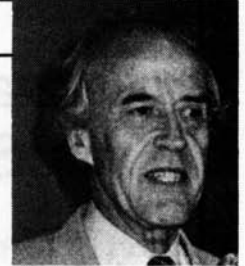
Because of its long latent period, the AIDS virus is potentially susceptible to a vaccine administered after infection has occurred. Similar vaccines have been developed already for rabies and hepatitis-B, diseases in which the body can respond to vaccination before the infecting agent has a chance to produce disease.

Science bureaucracy is skeptical

The reaction of the scientific establishment to Dr. Salk's proposal, reported in the *New York Times* of June 11, was less than enthusiastic. According to Lawrence K. Altman, the *Times*' AIDS specialist: "Scientists warned that it could take months or years to lay the scientific groundwork for the approach proposed by Dr. Salk, and longer to prove its safety and effectiveness. Extensive research on animals and humans to identify the key protective factors is required. A major problem in testing any AIDS vaccine is that only one animal, the chimpanzee, can be infected with the AIDS virus, and chimpanzees do not develop the fatal disease."

The fact that chimpanzees infected with the AIDS virus do not develop AIDS is beside the point. As Salk observes, "Animal models presently exist in chimpanzees—infected with HIV—to test for the effects of an immunogen administered post-exposure, in terms of anamnestic response and virus carriage, and to be certain that unexpected adverse effects do not occur in such animals. But the ability of immunization to prevent disease can only be answered by studies in human subjects who are already infected. Toward this end, appropriately designed immunogens are required to be tested in serologically positive (HIV) healthy individuals who are at risk of developing AIDS and who are also a source of contagion to others."

If this sounds a little different than the usual blather on the subject, perhaps it is because Salk is a scientist who has actually conquered an epidemic disease, and not a bureaucrat placating special interest groups.



'AIDS not a sexually transmitted disease'

From June 5 to June 12, 1987, the week immediately following the III International AIDS Conference in Washington, D.C., Dr. John Seale, a member of the Royal Society of Medicine of England, toured New Hampshire, Massachusetts, Virginia, Washington, D.C., and Maryland, where he held numerous press conferences and many well-attended events. On June 10, Dr. Seale addressed the Boston City Council for 15 minutes. During the course of the four days he spent in New Hampshire alone, Dr. Seale spoke with 350 prominent citizens, including the highest-level political officials in the state, representatives of nine of the state's hospitals, and many people from the business, trade union, and education sectors. On four occasions, Dr. Seale received standing ovations at the conclusion of his presentation.

Below we print the statement that Dr. Seale released at his Richmond, Virginia press conference on June 12, as well as transcripts from two of the many short speeches from his events in New Hampshire.

Richmond press conference

Press release of Dr. John Seale, released in Richmond, Virginia, June 11, 1987:

The scientific basis of the safe sex education now being promoted by governments to children all over the world is based upon carefully presented disinformation and distortion of the truth emanating from internationally renowned scientists and public health doctors.

Critical to the safe sex propaganda is the alleged evidence that the AIDS virus is shed in uniquely high concentrations into genital secretions, particularly semen. This forms the basis of the British government's advice—"if you are not sure of your partner, wear a condom."

The British government and the British people, the American government and the American people, all governments and all of the people have been deceived by a few medical scientists.

Scientists have a sacred trust—to search for and fearlessly report the truth. They have betrayed this sacred trust.

There is no scientific evidence that semen is any more infectious than saliva. Promotion of the condom is more

likely to accelerate the spread of the virus amongst our people, rather than stop it.

AIDS is not a sexually transmitted disease. AIDS is not a venereal disease. It is a contagious disease which is also transmitted in blood.

The number of internationally famous scientists and public health doctors promoting this key scientific disinformation is too numerous for all to be named individually, but leading the pack in the U.S., Britain, and elsewhere are:

- 1) Dr. Everett Koop, Surgeon General of the United States;
- 2) Sir Donald Acheson, Chief Medical Officer, Department of Health, U.K.;
- 3) Dr. Hafdan Mahler, Director General, World Health Organization (WHO);
- 4) Dr. Jonathan Mann, Director, AIDS Unit, WHO;
- 5) Dr. Robert Gallo, NIH;
- 6) Prof. Friedrich Deinhardt, Adviser on AIDS to the West German Government;
- 7) Prof. Viktor Zhdanov, Director of the Ivanovsky Institute of Virology in Moscow.

All these people, and many others, will be long remembered as co-perpetrators of the most lethal and pernicious fraud in the history of medicine and science.

New Hampshire meeting

Dr. Seale's speech at a private event in New Hampshire:

I was in Washington for the five days of the conference, which in many ways I found profoundly depressing, on two levels. One, if you were from outer space—from Mars—and turned up and listened to what was being said, and caught the general atmosphere of what was being said—you would not have the foggiest idea that mankind was facing the greatest catastrophe ever. It never would have crossed your mind that this is what they talked about. That's the first thing, and the second thing is, the degree to which the conference was dominated, essentially, by propaganda.

I didn't ask the question there that I meant to ask, when they say, "so-much money has to be spent on education about AIDS." You hear this so often from Surgeon General Koop,

and all the rest. All the people who are talking about education about AIDS, essentially if you actually cut away the ruffles, are people who want to teach about homosexuality, which is really bizarre. Here we have a virus, which is the most lethal virus that has ever spread among the human species, and is spread extremely efficiently by a rather peculiar form of sexual behavior. The top scientific conferences have been taken over—by the very people, who in *fact* are spreading the virus in our society. That just happens to be the case. It is not to say that AIDS is really a homosexual disease—it is just that in the West, homosexual men are the most efficient people at spreading the virus, because of their activities. And, not only at spreading it in their communities, but also spreading it throughout the world. That is not meant to be an offensive statement. It is only a statement of fact.

I understand that President Reagan is forming a committee, or a commission, and I saw a reference that somebody said, in the administration, that they didn't have a homosexual on it, which caused a great uproar and fury, *fury*—that there was not going to be a homosexual on it. My reaction was, well, if they have a homosexual on this to advise the President, clearly, they must have a very substantial number of drug addicts also. They must have a representative number of drug addicts because, after all, up to 25% of drug addicts, in your country, are infected by the AIDS virus, because of sharing needles as drug addicts. And, if you are international about it, why don't you bring in—say—two dozen Zaireans—who aren't drug addicts, and who aren't homosexuals, but are infected with the virus. This bizarre idea, that because somebody, or a particular group, who are infected with the virus are now experts on it, was, as my wife said, to a group of homosexuals at last year's Paris conference on AIDS: "You people seem to think you own the disease! It has nothing to do with you, except that you spread it quicker than anybody else."

Portsmouth veterans' hospital

Speech to the Portsmouth, New Hampshire Veterans Administration Hospital:

The reason I am in the U.S. is, firstly and primarily, because, I was not merely attending the Third International Conference on AIDS in Washington, I was invited to present a paper there. The reason I am in New Hampshire, apart from pleasure, is that I have an invitation from Governor Sununu to discuss with him the scientific aspects of this epidemic.

I qualified as a doctor, in England, in 1951. I specialized in sexually transmitted diseases as part of a commission looking after patients for the last 25 years, and I will emphasize that the specialty, in England, of so-called genital-urinary medicine, covers venereal diseases or sexually transmitted diseases, but many other problems as well, which are in *no way* sexually transmitted. This is very important because there is so much confusion in people's minds about sexual

transmission of various infections. I was, for 10 or more years, on the consultative staff of both St. Thomas's Hospital, and the Middlesex Hospital, which are the major teaching hospitals in London, until a few years ago. I have since been in entirely private consultative practice, and, as I say to my patients, 25 years with the government is long enough for anybody. I have been deeply involved in AIDS research since early in 1983, which is rather more than four years, and when we had three cases in England, I wrote a letter to Mrs. That-

'All the people who are talking about education about AIDS, essentially if you cut away the ruffles, are people who want to teach about homosexuality, which is really bizarre.'

cher, and said that our country was facing an "unparalleled catastrophe"—that was in April 1983.

Basically, what I was saying in my paper in Washington, I am advocating as a matter of great urgency for all countries who can do it: Universal, Voluntary Testing for the AIDS virus, to be repeated every 6 or 12 months over the next few years. This is a very similar concept to President Reagan's "routine testing," and, indeed, I could hardly have better advertisement for my paper in Washington than the day before the conference started, than President Reagan, who made public major recommendations in his first speech when he said what I was saying. It was very nice and flattering for me. I can assure you, all those interested would know, that Reagan's speech (as well as Vice-President Bush's speech at the scientific conference), was greeted by some so-called "scientists" with "boos." I emphasize, "so-called scientists."

The other leg to my proposal of universal voluntary testing is that it should be combined with all people, if they want them, having internationally recognizable, and this comprises *all* countries—not just America—all people should have internationally recognizable cards, like a little credit card, just certifying, stating that they were tested, and are free of the virus. I am not recommending that people who *are* infected should carry the card. I am recommending that people who *are not* infected, should voluntarily carry the cards. It is my view, and I'm sure you will shoot questions at me about this, that this combination of mass voluntary testing plus provision of AIDS-free cards is the only means of stopping the spread of the AIDS virus in a free, but responsible, society.

Wave of AIDS bills hits U.S. states

by Marla Minnicino

Throughout the United States, state governments have been compelled to take action on the AIDS pandemic because of a political tidal wave from their constituents. The explosion of AIDS legislation on the state level comes barely half a year after California's Proposition 64 appeared on the ballot. On May 28 the former co-chairmen of the Proposition 64 ballot initiative organizing committee, called PANIC (Prevent AIDS Now Initiative Committee), announced that the famous anti-AIDS measure would be back on the California ballot in 1988. Below we give a state-by-state battle report on other key AIDS policy fights.

Illinois: AIDS package advances

A multi-faceted package of AIDS legislation has just been endorsed by the Public Health, Welfare, and Corrections Committee of the Illinois Senate, after similar measures passed the House. If signed by Gov. James Thompson, it would be one of the toughest and most comprehensive AIDS bills yet enacted by any state.

The bills were approved by the Senate Committee by overwhelming margins "over the objections of medical experts," according to the June 12 *Chicago Tribune*. Included are measures requiring couples seeking marriage licenses to be tested for AIDS, provisions for contact tracing, and bills requiring testing for convicted sex offenders and IV drug users. Other bills would mandate the health department to notify school officials of AIDS cases, require health care employees to notify their employers if they have AIDS, and make it a felony for an AIDS carrier to deliberately donate blood.

Dr. Renslow Sherer, chairman of the Governor's Council on AIDS and acting director of AIDS services at Cook County Hospital, denounced the measures, stating, "This disease does not lend itself to legislative action. . . . The problem is sex and drugs. There aren't simplistic solutions." He said the bills "don't make medical or public health sense." Sherer's comments drew fire from legislators who, according to the *Chicago Tribune*, "are facing enormous pressures from their constituents." One senator told Sherer: "It amazes me how

you people can speak with such certainty about this . . . for God's sake, get in the real world."

Last month, the state Senate passed the Illinois Sexually-Transmitted Disease Act, sponsored by Sen. Aldo De Angelis (R-Olympia Fields), by a vote of 40-15. De Angelis, described the bill as a "comprehensive act," which "defines the steps the Public Health Service has to take" to deal with the disease, including quarantine under certain circumstances. The bill must be approved by the governor. Last year, De Angelis would not have expected such a bill to pass, but now, he gives it an even chance.

Colorado's tough reporting bill

A new state law, signed in early June by Colorado Gov. Roy R. Romer, represents one of the toughest AIDS reporting laws in the country. The law, which has already generated an outcry from homosexuals and civil rights groups, imposes a fine of \$300 on doctors who do not report the names of patients carrying the AIDS virus. However, it also imposes a fine of \$5,000 for any state official who does not keep the information confidential. The law also permits state health officials, with court approval, to quarantine any AIDS carrier who constitutes a threat to public health, such as an infected prostitute who refuses to discontinue contact with her customers.

"This state has always been at the forefront of public health," said Dotti Wham, a Republican state representative from Denver. "We feel that the only way to know what the disease is doing, and where and how it is traveling, is with names."

The new law reaffirms a rule adopted by the Colorado Board of Health in 1985, requiring doctors to report the names of people known to carry the AIDS virus. But it extends the requirement to laboratories, clinics, hospitals, and other agencies that administer blood tests.

"This is a uniquely tough law," said James Joy, executive director of the Colorado chapter of the American Civil Liberties Union. "Other states with more experience with AIDS, such as New York and California, have looked at mandatory reporting and rejected it."

Virginia re-assessing?

Recent developments indicate that Virginia's Gerald Baliles administration may be reversing its AIDS policy, in favor of stronger action to combat the disease. On June 12, proposed new guidelines on how to treat state employees with AIDS were suddenly put "on hold indefinitely" after a state government employees' group said the rules would place healthy co-workers at risk.

According to Carolyn J. Moss, secretary of administration under Governor Baliles, new issues had arisen since she recommended that the new guidelines be approved for the state's 90,000 workers. Under the guidelines, no state supervisor could require workers to disclose that they have AIDS.

Co-workers concerned about working with a suspected AIDS victim would be "counseled" that the disease could not be transmitted through casual contact. After many complaints from government workers, the guidelines—scheduled to be released on June 13—were withdrawn indefinitely.

Citing new issues which had recently come up, including President Reagan's call for mandatory testing of federal prisoners and immigrants, Moss said: "We are awaiting recommendations from the Health Department's advisory committee."

The committee will present its findings to the state Board of Health at its meeting in late July. State health commissioner Dr. C.M.G. Buttery, an opponent of mandatory testing, has now asked the panel to review President Reagan's recommendations on AIDS, and "advise what the commonwealth's policy should be on mandatory testing."

Possibly contributing to the shift in Virginia's AIDS policy was a June 11 press conference in Richmond by Dr. John Seale, of Britain's Royal Society of Medicine, on "AIDS: The Truth About Casual Transmission." Dr. Seale also met with officials close to the governor and members of the state legislature.

New Hampshire misses its chance

When H.B. 0322 was defeated May 15 in the lower house of its state legislature, New Hampshire missed an opportunity to become the first state to pass a bill mandating AIDS testing for couples seeking marriage licenses. Although the bill, passed by the state Senate May 14 by a vote of 13-11, had been expected to pass, the lower house of the legislature voted 165-136 against it.

Contributing to its defeat was the fact that a full 98 representatives—25% of the House—cast no vote on the AIDS bill, either because they did not attend the legislature that day or were not in the session at the time. Of the missing 98 legislators, most were Republicans. Gov. John Sununu, a Republican, had counted on the GOP voting bloc to ensure victory for the bill.

Certain legislators charged that supporters of presidential candidate Lyndon LaRouche were behind the bill. Indeed, LaRouche supporters had actively lobbied in favor of the bill, when no one else but Governor Sununu would publicly speak out on its behalf. Opposing the bill, Rep. Marion Copenhaver (D-Hanover), noted that it was endorsed "only by a Lyndon LaRouche supporter. That should tell you something!" (She was referring to public testimony by Dr. Ernest Schapiro, a member of *Executive Intelligence Review's* Biological Holocaust Task Force.)

Governor Sununu has not given up the fight for mandatory testing, but has indicated that he will not call the legislature back for a special session this summer. However, at least one lawmaker is now demanding that the legislature be recalled to deal with the mandatory AIDS testing question as a life or death issue.

California will get another chance

A ballot initiative which would place AIDS on the list of communicable diseases and mandate state health authorities to act accordingly, will be put before California voters in June 1988. On May 28, Khushro Ghandhi and Brian Lantz filed a draft initiative referendum on AIDS with the California attorney general, to obtain a ballot title and summary as required by law. Ghandhi and Lantz were the proponents of the original ballot initiative, Proposition 64, which was defeated in November 1986, though it received nearly 2 million votes.

The new initiative is identical to Proposition 64, except for a minor wording change which extends the definition of an "AIDS virus carrier," to persons infected with any viral agent which causes AIDS, besides the well-known HTLV-III (HIV-I) virus.

At a May 29 press conference in Sacramento, Lantz charged that the original ballot initiative had been defeated because of a "well-financed campaign of deliberate lies concerning the medical facts about AIDS as well as the content of the initiative itself. As a result of that defeat, many people have died or are presently doomed who might not have been infected if the measure had been adopted." He added that "the lies people were told by health authorities have been exposed," and the initiative will be put back on the ballot so that "more people don't have to die unnecessarily."

Well-known California tax reform advocate Paul Gann, who just announced that he contracted AIDS from a blood transfusion, has put his full support behind AIDS testing, though he has not endorsed the second AIDS ballot initiative. And, in a June 12 *Los Angeles Times* op-ed, Rep. William E. Dannemeyer (R-Calif.) called for a traditional public health policy on AIDS, such as that used effectively in the past to control communicable diseases. Dannemeyer authored one of the "pro" arguments for Proposition 64 in the state-issued ballot manual.

Texas passes anti-AIDS bill

In the final hours of its 1987 session, the Texas legislature passed a bill which classifies AIDS as a communicable disease, mandates that all cases of AIDS be reported, and authorizes health officials to quarantine AIDS victims, if they deem necessary. Although the new Texas law takes the first steps in treating the deadly AIDS disease with traditional public health measures, the legislators, hobbled by a "budget-cutting" mentality, did not adopt mandatory testing provisions. Nonetheless, passage of the bill marks a significant response by the Texas government to the AIDS crisis.

The economic issues were summed up in comments by Brad Wright (R-Houston), House Public Health Committee chairman. On the one hand, he declared, "We're not going to pass any civil rights legislation here." But he also said, "We don't need to hear from anyone who says we need to spend more money."

Mass AIDS tests proved feasible by U.S. military

by Warren J. Hamerman

In October of 1985, the U.S. Department of Defense announced that all military personnel as well as all potential inductees into military service—Army, Air Force, Navy,

and Marines—would be tested for AIDS. At the Third International AIDS Conference June 1-5 in Washington, D.C., Col. Donald S. Burke, Chief of the Department of Virus Diseases at the Walter Reed Army Institute of Research was able to report the following three proven “overview” conclusions of the military testing program:

1) To date over 2.5 million persons have been tested for HIV by the Department of Defense.

2) The feasibility of large-scale yet high-quality HIV testing programs has been demonstrated.

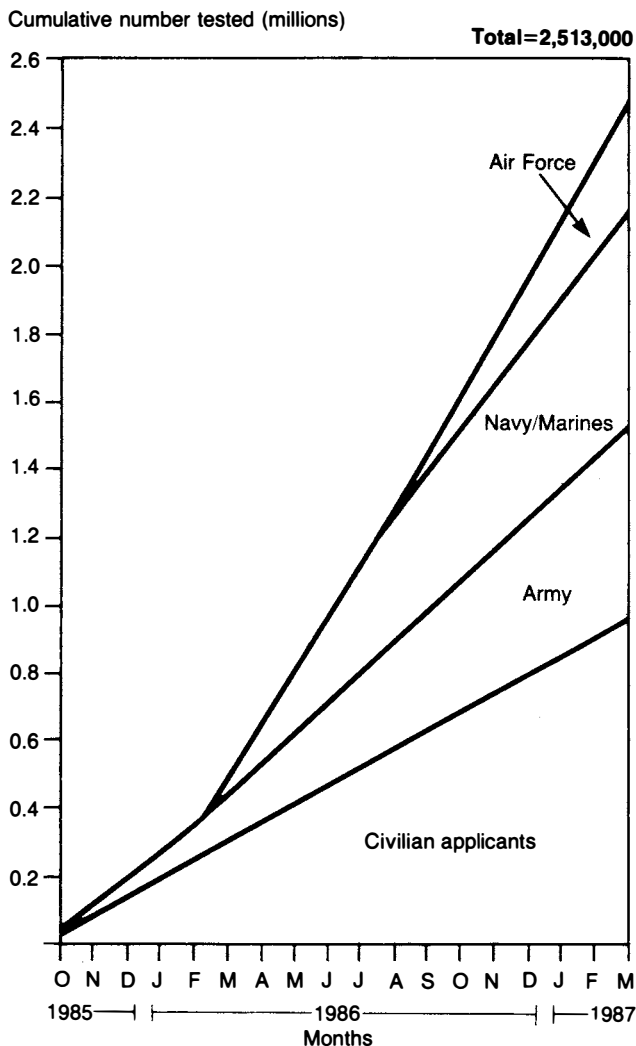
3) Demographic factors currently associated with *HIV infection* may differ substantially from those known to be associated with AIDS.

In his overview presentation Colonel Burke summarized the excellent rationale for the Department of Defense testing program in terms of three categories of benefits.

Benefits to the Department of Defense:

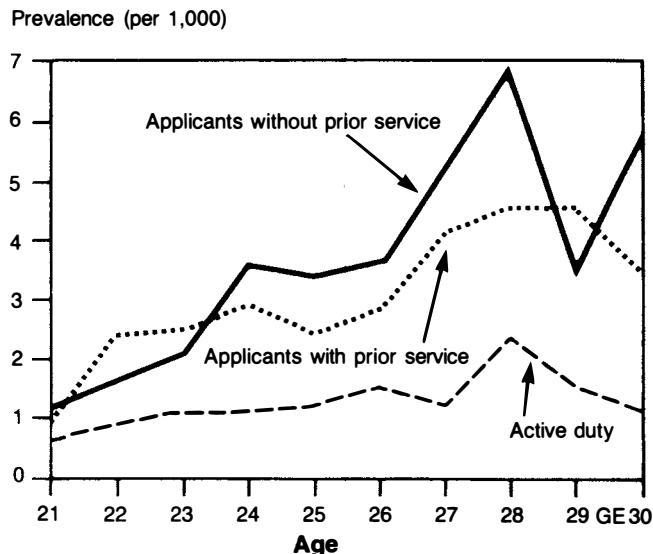
- Fitness for duty of troops
- Safety of battlefield blood supply

FIGURE 1
Department of Defense HIV testing programs 1985-87



Source: Department of Defense

FIGURE 2
Age-specific HIV prevalences, by army service history



Source: Department of Defense

TABLE 1

Department of Defense HIV testing programs: male and female seropositivity rates

Population	Males			Females			M:F ratio
	No. tested	Pos.	Rate	No. tested	Pos.	Rate	
Army	301,775	332	1.1	35,089	16	0.5	2.2
Navy/ Marines	579,587	1,262	2.2	46,925	29	0.6	3.7
Air Force	186,451	219	1.2	31,867	12	0.4	3.1
Active duty totals	1,067,813	1,813	1.7	113,881	57	0.5	3.4
Civilian applicants	831,516	1,371	1.6	121,561	84	0.6	2.6

Source: Department of Defense

Benefits to the individual:

- Limited exposure to live virus vaccines
- Limited exposure to exotic illnesses
- Prompt access to optimal medical care
- Freedom from unwitting transmission of infection

Benefits to society:

- Epidemic control through test-linked counseling of positives
- Epidemic control through limitation of international spread of disease.

The military screen was a multi-phase battery. Everyone who tested positive once to the ELISA antibody test was tested a second time with the same test. If they tested positive twice, they were then given a highly sensitive third test, the so-called Western Blot. If they tested positive on this test, a new blood sample was taken and they were given an entirely new Western Blot test. Thus, for an individual to be classified by the military as a "confirmed HIV positive" he or she would

TABLE 3

Department of Defense HIV testing programs: Demographic factors associated with seropositivity among civilian applicants for military service

Variable (descending order)	Odds ratio (95% CI)
1. Age (per year)	1.10 (1.08 - 1.11)
2. Race/ethnicity	
Black non-Hispanic	2.04 (1.76 - 2.36)
White non-Hispanic	0.56 (0.48 - 0.66)
Hispanic and other	0.87 (0.70 - 1.08)
3. Gender (male)	1.84 (1.51 - 2.25)
4. Endemic AIDS region	1.53 (1.37 - 1.70)
5. Population density (per 1,000/sq. mi.)	1.05 (1.04 - 1.05)
6. Educational attainment	
< high school	0.79 (0.65 - 0.95)
high school	1.19 (1.03 - 1.38)
> high school	1.07 (0.84 - 1.36)

Source: Department of Defense

have to show up positive on two Elisa tests and two Western Blot tests, or four screening tests in succession.

The Department of Defense maintained a strict quality control on the commercial tests they used. Open and blind proficiency test panels were submitted to the testing labs on a monthly basis. Financial penalties would be imposed on the commercial companies for an accuracy score of less than 95 percent.

The results of the first phase in the military screening program are displayed in the tables and figures accompanying this article. The data were compiled and analyzed by a cooperative team from the U.S. Army, the U.S. Air Force, the U.S. MEPCOM, the U.S. Navy and Marines, and the U.S. Department of Defense.

TABLE 2

Department of Defense HIV testing programs: methodological differences between programs

Element	Mepcom	Army	Navy	Air Force
ELISA kit	ENI/DuPont	ENI/DuPont	Abbott/ENI	DuPont
ELISA performed	Damon	Damon*	In-house	Blood systems
Blot performed	Damon	Damon	Biotech	Blood systems
Turn-around (max)	3 days	10 days	10 days	10 days

*In-house for Europe and Korea.

Source: Department of Defense

AIDS cases, country by country

Continent	Country	Date of report	Number of cases
Africa	Algeria	15-May-86	3
Africa	Angola	26-Sep-86	6
Americas	Anguilla	30-Jun-86	0
Americas	Antigua	31-Dec-86	2
Americas	Argentina	31-Mar-87	78
Oceania	Australia	20-May-87	481
Europe	Austria	31-Mar-87	72
Americas	Bahamas	31-Dec-86	85
Asia	Bangladesh	14-Apr-87	0
Americas	Barbados	31-Dec-86	15
Europe	Belgium	31-Mar-87	230
Americas	Belize	31-Dec-86	1
Africa	Benin	13-Nov-86	2
Americas	Bermuda	31-Dec-86	48
Asia	Bhutan	14-Apr-87	0
Americas	Bolivia	30-Jun-86	1
Africa	Botswana	09-May-87	12
Americas	Brazil	30-Apr-87	1695
Americas	Br. Virgin Islands	31-Dec-86	0
Europe	Bulgaria	31-Mar-87	1
Africa	Burkina Faso	13-Nov-86	0
Asia	Burma	14-Apr-87	0
Africa	Burundi	31-Mar-87	128
Africa	Cameroon	05-Mar-87	25
Americas	Canada	27-Apr-87	1000
Africa	Cape Verde	30-Apr-87	4
Americas	Cayman Islands	31-Dec-86	1
Africa	Centr. Afr. Rep.	13-Nov-86	202
Africa	Chad	13-Nov-86	1
Americas	Chile	31-Dec-86	22
Asia	China	02-Apr-87	2
Asia	China (Taiwan)	26-Jan-86	1
Americas	Colombia	31-Dec-86	30
Africa	Comoros	13-Nov-86	0
Africa	Congo	13-Nov-86	250
Americas	Costa Rica	31-Dec-86	16
Africa	Ivory Coast	13-Nov-86	118
Americas	Guba	30-Jun-86	1
Asia	Cyprus	08-Oct-86	1
Europe	Czechoslovakia	31-Mar-87	7
Europe	Denmark	31-Mar-87	150
Americas	Dominica	31-Dec-85	0
Americas	Dominican Republic	08-Dec-86	127
Asia	E. Med. Region	07-Apr-87	13
Africa	E. Med. Region	07-Apr-87	5
Americas	Ecuador	30-Jun-86	7
Americas	El Salvador	31-Dec-86	6
Africa	Ethiopia	28-Apr-87	0
Europe	Fed. Rep. Germany	30-Apr-87	1036
Europe	Finland	31-Mar-87	19
Europe	France	31-Mar-87	1617

Continent	Country	Date of report	Number of cases
Americas	French Guiana	31-Dec-86	58
Oceania	French Polynesia	01-Apr-87	1
Africa	Gabon	13-Nov-86	0
Africa	Gambia	16-Mar-87	14
Europe	German Dem. Rep.	31-Mar-87	3
Africa	Ghana	25-May-87	145
Europe	Greece	31-Mar-87	41
Americas	Grenada	31-Dec-86	3
Americas	Guadeloupe	31-Dec-86	40
Americas	Guatemala	31-Dec-86	15
Africa	Guinea	13-Nov-86	0
Africa	Guinea Bissau	13-Nov-86	0
Americas	Guyana	31-Dec-86	0
Americas	Haiti	31-Mar-87	851
Americas	Honduras	31-Dec-86	13
Asia	Hong Kong	31-Dec-86	4
Europe	Hungary	31-Mar-87	
Europe	Iceland	31-Mar-87	4
Asia	India	09-May-87	9
Asia	Indonesia	21-Apr-87	1
Europe	Ireland	31-Mar-87	19
Asia	Israel	31-Mar-87	38
Europe	Italy	31-Mar-87	664
Americas	Jamaica	11-May-87	16
Asia	Japan	27-Apr-87	38
Africa	Kenya	11-Mar-87	
Asia	Korea, DPR	09-May-87	0
Asia	Korea, Rep.	01-Apr-86	1
Africa	Lesotho	13-Nov-86	1
Africa	Liberia	04-Feb-87	1
Europe	Luxembourg	31-Mar-87	7
Africa	Madagascar	13-Nov-86	0
Africa	Malawi	13-Nov-86	13
Asia	Malaysia	01-Apr-87	1
Asia	Maldives	14-Apr-87	1
Europe	Malta	31-Mar-87	5
Americas	Martinique	31-Dec-86	
Africa	Mauritania	13-Nov-86	0
Africa	Mauritius	13-Nov-86	0
Americas	Mexico	31-Mar-87	407
Americas	Montserrat	31-Dec-85	0
Africa	Mozambique	31-Dec-86	1
Asia	Nepal	09-May-87	0
Europe	Netherlands	31-Mar-87	260
Oceania	New Zealand	15-May-87	39
Americas	Nicaragua	31-Dec-86	0
Africa	Nigeria	14-Mar-87	0
Europe	Norway	31-Mar-87	45
Americas	Panama	30-Sep-86	12
Americas	Paraguay	31-Dec-86	1
Americas	Peru	30-Jun-86	9

Continent	Country	Date of report	Number of cases
Asia	Philippines	31-Dec-86	3
Europe	Poland	31-Mar-87	2
Europe	Portugal	31-Mar-87	54
Asia	Qatar	09-May-87	9
Europe	Romania	31-Mar-87	2
Africa	Rwanda	30-Nov-86	705
Africa	São Tome/Principe	01-Dec-86	0
Africa	Senegal	13-Nov-86	0
Africa	Seychelles	13-Nov-86	0
Asia	Singapore	01-Apr-87	1
Africa	South Africa	14-Apr-87	65
Europe	Spain	31-Mar-87	357
Asia	Sri Lanka	14-Apr-87	2
Americas	St. Christopher	31-Dec-85	1
Americas	St. Lucia	30-Jun-86	3
Americas	St. Vincent	30-Jun-86	3
Americas	Suriname	30-Jun-86	2
Africa	Swaziland	10-Apr-87	6
Europe	Sweden	08-May-87	110
Europe	Switzerland	31-Mar-87	227
Africa	Tanzania	18-Apr-87	1130
Asia	Thailand	27-Apr-87	6
Africa	Togo	13-Nov-86	0
Americas	Trinidad & Tobago	31-Dec-86	134
Africa	Tunisia	14-May-86	2
Asia	Turkey	07-May-87	19
Americas	Turks & Caicos	30-Dec-86	2
Africa	Uganda	28-Feb-87	1138
Europe	United Kingdom	30-Apr-87	750
Americas	United States	18-May-87	35769
Americas	Uruguay	31-Dec-86	8
Europe	U.S.S.R.	31-Mar-87	32
Oceania	Vanuatu	31-Dec-86	0
Americas	Venezuela	08-Dec-86	69
Europe	Yugoslavia	31-Mar-87	10
Africa	Zambia	13-Nov-86	250
Africa	Zimbabwe	21-Jan-87	57
Total			51535

Continent	No. cases	Number of countries reporting		
		Total	0 cases	1 or more cases
Africa	4570	41	14	27
Americas	40567	44	6	38
Asia	150	23	5	18
Europe	5727	27	0	27
Oceania	521	4	1	3
Total	51535	139	26	113

Source: World Health Organization

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Gorbachov answers Reagan, shells West German ship

by Konstantin George

On June 12, U.S. President Ronald Reagan made a speech in West Berlin and asked Soviet party boss Mikhail Gorbachov to tear down the Berlin Wall. Three days later, Gorbachov indeed made alterations in the physical boundaries between East and West—when a Warsaw Pact vessel shelled a NATO ship in the Baltic Sea. Since no one seemed to respond to this outrageous provocation, could the June 15 shelling be construed as a partial response to Reagan's Berlin speech?

On the morning of June 15, a Warsaw Pact corvette from the Polish or East German Navy, engaged in Warsaw Pact naval exercises under Soviet command in the Baltic, fired a salvo of 76mm artillery shells at point-blank range at the West German Navy tender *Neckar*. Five shells struck the *Neckar*, wounding three of the crew and igniting a fire which lasted for several hours. The outrage occurred in international waters, some 50 kilometers off the coast of Soviet-occupied East Prussia, where visibility was at least 15 kilometers.

As brazenly provocative as using a West German Navy ship for target practice, was the *total* lack of any coverage of the provocation by the governments or media of the Soviet Union, East Germany, and Poland.

Yet, the senior partner of NATO, the United States, responded to this bombing of a NATO ship with indifference. On June 17, the State Department answered a reporter's demand for a statement on the Baltic outrage: "No comment."

Left to fend for itself, the West German Defense Ministry on June 15 declared the *Neckar* affair an "accident"—without even waiting for an investigation into what had actually happened.

Berlin May Day was first test

Since the West German Navy was formed in 1956, until June 15, 1987, there had never been a case of Warsaw Pact

naval vessels firing on a West German naval vessel in the Baltic. Moscow's small-scale act of *regular* warfare against West Germany occurred exactly six weeks after Russia had launched a new Berlin crisis, through the Soviet- and East German-directed *irregular*-warfare riots that raged in the West Berlin district of Kreuzberg on May Day. As *EIR* warned, and the Baltic outrage now proves, the Berlin crisis was the inception of a Moscow showdown policy, marked by a series of Soviet thrusts to test Western responses. The lack of Western response guaranteed that Soviet "testing" would escalate.

Just as the dynamics of Hitler's expansionism were a result of Western appeasement, the Reagan administration's suicidal rush to conclude a "Munich II" zero-option medium-range missile agreement with Moscow this year is responsible not only for the Berlin crisis but the Baltic "incident" as well.

What is now rapidly unfolding is a process leading to a U.S.-Soviet New Yalta, which threatens to produce a new division of spheres of influence, in Moscow's favor, for Europe, the Middle East, and Asia. The trigger for this is the planned zero-option accord—the INF agreement—which would withdraw from the European continent the U.S. nuclear forces that count in wartime, and would rapidly transform Western Europe, starting with West Germany, into an adjunct of the Soviet Empire.

New Yalta case #1: Germany

West Germany today is a country gripped by well-founded anxiety over the image of a post-zero-option Europe. Moscow is exploiting this to the hilt by a mixture of crisis and confrontation, while simultaneously playing the "German reunification" card. That means hinting at offering a

“neutral reunified Germany” in which the reunified Germany became a Soviet satrapy.

A milestone in this process is expected around the July 6-11 visit to the Soviet Union by West German President Richard von Weizsäcker. Von Weizsäcker is the son of Ernst von Weizsäcker, the number-two man at Hitler’s foreign ministry, who went on trial at Nuremberg, and was one of the key figures in the negotiation process that led to the August 1939 Hitler-Stalin Pact. The son, Richard, a proponent of German-Russian reconciliation, has gone out of his way to issue one “deal” signal after another to the Kremlin.

In May, the *Süddeutsche Zeitung* published leaks from a letter by von Weizsäcker to Christian Democratic member of parliament Bernhard Friedmann. Friedmann, the author of a proposal for negotiating a “neutral, reunified Germany” with the U.S.S.R., had written to von Weizsäcker, asking him whether he would bring this up in his talks with Soviet leaders. Von Weizsäcker answered that he definitely would discuss in Moscow the “German question” and the “question of divided Europe.” Soon thereafter, von Weizsäcker addressed 450 generals and colonels at the 29th annual commanding officers’ meeting of the West German armed forces. Von Weizsäcker called for an end to using the Soviet Union as the “enemy image” in the German armed forces. He added, that Germany must “talk to” the Russians, “negotiate with” the Russians, and finally, “conclude agreements” with the Russians.

His latest signal is an interview in the June 17 issue of the Soviet weekly, *Literaturnaya Gazeta*, where he calls for a flowering of German-Russian “cultural cooperation.”

President Reagan’s Berlin speech on June 12, where he appealed to Gorbachov to “tear down the Wall,” unwittingly helped Gorbachov play his German Card. The speech was written by John Kornblum, U.S. chief of mission in West Berlin, who recently consulted with East German leaders at Aspen Institute meetings in East Berlin. Gorbachov is holding open the option, once the INF agreement is signed, to make an all-German gesture and tear down the Berlin Wall partially, beginning at the Brandenburg Gate. Such a gesture would cost Moscow and East Germany nothing. East German civilians are allowed no closer than 300 meters to the Wall at this point, and the “prohibited zone” leading to the gate and then the Wall is an open square (Pariser Platz) devoid of all cover. The area is escape-proof, and while the Wall here is low enough to jump over, no one ever has.

The option of a partial opening of the Wall was proven in the recent Pentecost weekend riots in East Berlin, where KGB operatives, using crowd-psychology agitational techniques, got the young rock music fans to juxtapose the slogans “Down with the Wall” and “Gorbachov, Gorbachov.”

New Yalta case #2: Persian Gulf

The U.S. administration’s zero-option policy of giving away Europe is matched by a process of negotiating other

giveaways to the Russians, starting with the Persian Gulf.

Just before the Venice summit, White House Chief of Staff Howard Baker went on record to announce that the United States and Russia “could play a joint naval role in the Gulf.” The London *Financial Times* of June 17 commented accurately that Howard Baker’s energies “are almost exclusively aimed toward an arms control agreement on medium-range and shorter-range missiles and a summit with Mr. Gorbachov . . . later this year. A [White House] desire to please the Soviets may also account for Mr. Baker’s gaffe before the Venice summit—a suggestion that the U.S. and the Soviet Union could play a joint naval role in the Gulf.”

The recent phase in the Gulf began with the Soviet-managed attack on the U.S. frigate *Stark*. Ever since, Soviet press commentaries have been stressing that if U.S. warships stay in the Gulf, anything can happen to them. An *Izvestia* article of June 10 went as far as to quote Radio Teheran approvingly that the Persian Gulf would become a “graveyard” for U.S. warships.

On June 15, Soviet Colonel Nikolai Chervov, of the General Staff, speaking in Geneva, confirmed for the first time that the Soviet Union has stationed full complements of 1,000-km range SS-22 and 500-km SS-23 missiles in all its southern military districts facing Turkey and Iran, and blanketing the Persian Gulf.

‘Project Democracy’ justifies New Yalta

A group of “conservatives” of the “Project Democracy” set of Iran-Contra notoriety, continues to influence the Reagan administration with its schemes to redraw the map in Russia’s favor. One prominent U.S. “Project Democracy” crony, Irving Kristol, was quoted June 17 in the French daily *Le Figaro*, calling for the dissolution of NATO as it now exists, and for the United States to stop supporting “the European burden.” The quotes come from an interview Kristol gave to the Paris-based Polish emigré journal *Kultura*:

1) “NATO, in its current form, ties our hands absolutely. . . . The Western European nations prevent the United States from conducting an independent foreign policy.”

2) Kristol terms NATO “a sick alliance” which weakens “the will of the Europeans to resist the Soviets,” and the U.S. draws “no advantage” from NATO membership.

3) NATO should be turned into “a purely European alliance,” through a “gradual retreat, extended over five years,” of all American troops now stationed in Europe.

General Noriega defies Philippines model for destabilizing Panama

by Peter Rush

On June 14, Panama's Gen. Manuel Antonio Noriega issued a statement saying, "I am not going to resign nor leave Panama. This is not the Philippines, nor am I Marcos. Nor is this Haiti. They are trying to force us into a mold that doesn't fit."

New information now confirms that the same State Department networks that coordinated every aspect of the destabilization and ouster of Philippines President Ferdinand Marcos last year, are in place in the U.S. embassy in Panama City, attempting to replay their scenario against the commander of the Panama Defense Forces, General Noriega.

The State Department desk officer who coordinated the anti-Marcos opposition campaign leading to his ouster, John Maisto, is currently the deputy chief of mission in Panama. Sources in Panama report that Maisto has personally created the kernel of the opposition movement, known as Modelo (Local Democratic Movement), in preparation for a Philippines-style ouster of Noriega. (He was similarly involved with anti-Marcos networks prior to Marcos's ouster, including with figures now serving in the Aquino cabinet.) U.S. Ambassador Arthur H. Davis also has assisted Maisto's efforts, working with the leader of the opposition movement and encouraging the military to stage a coup against Noriega.

Nine members of the Modelo group that Maisto helped create were denounced by the Legislative Assembly June 17 for being at the center of the conspiracy to topple General Noriega and the government. The nine include top businessmen and opposition political figures.

The Assembly resolution charged that the Modelo leaders were guilty of "seditious and subversive actions and high treason to the national government and the country," and called on the Panamanian legal system to "take measures to apply the full rigor of the law to the conspirators." The resolution revealed for the first time what had really happened behind the scenes, hidden by the public facade of street demonstrations and violence ostensibly aimed at Noriega for his alleged involvement in the murders of Gen. Omar Torrijos and terrorist Hugo Spadafora, and in vote fraud.

The resolution said that businessman Gabriel Lewis Galindo, an erstwhile supporter of the government, had, on behalf of the Modelo group, urged Vice-President Roderick Esquivel and other government officials, not only to dump Noriega, but to remove President Eric Delvalle, the entire Legislative Assembly, the Electoral Councils that run elec-

tions, and even the Supreme Court, and have the government taken over by a junta—a rather obviously treasonous proposition by any definition.

The role of Galindo

Lewis Galindo, a long-time backer of the government, has emerged as the central figure in the operation. As soon as the crisis erupted on June 10, Galindo appointed himself "mediator," and went through the motions of trying to mediate between Noriega and the opposition. He made it appear that Noriega had appointed him as a mediator, as a cover for coordinating opposition activities, and then turned around to tell Noriega that he was so hated in the country, that he had no choice but to resign, hoping to parley his "friendship" with Noriega into a cheap victory for the opposition.

When he saw that his gambit didn't work, he charged that he had been threatened by the Panama Defense Force (PDF) and had to flee for his life. In what has all the earmarks of a departure planned well in advance, he left, with his family, for Costa Rica, and then continued on to the United States almost immediately. On arriving in the United States, he announced he would "begin lobbying on behalf of the opposition to the government," and revealed that before leaving he had met with top opposition leader and president of the Panama Chamber of Commerce, Aurelio Barria, to map out the next phase.

Galindo is a former Panamanian ambassador to the United States. He told the *New York Times* on June 15, "I am going to travel to every country to tell people we have a criminal in charge of Panama. I have appointed myself international representative of the Panama opposition, and I am going to charter a plane and use every penny at my disposal."

Galindo is suspected of being the wealthiest man in Panama, and it can be assumed that he had taken precautions to make his fortune secure outside of the country well before his "sudden forced" departure.

Opposition's hand forced prematurely

It now appears that the opposition was surprised by events and forced to move prematurely. According to secretary general of the majority PRD party Ramírez Vázquez, the opposition had been planning to launch their destabilization and coup efforts later in the year, triggered by a series of terrorist

incidents. Ramírez Vázquez said that the plans of the opposition "were aborted by an error of calculation." Other sources report that the opposition had been biding its time, planning to wait until the government passed a World Bank-ordered bill to cut social security payments and raise premiums, intending to capitalize on the expected social ferment the measure would cause.

This information explains both how the opposition was able to coordinate and launch its street actions within hours of the publication of wild charges against Noriega by Col. Díaz Herrera, and also why it has so far lacked the depth it undoubtedly had hoped to build up by later in the year. General Noriega's timing in forcing the resignation of Col. Díaz Herrera on June 5 confronted the opposition with the necessity to move immediately. Díaz Herrera was, for them, their "Ponce Enrile," their "man close to the throne with the goods."

The opposition has refused to publish Col. Díaz Herrera's purported "evidence" against General Noriega, nor have they emphasized the fact that Díaz Herrera is well known for his connection to drug trafficking, and his great friendship with Fidel Castro, which he admitted in his "confession" which started the destabilization.

The Church under Archbishop McGrath has dropped its mantle of impartiality and come out four-square for the opposition. Díaz Herrera had deposited his "proofs" with the Archbishop, but they have yet to see the light of day, undoubtedly because they are fraudulent. But the Church, in the person of Monsignor Oscar Brown Jiménez, told a large crowd that "the protests can and should be made, because there are reasons for them."

Nonetheless, despite the efforts of the U.S. press to play up the rioting and demonstrations, the number of participants has been small. The largest crowd to showed up for a protest was 3,000. The Chamber of Commerce called a strike of stores and other establishments in Panama City and Colon, which has now fizzled under threat of fines against striking store owners, revealing the lack of conviction of the businesses involved.

Attempting a Philippines rerun

In 1985, working from Washington in coordination with U.S. Philippines Ambassador Stephen Bosworth, John Maisto revealed in an interview Aug. 6, that he and others in the State Department were working directly with a dissident group within the Philippines military to overthrow Marcos. He maintained very close ties with the Philippines opposition in the United States, including with the wife of a present cabinet minister. His own wife is Filipino. His subsequent assignment to Panama is now following a similar course.

He is responsible for setting up the Modelo group, whose base is in the business community in Panama City, largely the Chamber of Commerce. Two months ago, he arranged for a delegation including the head of the Chamber of Commerce, Aurelio Barria, to take a trip to the Philippines, the

purpose of which was obvious.

His nominal boss, Ambassador Arthur H. Davis, has made no attempt to hide his efforts to topple Noriega. He is a protégé of Sen. Jesse Helms, and his appointment was part of the Reagan administration's payoff to Helms for Helms's agreement not to oppose the nomination of Richard Burt as ambassador to West Germany. In his confirmation hearings, he said that he saw his role as bringing "democracy" to Panama. Davis's previous assignment was ambassador for many years to the Paraguay government of dictator Alfred Stroessner, whose brutal regime provoked no similar concern on his part.

Davis's efforts to topple Noriega are legion, and common knowledge in Panama. He met at least once with Lewis Galindo after the crisis began, and also with opposition leader Nicolás Arias Calderón and others. He also reportedly met with senior officers of the Panama Defense Forces on June 13 and asked them to "no longer recognize Noriega," to take control of the armed forces and call for new elections, according to a report in the *Washington Times* of June 15. The State Department confirmed that he was meeting with "a whole variety of people across the political spectrum."

Noriega strikes back

But parallels to the Philippine destabilization end at General Noriega. In remarks given to the Mexican paper *Excelsior* June 14, he revealed a keen appreciation of the incoherence of Washington's policy toward Panama. Asked if a "hidden hand" was out to get him, he said, "The U.S. Government is so large that one must make distinctions. . . . We must be analytical. . . . I think that there is a group of conservatives who are traditional enemies of Panama, in the sense they believe Panama is their colony and they don't want to return the territory and canal." The reference to Jesse Helms, and his on-the-scene operative Davis, is unmistakable. Noriega also denounced two think tanks in Germany, the Konrad Adenauer and Hanns Seidel Foundations, for working with the opposition Christian Democrats.

But Noriega also understands the nature of the opposition. It has been limited to students and the middle class. Much has been made in the press of the twice daily clanging of pots and pans and waving white handkerchiefs. One member of the Legislative Assembly commented that only the pots and pans of the poor overthrow governments, and that the pots and pans of the rich, such of those of the opposition in Panama, "are made of teflon and don't make noise." One European television station accurately characterized the movement as a "designer revolution."

Noriega warned the United States not to intervene, because "that could produce a class war here, of rich against poor." The fact is, as acknowledged in a June 18 column by Cord Meyer in the *New York Post*, Noriega and the majority Revolutionary Democratic Party command the support of the country's poor, who have not entered into the anti-government demonstrations. This weakness of the opposition ac-

counts for the rapid collapse of the strike movement and the return to near-normal life throughout the country, little over one week after the first protests. Despite charges of police brutality, Noriega has insured that the police and military have used non-lethal force, and have not given the opposition martyrs with which to expand their movement.

The next phase

The real test for Noriega and the Delvalle regime is only now coming up. According to New York banking sources, the World Bank, notorious for its politically motivated demands on victim Third World countries, is the "linchpin" of efforts to squeeze Panama economically. The World Bank has demanded layoffs in the public sector, reductions in social security benefits, and "reprivatization" of the economy, all precalculated to cause severe social unrest, as the condition for \$50 million in loans, and an agreement on these measures with the World Bank is the condition the banks are demanding before they will consider discussing renegotiating Panama's \$4 billion foreign debt. Coupled with this, the opposition has sworn to conduct economic warfare, involving everything from not paying taxes to disrupting the transportation of food from the agricultural areas to the cities.

Perhaps even more important will be what the Reagan administration does now. In his June 18 column, Cord Meyer called on the administration to establish "the kind of high-level crisis management team drawn from State, Defense, NSC, and CIA that functioned so well [sic] in handling the Philippine problem." Meyer is explicit in saying that U.S. policy must be to get rid of Noriega, and offer him "a safe retirement," à la Marcos.

What is at stake?

At stake in the entire affair is the war against drug trafficking. General Noriega has been steadfast in his cooperation with the Drug Enforcement Administration in tracking and arresting drug traffickers using Panama for transshipment of drugs or laundering of drug money. The government passed exemplary legislation to permit violating bank secrecy in drug money laundering cases, which the DEA has urged other countries to copy. The head of the DEA, John Lawn, even sent a letter of thanks to Panama for its cooperation, most recently displayed in the two huge successful anti-drug operations *Operation Pisces* and *Operation Cashweb-Expressway*.

In contrast, one month ago, the opposition newspapers *La Prensa* and *Extra* attacked the Defense Forces and Noriega for cooperating with the DEA in Operation Pisces, on grounds that compromising banking secrecy would destroy Panama's banking industry. Leading figures in the present destabilization effort led the attack on the anti-drug effort last May, including Christian Democratic Party leaders Arias Calderón and Guillermo Cochez, who are columnists for, and on the board of, *La Prensa*. The two papers were supporters of the drive to dump Noriega.

Documentation

The following resolution, slightly abridged, was approved June 15 by the Panamanian Legislative Assembly:

The Legislative Assembly, considering:

First. The opposition political group, united with the traditional oligarchic group, has promoted public disorders of grave consequence for the nation, with intent to overthrow the national government.

Second. The conspiratorial group called Modelo, Local Democratic Movement, has been coordinated by Gabriel Lewis Galindo.

Third. That, according to Manuel Lewis Galindo, other members of the group include Fernando Eleta Almaran, Jaime Arias Calderón, Mario Galindo, Nicolás Ardito Barletta, Roberto Mota, Federico Hubert, Ricardo Arias Calderón, Roberto Aleman, and Bolivar Barcenás.

Fourth. That this group approached Dr. Rodrigo Esquivel, the vice president of the Republic, and several members of the General Staff and proposed that they overthrow President Eric Arturo Delvalle, dismiss General Noriega, dissolve the Legislative Assembly, dismiss the judges of the Supreme Court of Justice, and establish a government junta.

Fifth. That the traitors have threatened to solicit economic sanctions against the Republic of Panama, promoting hearings in the United States House and Senate.

WE RESOLVE:

First. To expose to national and international public opinion the plots headed by Gabriel Lewis Galindo for sedition, subversion, and high treason to the National Government and the Fatherland.

Second. To condemn the subversive actions promoted by the opposition, especially by the Christian Democratic Party, which cause social and political instability which could lead Panamanian society to confrontations between brothers.

Third. To publicly charge that the ultimate objective of those groups was to establish in the Republic of Panama a political regime which would let the United States remain [in the Canal Zone] after the year 2000, disavowing what was established by the Torrijos-Carter Treaties, especially, in respect to the foreign bases and troops remaining in our territory.

Fourth. To express our most energetic protest, because it has been proven that the cited group has the backing and direct intervention of some sectors of the United States Government and Senate. Therefore, we recommend the Ministry of Foreign Relations take appropriate measures in the light of this accusation.

Fifth. The citizenry expects that, as this assembly has done, the authorities of the Justice Ministry and the judicial branch make the conspirators testify and effect against them those sanctions clearly established in the penal code for such crimes.

South Korea nears moment of decision

by Linda de Hoyos

After a brief lull June 15-17, new riots erupted in cities throughout South Korea against the government of President Chun Doo Hwan. The protests began on June 10, in protest of the convention of the Democratic Justice Party, at which former Gen. Roh Tae-woo was nominated the leader of the party, ensuring that Roh will become the next president in February 1988, when Chun steps down. The demands of the opposition Reunification Democratic Party, led by Kim Dae Jung and Kim Young-sam, are the demands of the rioting students: The Chun government must reopen negotiations for an immediate amendment to the Constitution which would allow for direct elections of the president and release of all political detainees. In an April decision characterized as "irreversible," President Chun had cut off negotiations on the Constitution in order to ensure stability leading up to the 1988 Olympics to be held in Seoul. This decision has precipitated precisely the grave social crisis Chun was seeking to avoid.

South Korea now faces its most violent rioting since the Kwangju uprising of 1980, in which over 2,000 people were killed in the repression that followed. On June 10-12, the demonstrations against the ruling party included not only the radicalized students, but also middle-class professionals and shopkeepers. However, by June 17, the middle-class participation had receded, as students, organized in paramilitary squadrons, seized control of the streets.

In Seoul, on June 18, the entire central area of Seoul was taken over by militarily deployed students, who fought with the police in the streets. As the *Los Angeles Times* reported the violence in Seoul: "The students blocked major streets and occupied key intersections, hurling rocks and firebombs at ranks of police, who responded with thunderous volleys of tear gas. In at least two instances, squads of riot police were cut off and overwhelmed by protestors." Similar street fighting took place in Incheon, Taejon, Taegu, Pusan, and Kwangju. In each of these cities, students threw barrages of rocks at police, destroyed police equipment and vehicles, and beat police officers. The response from the government—aside from full usage of tear gas—has been restrained. The Chun government is apparently taking heed of messages from the U.S. State Department and the White House to use "restraint" in dealing with the civil unrest.

By the evening of June 18, Roh, who had already asserted

that he would take the primary responsibility for dealing with the crisis, indicated that the government might be willing to make concessions. Although he insisted that the April 13 decision to cut off constitutional debate "cannot be revoked," he said that the timetable for discussions might "be adjusted to reflect . . . the people's aspirations for revision of the Constitution."

On June 19, the crisis was exacerbated when a police officer was killed in Taejon, when students took a commandeered police bus and rammed it into police lines. In response, Prime Minister Lee Han-key called upon the protestors to desist, as the government attempts to maneuver for talks with RDP leaders. "The government and all citizens must exercise restraint, restore reason and patience, and pool our wisdom and determination" to overcome the crisis, said Kim. But he added the warning: "Should it become impossible to restore law and order through such efforts alone . . . it would be inevitable for the government to make an extraordinary decision."

This could be the invoking of martial law, and bringing in the army to quell civil disorder, or it could mean a full-scale military coup.

The strategic ramifications

The opposition in South Korea has been organized by the same networks of the World Council of Churches and the Theology of Liberation wing of the Roman Catholic Church, who carried out the U.S.-backed "people's power" revolution in the Philippines. However, in the case of South Korea, these networks are challenging a government which considers itself technically at war.

From the standpoint of the global agenda of the Soviet Union, the People's Republic of China, and their partners in the West, the removal of the Chun government is a precondition for settlement of a "neutralized, unified" Korea, poised against Japan. Although the PRC has attempted to establish ties with South Korea, the Chinese press is echoing the strident tones of North Korean propaganda. The June 2 *People's Daily* declared: "For a long time the Chun clique has maintained its rule by completely relying on bloody suppression. . . . But the fire of the struggle against tyranny and for democracy in the South Korean people will never be put out, and the stubborn dictator will never have a peaceful day."

In the United States, meanwhile, the *New York Times* urged the Reagan administration to take the same actions in the case of South Korea as it effected to bring down Marcos in the Philippines in 1986, blaming the unrest on the administration's "failure to convey clear and consistent signals to Chun on the need to accommodate the new middle-class movement."

Whether the Chun government does make those accommodations or whether it is forced to take "extraordinary decisions," the crisis in South Korea is a signal that the military-strategic framework for Northeast Asia is heading for major change.

Military modernization for Soviet armed forces and industry

by Rachel Douglas

On the eve of a plenary session of the Soviet Communist Party Central Committee, slated to convene at the end of June and to deal with economic policy, the thorough rejuvenation of the Soviet armed forces moved ahead with a jolt. As usual, the shifts were wildly misinterpreted in the West, with a rash of irresponsible speculation about how party chief Mikhail Gorbachov was finally cutting the Soviet military down to size, with respect to its political power and consumption of resources.

On June 17, Marshal of Aviation A.U. Konstantinov got the sack. He was commander of the Moscow Air Defense District, which just this past January had been awarded an Order of Lenin. Konstantinov himself, who commanded the district since 1980, had achieved the status of candidate member of the Central Committee, at the 27th Party Congress in March 1986.

He became the latest scapegoat for the flight of Matthias Rust, the West German teenager who landed his Cessna airplane in Red Square on May 28. Already, the "shortcomings" in the military, criticized by the Politburo in the wake of Rust's landing, served as the occasion for retirement of Defense Minister Marshal Sergei Sokolov and the ouster of the national commander of the Air Defense Forces, Chief Marshal of Aviation A.I. Koldunov. Konstantinov was dismissed following a meeting of the Moscow Communist Party, at which municipal party chief Boris Yeltsin, a member of the Politburo, said, "We want commanders to look straight in our faces and say how this could happen." Radio Moscow, which reported on this, also cited an article in the June 17 issue of *Krasnaya Zvezda* (*Red Star*), the defense ministry paper, that said, "Several generals were expelled . . . and several will be dealt with later," because of the Rust affair.

On June 11, *Krasnaya Zvezda* reported on the case of a rear admiral, who was fired for incompetence in the execution of naval maneuvers. A few days later, 68-year-old Marshal of Engineering Troops I.F. Shestopalov, in charge of construction and billeting since 1979, became the latest deputy defense minister to retire.

All the self-criticism by the military, firings, and other

publicized disciplinary measures—which occur in the context of Gorbachov's ongoing purge of the party and economic leadership—should not be allowed to obscure the character of the commanders who are coming in, and whose promotion the Rust affair merely made it possible to accelerate.

Contrary to the analysis featured in such locations as the *Washington Post*, which on June 18 suggested that, since new Defense Minister Dmitri T. Yazov was "a middle-ranking general with no ties to Moscow's circle of military leaders," his appointment represented a setback to the power of the military, *EIR* has already reported, that Yazov came through the combat training programs and the new wartime command structure, designed by Marshal Nikolai Ogarkov. The same can be said about two other recent appointees to senior defense ministry positions:

Stanislav Postnikov, recently promoted from General-Colonel to Army General, was revealed in April to be the new First Deputy Chief of Ground Forces—one of the five branches of the armed forces. Postnikov came from a posting as commander of the Transbaikalian Military District, where he had been since 1984. The Transbaikalian MD lies adjacent to the Far East Military District, which Yazov moved out to command in 1984. Thus, Postnikov and Yazov commanded two of the military districts of the wartime command, High Command Far East (which was instituted in 1979, as the first component of the new structure), starting right when the wartime command network went fully operational. Ogarkov "disappeared" as chief of staff and took over High Command West, in September 1984.

Gen.-Col. V.N. Lobov has become a First Deputy Chief of the General Staff. Before this, Lobov was commander of the Central Asia Military District, where he succeeded none other than Dmitri Yazov in 1984, when the latter moved to the Far East MD.

In addition, and not irrelevant to the matter of off-the-wall assessments of these shifts, General Lobov is a specialist in disinformation! In the March issue of a defense ministry journal, Lobov published his second major article in a year, on the concept of *voyennaya khitrost*, or "military cunning."

He stressed the decisive importance, throughout military history, of *maskirovka* (camouflage), deception, and related techniques of military art, for securing victory by hitting the enemy when he least expects it, and preached that this area required a lot more emphasis in Soviet military thought today. For Ogarkov and his students, *voyennaya khitrost* applies not only to battlefield camouflage and so forth, but very much to the strategic realm.

The new appointees also fall into the class of technology-oriented, would-be "modernizers" of the armed forces, promoted under Ogarkov. Ogarkov's economic policy, which is what Gorbachov is carrying out under the banner of *perestroika* (restructuring), demands that the entire Soviet economy be shifted onto wartime status, before the outbreak of any shooting. Likewise, Ogarkov and the young officers around him stress the crucial importance of weapons based on "new physical principles"—including radio frequency weapons.

One of the chief spokesman for such modernization is Gen.-Col. Makhmud A. Gareyev, an Ogarkov appointee to the general staff who has echoed Ogarkov's own writings on the importance of these weapons. Now a deputy chief of the general staff, Gareyev authored an unprecedented half-page open letter in the popular press—printed in the weekly *Lit'eraturnaya Gazeta* June 3—on the "sacred duty" of all Soviet citizens to support the armed forces. Citing the military traditions of Prussia, among other things, Gareyev stressed the

unity of science and military practice, as greater than ever before, "in the age of scientific and technical progress."

Defense industry boss

Also in advance of the plenum, Gorbachov continued to thin out the old guard in Soviet industry. On June 7, Minister of Machine Building V. V. Bakhirev retired after 19 years in office, to be replaced by 52-year-old Boris Belousov. Belousov comes from the ministry of the defense industry, where he was a deputy minister, to lead the ministry that produces munitions and other military products, including solid propellants.

On June 8, Gorbachov addressed a preparatory meeting for the plenum, attended by only a handful of Politburo members, plus leaders in Russia's defense industries. Here, party secretary Nikolai Slyunkov announced that central ministries must prepare to end their "day-to-day control over enterprises," so as to concentrate on scientific and technological advances in their sectors of the economy.

Also present was L.N. Zaikov, the Central Committee secretary who in May accompanied Gorbachov to the Baikonur Space Center, when Gorbachov said *perestroika* meant putting the whole economy on the same footing as the heavily militarized space program. The directors of several large defense-related plants, and ministers from the defense and heavy industry sectors, spoke at the June 8 session.

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Moscow angry at the Pope after Poland

by Luba George

Pope John Paul II returned to Rome June 15, following a week-long visit to his native Poland. This was his third visit there in eight years, and Poland's Soviet controllers were by no means happy with the outcome. From his first day in Warsaw on June 8, to the Eucharist procession to Zamkowy Square and farewell ceremony at the airport on June 14, the Pope's visit was a well-planned exercise in statesmanship, to counter the growing cultural pessimism afflicting Poland since 1981. The Pontiff's mission, elaborated in his speeches, was to uplift the population, especially the country's demoralized youth, as a means of ensuring Poland's survival as a nation. Let no one think Poland shall forever be a Soviet colony, was the thrust of his trip.

The key point came in Gdansk, the birthplace of the Solidarność trade union movement during the early 1980s. It was the first time the Communist authorities had allowed the Pope to travel there. Now, they are sorry.

On June 12, as the Pope prayed at a memorial to workers killed in 1970 anti-government riots, the police sealed off central Gdansk in a huge show of force to thwart any pro-Solidarity demonstrations. Thousands of police with clubs, backed by water cannons, blocked all streets around the monument, and turned back anyone trying to get near the site.

Wherever the Pope went, the recurring theme was *youth*, the future of Poland. In Gdansk, he said: "Everybody among you, young friends, finds in his life . . . a dimension of challenges to meet, a just cause to fight for, and one or another duty or obligation from which he cannot escape, or just run away. And finally, there is a certain order of truth and values that is worth keeping and defending."

The Pontiff called on the young to resist temptations like "alcoholism, drug abuse, sexual promiscuity, pornography, and religious sects." He warned all Poles, especially the young, to resist the temptation to abandon and flee their mother country out of hopelessness, to show courage and to fight for a "better and a more human world of truth, of freedom, of justice, and of love," and to work for the future of "their nation and society."

At Gdansk shipyards, a crowd of hundreds of thousands of Polish shipyard workers and fishermen, jammed into a waterfront park to hear the Pope bless Solidarity. In his ser-

mon, he spoke of the "dignity of man" and stressed that it was "legitimate" for Poles to fight peacefully for human rights. "A struggle for human rights and Man's rights, for his genuine progress, is in order. In the name of the future of mankind and humanity, the word 'solidarity' must be pronounced. . . . This word was uttered right here in a new way and in a new context. And the world cannot forget it." The sermon was received with tumultuous applause: the crowd repeatedly shouting "Long Live the Pope," and "Long Live Solidarity." After the speech, the Pope met with Lech Walasa, the founder of the Solidarność movement.

The Pope and Jaruzelski

Two emissaries from Polish leader Wojciech Jaruzelski met with the Pope in the wake of a major anti-government demonstration in Gdansk and the forceful statements by the Pope endorsing the outlawed Solidarity. Government spokesman Jerzy Urban betrayed Warsaw's and Moscow's nervousness and displeasure, saying: "Don't make a sensation out of this. This is a normal thing for state officials to meet with the Church."

Speaking in Lodz, the Pope proclaimed Poland's largest textile mill unsafe and denounced the Polish state for forcing mothers into factory jobs away from their children. Seeking to contain the "damage" done by his speech there, a hotbed of Solidarity activity in the past, the government refused to televise his visit.

In his farewell speech at the airport, Jaruzelski told the Pope that it would have been better to use the word solidarity in "defense of those who are continuing to suffer as a result of racism, neo-colonialism, unemployment, and intolerance." Solidarity leaders were quick to respond: "We don't live in a free country and our voices cannot be heard, and therefore, the Pope spoke about us and to us and—as he himself underlined—for us."

The Pope's visit was indeed a humiliating one for Jaruzelski. Not only did the Pope refuse to mention Soviet and Polish proposals for nuclear disarmament, all his speeches contained blunt anti-Soviet messages. Jaruzelski's survival depends on how long he can keep the lid on. He has been often referred to as the Soviets' "Poniatowski," a reference to the last king of Poland, placed on the throne by Russian Empress Catherine the Great in 1774 after the second partition of Poland. He attempted to rebuild an "independent strong Poland" while playing the part of an obedient satellite to Russia. After the Pope's visit, any credibility that existed for Jaruzelski's claim that Poland is destined to be subservient to the Soviet Empire has been shattered as a long-term prognosis.

Soviet foreign ministry spokesman Boris Pyadyshev, on June 12, was asked by journalists if the Pope would be allowed to visit the Soviet Lithuanian Republic to attend the 600th anniversary of its Christianization, to which he replied: "We have no intention of inviting the Pope to the Soviet Union."

Thatcher's two pressing challenges

by Mark Burdman

In the estimation of reliable British insiders, Prime Minister Margaret Thatcher will be faced with two pressing challenges, after her June 11 landslide election victory.

Domestically, Britain emerges from June 11 a deeply divided nation. The country is split, as never before, along north-south lines, with Scotland providing a special and most problematic case.

Strategically, British experts stress that the reality underlying the public debate up to the election, between the "strong nuclear deterrence" policy of Mrs. Thatcher and the "unilateral disarmament" policy of Labour's Neil Kinnock, is the more fundamental question of whether Britain is going to be a dependable strategic partner for the United States internationally, a question for the moment focused on an anticipated East-West crisis in the Persian Gulf.

The June 14 London *Sunday Telegraph* published a colored map of the election results, with blue representing the Tory Party, red the Labour Party, and other parties (the Alliance and small parties.) having different colors. Leaving aside some splotches of other colors, the top of the map is overwhelmingly red, the bottom overwhelmingly blue. East of Wales (where Labour beat the Tories, 24-8), in the center-to-south of the U.K., from the latitude of Monmouth, Worcester, Gloucester southward to the Channel, *only three Labourites won parliamentary seats*, outside of Greater London itself! In each of the regions of South West, South East, and East Anglia, Labour won only *one* seat, and the combined margin in these three regions, was 170-3. For all of southern U.K., below the cited latitude, the margin was 259-37 in the Tories' favor, which explains the overall Tory parliamentary majority of over 100, in the elections as a whole.

For the north of the U.K., there are two related, but ultimately distinct, patterns. In Scotland, the Labour vs. Tory victory margin was 50-10, with the Alliance and the Scottish National Party also winning seats. For Scotland as a whole, there is well over a two-thirds representation arrayed against the ruling party in Parliament, for the first time in over 200 years in the U.K. Some in Britain call this the "doomsday scenario": the Tories winning almost everywhere else in the U.K., but losing massively in Scotland.

The anti-Tory factor is not only, or perhaps not even

primarily, a result of the economic crisis of Scotland, particularly in its urban centers like Glasgow, Edinburgh, and Aberdeen. Rather, what is afoot, is a combined economic, social, and political revolt, with strong regionalist—"nationalist" undertones, against what is perceived to be an English-centered Thatcherite leadership insensitive to Scottish problems.

The other pattern is that of most of northern England, from the belt of formerly industrial cities like Liverpool, Manchester, and Sheffield, up north to Leeds and Newcastle. Here, unquestionably, the economic issue is primary. These cities have been devastated by the collapse of industry. Unemployment often is as high as 40%, social services are miserable, and the inner cities are often totally decayed and violence-ridden.

These cities are mostly congregated in the York and Humberside region and North region, where Labour won by a 60-29 margin. Hence, counting Scotland, Labour's margin over the Tories for the northern U.K., is 110-39!

Of all the southern regions, Labour had the best showing *inside* London, where it won 23 seats; London's inner city exhibits many of the same problems as other cities in the U.K. Several notorious radicals, like former Greater London Council head Ken Livingstone, an advocate of direct social confrontation, won in London.

Unless health, social services, transportation, and education are upgraded in Tory priorities, and unless the unemployment problem is tackled—3 million Britons are unemployed, officially, out of a total population of 55 million—Mrs. Thatcher is headed for very tough months.

Weinberger vs. Hammer

On the strategic plane, the issue goes beyond nuclear weapons, zero options, and so on, to Britain's crucial global capabilities. For example, in the Persian Gulf, the British can play a "bridgehead role," should a crisis erupt there, which no one else, emphatically not the Israelis, can play. Will the British agree to upgrade their cooperation with the United States on this level? Before the elections, U.S. Defense Secretary Caspar Weinberger spent some days in the U.K., meeting with senior defense planners, to reinforce Britain's commitment.

During the same week of June 1, however, the "Anglo-Soviet Trust" made a big countermove, with the trip to the U.K. of KGB multimillionaire Armand Hammer. According to British sources, Hammer was there to bolster a deal made by Labour shadow foreign secretary Denis Healey with the Soviets, during Healey's pre-electoral visit to Moscow. These sources affirm that Healey reached a deal, for Britain *not* to work with the United States in the Gulf, should a crisis erupt in that region, and should Labour come to power.

Since the same British sources estimate that an East-West crisis in the Gulf-Middle East is a near certainty in the period ahead, we have hardly seen the last chapter in the fight to define Britain's international strategic role.

National elections solved nothing

Disc jockeys and Isis cultists enter the Parliament, while Craxi nurtures his ambition to be a new Mussolini.

Following the national elections on June 14, Italy goes "back to the drawing board." Since no issues of substance were addressed by any of the parties during the electoral campaign, the only "good news," on which the international press seems to be concentrating, ignoring the dreadful state of the economy and the AIDS emergency, is that the Communist Party (PCI) lost heavily, going from 30.8% in the last national election in 1983 (in the Senate) to 28.3% now, and from 29.9% in the Chamber of Deputies to 26.6%. The PCI went back to the low level of 1963, and is losing ground continuously.

The "bad news" is the fact that the Green Party ran for the first time in national elections, and got 2.5% (13 seats) in the Chamber, and 2% in the Senate, establishing itself as a dangerous fifth column for Moscow's irregular warfare against Italy's nuclear power plants and military equipment, a factor of destabilization like the Greens in Germany.

Another indication of the perversion overtaking Italian politics, is the fact that for the first time a porno starlet, Ilona Staller, of Hungarian origin, known as "La Cicciolina" (Little Tubby), was elected into the Italian Parliament. La Cicciolina was at the center of attention of the Italian and foreign press, because her campaign consisted in distributing leaflets half-naked in front of Parliament, and doing election rallies dressed (or undressed) as Ishtar (the Whore of Babylon) of the Isis cult, which has apparently gained

enough followers to bring the whole freak show into Parliament.

Besides "La Cicciolina," a football player, a disc jockey, and a couple of showmen were elected to Parliament, indicating the level of *qualunquismo* (populism) reached with this electoral campaign.

Beyond the "multimedia show," the results of June 14 did nothing to solve the problem of the government vacuum which has plagued Italy for at least four years. Former Premier Bettino Craxi and his Socialist Party (PSI), which were pushing for early elections with the aim of destroying the Christian Democracy (DC) with a "landslide victory" of the lay parties, gained 3% more, but did not manage to force the Christian Democrats out of the picture.

The personal quarrel between Craxi and De Mita, general secretary of the DC, which also gained 2% in the Chamber, will therefore continue now that the PSI and DC will be forced to form another five-party government coalition, like the one which was dissolved when early elections were called.

The focus of the negotiations for the formation of the new government, which will probably be postponed until September, will not be what can be done to stop the industrial and agricultural collapse in Italy, the AIDS emergency, drugs, and terrorism, but just what role should be played in this government by Craxi, who has never given up his ambition to become Italy's new Mussolini.

Craxi is accustomed to adopting tactical positions, such as his pro-Atlanticist stand at the beginning of his government tenure, which was transformed into a nationalistic, anti-American stand with the *Achille Lauro* hijacking affair. He began imitating President Reagan, with his talk about an "economic recovery," but the only purpose was to gain more power, and to go for a constitutional reform and a presidential system in Italy which would make him the unmovable *Duce*. The 3% vote increase he received in this election was mainly due to losses of the other lay parties, as Christian Democrat Clement Mastella indicated when he compared Craxi to Dante's Count Ugolino, who ate the flesh of his children in the Inferno in order to survive.

Mainly thanks to the protest vote of Italians who want no "left alternative" or the PCI, and to the role of the Vatican in calling on all Catholics to vote, the Christian Democracy did not lose, and went from 32.9% to 34.2% in the Chamber, and from 32.4% to 33.6% in the Senate, with a campaign mainly focused on defending the family and population growth. A number of DC candidates supported by the Schiller Institute in Italy, such as Maria Pia Garavaglia, who committed themselves to a crash program of public-health measures and research to stop the spread of AIDS, were elected with increased majorities.

Another Christian Democrat, Sen. Vincenzo Carollo, who had spoken at an event of the Schiller Institute on the need to fight the austerity conditionalities of the International Monetary Fund in Ibero-America as well as in Italy, did not run for re-election, but was dumped in a dirty operation in Sicily, which operation caused the DC to lose 5% of its votes in his area, where he enjoyed great popularity.

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Solheimsvik, Norway

Wilhelm Schreüder
Fjell-Heisen,
Tromsø, Norway

*When in Tromsø,
see the town from above —
by the Cable Car!*

Chihuahua governor to resign?

PRI leaders appear to have finally had it with Chihuahua boss Baeza and his PAN "amigos."

Sources have it that the departure of Chihuahua governor Fernando Baeza is imminent, due to an intense pressure campaign from various old-line political and labor sectors of the PRI, who are disgusted with Baeza's efforts to turn Chihuahua state into a political laboratory of "bipartisan" rule with the fascist National Action Party (PAN).

The PRI campaign to oust Baeza was launched in earnest when it became evident that the Chihuahua governor was refusing to seriously combat the destabilization campaign of the PAN throughout that state. The complaint of the PRI opposition to Baeza is that while he is busy requesting "moderation and conciliation" from the PAN, that party's hoodlums are rioting in the streets, and involved in every possible act of provocation against the government, without any response from Baeza's office.

The PANista group in Chihuahua is the same which inaugurated a new political strategy for the party, namely, that of abandoning a policy of "loyal opposition" for one of open and radical confrontation with the government. This group is led by Francisco Barrio Terrazas, former PAN candidate for governor of Chihuahua, and Luis H. Alvarez, former Chihuahua city mayor and currently national PAN president.

Barrio and company are the group which hired the services of Irangate's top fundraiser, Carl "Spitz" Channell, to represent them in Washington through the public relations firm Clews Communications. The PAN group in Chihuahua is the brains behind the Ir-

angate "Mexico connection."

The PRI wants Baeza out not only for his failure to defend Mexico and the PRI "in times of war," but also because of his open collaboration with the enemy. In a June 10 interview with the Mexico City newspaper *El Universal*, Baeza confessed that Chihuahua was a laboratory for "bipartisanship" and warned the national leadership of the PRI, "We must mature in the exercise of public functioning." Baeza, a PANista in his youth, made a veiled reference to the refusal of the leading PRI leaders to accept co-rule with the PAN, as the U.S. government has demanded.

Baeza has not waited for "acceptance" to implement his own "co-rule" recommendations. He has stocked his state cabinet with so-called "em-PANizados" (disguised PAN followers), such as his secretary of communications and public works Luis Luján Peña, whose brother is a PAN state leader. As one journalist wrote in the June 12 issue of *El Sol de México*, Baeza has formed his government "with leading members or ex-members of the National Action Party, from the secretary general of government to more modest posts. The old-line PRIistas are simply removed from power. Now, the consequences are coming to light."

Just days earlier, violent confrontations had occurred between PAN hordes and police forces in the town of Jimenez, leaving one citizen dead. Immediately, PAN state leaders began to organize a series of protest acts, although it was common knowledge that it was the PAN itself which trig-

gered the provocations. Nonetheless, Baeza did not hesitate to meet with the PAN leaders.

Baeza's collaboration with the PAN is not coincidental, in view of the links to the drug trade that both he and the PAN share. Baeza has been unable to rid himself of the stigma of being a puppet of the so-called "Chihuahua Group" of Eloy S. Vallina, the notorious narco-banker who responded to the 1982 bank nationalization with the pledge, "They took our banks, but we'll take Chihuahua." Vallina's group heavily funds PAN activities in the state, and in view of his connections into both the PRI and PAN parties, exercises absolute control over state politics.

Nonetheless, Baeza has become increasingly isolated. According to rumors circulating within Mexico City government and press layers, Baeza has lost the backing of Defense Minister Gen. Juan Arévalo Gardoqui, and of several important politicians. Rumors made public June 12 by columnist José Cabrera Parra, who is linked to Interior Minister Manuel Bartlett, revealed that federal government strategists are now searching for someone to replace Baeza in the Chihuahua governorship.

According to Cabrera Parra, the government is seriously worried that the PAN could actually seize political power in Chihuahua, a key border state, with the support of the Mexican "Irangate" apparatus.

That Cabrera Parra is writing this about a governor whom Bartlett personally helped muscle into office suggests that Fernando Baeza's days are indeed numbered. If that is the case, Bartlett may lose his bid for the PRI presidential nomination as well, since he fought hard and dirty to get Baeza into office . . . and many PRIistas won't forget that.

One step forward, two steps back

Drug busts in Colombia are at an all-time high, but the narcos are walking free and profits were never better.

Colombia's anti-narcotics forces scored a number of stunning hits beginning June 9, with the joint military-police raid on a vast cocaine complex in Cundinamarca, the central province of which Bogota is the capital city. In addition to 10 modern refining laboratories, at least 200 hectares of coca plants were also discovered.

It was a shock to authorities, who thought coca cultivation was confined to the outlying jungle regions. A score or more of the 400 coca-pickers employed by the owners of the complex were captured in the raid, and at least 70 drug storage depots have been turned up as well.

Less than a week later, anti-narcotics police launched a six-day operation in the jungle region of Putumayo, near the Ecuadoran border, and discovered that entire villages were employed—Peruvian-style—in growing coca, covering at least 50,000 hectares with the illegal crop. In just the first two days, 31 laboratories for processing the coca were seized, along with more than half a ton of coca base—in each! Peasants claimed that because they weren't receiving a living wage for their traditional crops, they were forced to grow drugs to survive.

The uncovering of these huge chunks of the Colombian drug infrastructure notwithstanding, anti-drug forces in the country are finding their hands tied when it comes to follow-up. The Cundinamarca police commander in charge of the operation, Luis Alberto Quijano, complained bitterly that, because the National Drug Council

has banned use of herbicides against coca crops—under pressure of the ecology movement and a green-tinted health ministry—his men are being forced to manually uproot the crops—plant by plant. At the current rate, he estimates that it will take the equivalent of 3,000 men working for three months to eradicate the area.

No one is even willing to hazard a guess at the resources that would be required to destroy the Putumayo drug crops discovered, and the national police have already appealed to the drug council for authorization to spray glyphosate, the only herbicide that has proven effective against marijuana and coca.

Even more discouraging for anti-drug forces is the degree of penetration of the narcos into Colombian political circles. Recently named Justice Minister Edmundo López Gómez just resigned his post amid a flurry of charges and countercharges that he and his political rivals in the province of Cordoba are both linked to the drug trade. Executive member of the ruling Liberal Party Alberto Santofimio Botero has just demanded a national referendum to overturn the U.S.-Colombia Extradition Treaty. One national daily editorialized in response that such a move would eliminate the last legal weapon against the drug mob, since it is only fear of trial by the U.S. courts which has kept the narcos from total breakout.

Perhaps most discouraging of all is the sorry state of Colombia's judicial system, with magistrates literally cringing before the power of the drug

mafia. When the terrorized Supreme Court declared itself "incompetent" to pronounce on the validity of the standing Colombia-U.S. extradition treaty, the ball was thrown into the executive's court. The Council of State, a presidential advisory body on constitutional matters, demanded that the Supreme Court issue a finding, at which point the leading magistrates of the nation came up with a tied 12-12 vote. The search for an outside judge to break the tie has turned into tragedy-comedy, with three different choices declaring themselves "incompetent" to accept the responsibility.

In the meantime, President Barco has rejected U.S. extradition petitions on three of five wanted drug traffickers. One of the traffickers who thus escaped U.S. justice is Gilberto Rodríguez Orejuela, a top financier of the infamous "Medellín Cartel" of drug traffickers and a liaison between the drug mob and Project Democracy's American Institute for Free Labor Development (AIFLD).

In 1984, Rodríguez Orejuela was busted in Spain, along with mafia chieftain Jorge Luis Ochoa, on drug-trafficking charges. Corrupt elements in the Spanish judicial system extradited the pair to Colombia, despite an earlier U.S. extradition petition against them, and Ochoa—considered one of the kingpins of the world's cocaine trade—was released on bail from a Colombian jail cell days later. He has since disappeared.

Rodríguez Orejuela remained in jail. His trial on drug charges, currently ongoing in the city of Cali, has been repeatedly sabotaged by the judge, who has restricted the introduction of U.S. evidence against the defendant. A petition by the Colombian Attorney General's office to force admission of the evidence has prompted the judge to take himself off the case entirely.

Relief all around

The tension between India and Sri Lanka over the food and medicine airdrop has been resolved, but what next?

On June 15, agreement was reached between India and Sri Lanka on the modalities of further Indian shipment of relief supplies to the people of Sri Lanka's northern Jaffna peninsula, which has been under siege for nearly a month as the Sri Lankan military pursues a "fight to the finish" against the leading Tamil separatist-terrorist organization, the Liberation Tigers of Tamil Eelam (LTTE) based there.

The agreement defused a crisis between India and its small island neighbor that has mushroomed ominously in the wake of India's June 4 airdrop of 25 tons of food and medical supplies over the Jaffna peninsula from a squadron of AN-32 transport aircraft accompanied by a military escort of Mirage M-2000 fighters. Two days before, India had attempted a "sea lift" of the relief supplies on motorized fishing boats, but Sri Lankan authorities denied them entry. Frantic consultations in New Delhi resulted in the airlift, of which the Sri Lankan government was given about 40 minutes notice.

Though the Sri Lankan air force operating around Jaffna was given orders not to fire at the Indian planes—Sri Lanka's entire military is no match for even a single component of the Indian military—Colombo's outraged protest was immediate, terming this a "naked violation of Sri Lanka's sovereignty and territorial integrity." Sri Lankan Prime Minister Premadasa, an outspoken Sinhala chauvinist and India-baiter, accused India of a dress rehearsal for an invasion.

Pakistan and China immediately

condemned India's move. The rest of the international community expressed disapproval in more cautious terms, but even the Soviet Union refused to come to India's defense. Within India itself, the move was by no means universally acclaimed, in part because of the negative diplomatic fallout. Romesh Bhandari, former foreign secretary and now head of the ruling party's foreign affairs cell, told the *Sunday Observer* that the move was technically lawless.

Others have wondered out loud why India acted unilaterally when Colombo had stated on June 1 that it was willing to discuss ways and means of receiving and distributing relief supplies. The action also gave convincing new validity to the perennial paranoia of India's small neighbors, and this on the eve of the June 18-20 ministerial summit of the barely two-year-old South Asian Association of Regional Cooperation (SAARC).

Though the June 15 agreement had considerably muted all these concerns, it still leaves the major issue—the ongoing ethnic warfare in Sri Lanka—untouched. India is interested now in resuming the dialogue for a political settlement of the tragic crisis which has pitted Sri Lanka's Tamil minority against a bigoted Sinhala majority population.

The crisis has been stalemated for more than six months, since an Indian-inspired compromise package accepted by the Sri Lankan government was rejected by the LTTE. In January, Colombo attempted to force the militants to the bargaining table by impos-

ing an economic blockade against the Jaffna peninsula—a move decried by New Delhi.

By April, pressure was building on Colombo from within the country to act decisively in the face of a series of terrorist bombings that targeted Sinhalese. The decision by M.G. Ramachandran, the chief minister of India's southern state of Tamil Nadu, to send aid to the Tamils on the Jaffna peninsula, added fuel to the fire. On May 21, "Operation Liberation," intended to be the "final offensive," was mapped out by Sri Lanka's military chiefs.

Starting May 27, the Indian government issued stern warnings to Colombo to halt the "genocide" on the Jaffna peninsula, and on June 17, in a meeting with opposition leaders, Prime Minister Gandhi affirmed that the June 4 airdrop had been both a gesture to the Tamils in Jaffna and a message to the Sri Lankan government. Though India's interest in a speedy peaceful resolution of the crisis, and its rejection of the Tamil demand for a separate state, reiterated by Rajiv Gandhi recently, are undeniable, India's ability to intervene effectively at this point is in question.

Rajiv Gandhi's June 4 "message" and the subsequent agreement on relief supplies notwithstanding, Colombo's "Operation Liberation" is still on. In fact, the effect of the airdrop operation within Sri Lanka has been to catalyze a vehemently anti-India mass sentiment that will greatly strengthen the Sinhala chauvinist leverage on a beleaguered President Jayewardene.

India has already demonstrated its lack of leverage on the Tamil side. Though the LTTE was the only force to applaud the air drop, whether it was enough to win back their trust in Delhi's mediation remains to be seen.

ROC backs Ogarkov's 'perestroika'

The Orthodox Church views "the defense of the fatherland" as a top goal for the 1988 millennium.

The 1,000th anniversary of the Russian Orthodox Church (ROC), which will be celebrated in 1988, is promoted with great fanfare in the newly published *Moscow Church Herald*, the six-language journal of the Moscow Patriarchate. It not only promotes the millennium in the Western world, but contains the Swiss bank account numbers, held by Metropolitan Pitirim of the Moscow Patriarchate, to which contributions can be forwarded.

The official ROC celebrations scheduled for June 5-17, 1988, are being coordinated with Marshal Nikolai Ogarkov's war-economy build-up, *perestroika* (restructuring). Eruptions of Great Russian chauvinism during the coming mystical millennium will proceed in tandem with the war drive, to fulfill the "mission" of making Moscow the Third and Final Rome, capital of a global empire.

Several international conferences in preparation for the millennium have already been held in Russia and abroad, and more are planned. Special brigades are working at top speed to complete the restoration and expansion of the Danilov monastery in Moscow, designed to become the Moscow Patriarchate's headquarters in 1988.

Metropolitan Pitirim of Volokolamsk and Yuryev, chairman of the Moscow Patriarchate's publishing department, said in the first issue of the *Moscow Church Herald* that the monthly will devote much coverage to the 1,000th-anniversary preparations. The *Herald* also serves as a propagan-

da vehicle for the Soviet-run "peace movement" in the West, as the following quote from Metropolitan Pitirim shows: "Our readers' interest is sure to be evoked by interviews and roundtable discussions with religious workers and scientific experts from around the world under the motto: Religious Workers for Saving the Sacred Gift of Life from Nuclear Catastrophe."

Pitirim, awarded last year the Soviet State's "Order of the Friendship of the Peoples," was recently interviewed by Moscow television. Asked, "What are the universal values that unite believers and atheists in Russia?" Pitirim replied: "I think the main and greatest value we have is the joint life we share in a single fatherland. This feeling of the homeland . . . which we live for and for the sake of which each one does his duty." He was then asked to describe the attitude of the Church on *perestroika*. Pitirim answered: "For us this is something we talk about every day. . . . Man is evolving, therefore those processes now taking place in our state naturally affect everyone. . . . The church consists of the perfection of the human being as a personality."

Soviet embassies in Europe and other parts of the world are involved in promoting the anniversary celebrations. In Bonn a big reception was held at the end of May for leading West German church figures, to inform them of the millenary event and woo them into co-celebration. This is part of the broader Soviet effort to break West Germany out of the Western alliance.

Soviet diplomat Gennadi Yelisaryev said that "religion and the churches in the U.S.S.R. play a very important role in the blossoming of the Socialist Motherland."

According to ROC sources in Geneva, the "Russian Party" of Third Rome fanatics has been working on a new Soviet Constitution. The new Constitution, which is actually a Byzantine Empire-modeled Church-State Concordat, is expected to come out in 1988. "Major changes" were reportedly already made in the Constitution just before Leonid Brezhnev died. These changes, never published, included granting the Russian Orthodox Church full legal status. The ROC Bishop in Geneva explained: "It's all there on paper . . . soon it will be made into reality."

Last year, the Soviet state quietly restored the right of property ownership to the ROC and other "religious associations." This is indeed a major reorganization of Soviet society, revoking 1929 laws which nationalized all church possessions. Before 1986, all nationalized property was leased to registered religious associations. Under the new law, the ROC enjoys "the rights of a juridical person." The ROC may, in accordance with the law, "build or buy structures, acquire means of transport, church articles, cult items, with the right to their ownership. . . . Buildings thus acquired become the property of the religious association."

Another gesture by the Gorbachov government in the Concordat direction: Two of the most prominent Russian Orthodox dissidents, Aleksandr Ogorodnikov and Fr. Gleb Yakunin, were freed recently after serving more than eight years in labor camps. Ogorodnikov, a Slavophile mystic, said after his release: "The future of Russia is indissolubly linked to the Church and the revival of Christianity."

Let's bring back Bourmonville!

by Katherine Kanter

During the week of May 18, this writer was fortunate enough to attend the classes given in the Royal Danish Theatre in the so-called "Danish" or "Bourmonville style," and to discuss with persons, some of them very old, who have devoted most of their lives to defending this beautiful and important method of dancing.

Few people believe today, that classical dancing has not always been such a bore, and as for the professors from the Bolshoi and Kirov Theaters, busy as bees teaching the "incomparable Russian style" throughout the world, they would not be so unwise as to bring up three awful subjects: first, how much they have done to stamp out the old French and Italian, or "Bourmonville" technique, second, how boring they are, and third, just how many high-spirited and intelligent students they have bored stiff and scared out of the profession! Nowadays, when one says "let us go to the ballet," one's friends shrivel under the nightmarish imagining of skeletal "feminine" figures, tricked out in garish clothing, their limbs clanking tensely across the stage, their hollow eyes staring ever ahead, not at the audience, but as into a looking glass suspended somewhere in space, swinging from one stiff pose to another like storks at feeding time, or perched seemingly endlessly on one noisy, squared-off pointe shoe. Comic relief is afforded by the variations of the gentlemen, who at least look as though they had eaten within the past year, hurling like bullets through the air, turning six pirouettes, four double tours-en-l'air, to disappear into the wings, lungs bursting. In the background, loud circus music.

How is it possible, that people like Mozart, Beethoven, and Schubert "stooped" to write such a lot of dance music, if dancing is really just a chic form of body building?

Part of the answer will be found in Denmark.

Auguste de Bourmonville (1805-79), who founded the Danish ballet, was the most prominent figure in the Scandinavian opera houses of the century. He was born in Denmark to a French army officer, Antoine de Bourmonville, who, in

his son's words, "became enraptured with the Revolutionary principles of Liberty and Equality, and knew no greater hero than Lafayette." Antoine had his son, Auguste, trained both as a singer and dancer in the Paris Opera. Auguste returned to Denmark in 1830; besides choreographing a large number of original works, he set up a school, which continues to this day in the Royal Theatre, and which is one of our few sources of rather precise information as to how people danced at the time of Beethoven, i.e., before both music and dancing fell to bits.

The reason is that a student of Auguste, Hans Beck, wrote down in a notebook, albeit in a rather stodgy way, the classes as Auguste taught them, except for the important fact that the music has been lost, as Auguste played the violin himself during the classes, and sometimes also improvised. These classes were given without interruption for 100 years, until, in the early 1950s under the direction of the Russian professor V. Volkova, Bourmonville was "phased out."

As the people, like Hans Brenna, now 78 years old, who objected to this "phasing out," are still alive and kicking, and as they have been proven right by the rather dubious effects upon the Company and upon art of the last 20 years, Bourmonville is now being "phased back in" at the Danish Opera, luckily for Denmark, and for art.

How did people dance in Beethoven's time?

Well, first of all, as Bourmonville is a fair witness, they danced. They did not pose. They turned to the left, they turned to the right, they swept from one corner to the other, and they filled the depth and breadth of the stage with movement. They did not wave their arms around like Dying Swans or Dying Snakes, but kept their arms low, so they could follow through the action of the legs with the back and shoulders. They did not undulate the neck in some bizarre, opposed direction to the feet, like a cobra watching a mouse. The glance of the eyes, the head, simply followed through the movement, in the direction of the working foot. So simple, so logical, so harmonious!

The glance is very important. The enthusiastic glance, where the arms and shoulders underline the direction in which one is moving, the direction of the glance, gives the full weight and intention to the dance step; it is the idea of the love of the work. Whereas, when the Russians teach today, the eyes stare straight ahead, no matter where the head is turned, while the arms point off somewhere, away from the action.

Is there life beyond the looking glass?

Dear Reader, you may have seen photographs of a typical Russian ballet class or rehearsal today, with the entire company fixed with glazed eyes upon the looking glass which lines one of the walls of the room. They scarcely dare to change position, for fear of losing contact with the Holy of

Holies, the mirror. When they get onto the stage, they are truly bewildered!

There is another point: What the Russians call "épaulement" (the moving of the shoulders, French "épaule") today, means arbitrarily wiggling your shoulders about in a way that looks, alternately, chic or expressive, depending on the Mood you happen to be in. You then indolently dangle your arm like a dandelion stalk knotted about its flower, and this is called a "port de bras". . . . Today, the more flexibly you are able to shiver, or dangle, or entwine, the better you are said to be at épaulement. But what was called "épaulement" at the time of Beethoven, meant, simply, that the torso did not merely decorate the movement, but was part of it, underlining it and following it through, so that no matter which way you turned, there was shading, there was vigor and fullness, and as your arms were always rounded, no straight lines, no broken angles, the audience saw no dead spots, no flat patches, even when the entire *corps de ballet* had its back to the audience.

Can you imagine, what depth that gave to the picture as the audience perceived it, when there were 50 or 60 persons trained in that way, moving on stage?

No pansies, no poses!

I have not yet referred to the beauty of the "enchainements" (the chains of steps) themselves. During the classes which Mr. Fleming Ryberg gives to the Danish Company, one can observe the enchainements which Auguste de Bournonville choreographed for the daily classes. How sharp is the contrast with the usual lesson given by a modern Russian or Russian-trained professor! In the Russian class—let me be crude, but effective—the enchainement is a series of walking or running steps, into which surge like icebergs, strings of difficult, academic poses which are held as long as possible so as to Look Intensely Attractive, and of course, Difficult. To preserve the "purity of the pose," most "Russian" steps today, jerk in and out of the unstable fifth position, rather than flowing out of the fourth, as Bournonville did, intent as he was on preserving the purity of the trajectory, i.e. the curve in the air or over the ground. Meanwhile, the typical Russian accompanist will be thumping out the equivalent of Strangers in the Night on the piano as he stares out the window into the street.

One often finds, in the Bournonville enchainements, which can be as long as five minutes, two "*temps*" (systems of counting time): one more brilliant, one more lyric, instead of a square sequence of steps all alike unto themselves, and within the enchainement itself, some steps are very clearly more "resonant," while others are restrained, exactly as in the well-tempered musical system, some notes are "stronger" than others, like C and F#; to give a simple example, for the ladies to step up on point (on the tips of the toes), is the equivalent of a register shift in the voice, to the third or

highest register, and this is a highly "resonant" step. Now recall these terrifically athletic Russian enchainements, with the ladies jumping up and down on and off point the whole time like bunny rabbits: The accent is quite lost.

Many steps which are no longer to be seen on any stage, are commonly practiced in the Bournonville class, especially those steps which have exactly the function of the ornament on the note in music: *petite batterie*, i.e., the brilliant, jewel-like beating of one leg against the other, and not just *batterie* on one step, or in one direction, but in myriad steps and directions. I think these steps are no longer practiced, first, because they must look effortless, and they are not, and second, because the audience must really concentrate hard to see them; like the almost unseen shifting of the épaulement, they do not "make a big effect." These sparkling steps are cunningly set off against the larger, soaring steps, like the *grand jête en attitude* (a jump with the front leg fully extended, the back leg bent); if it is practiced with the "Bournonville" use of the arms, head, and eyes, as we have described above, one sees, in the mind's eye, the dancers soaring joyfully above the globe of the earth. The same jump, in the Russian style, with the arms stretched out, the eyes pointing somewhere between the arms, the center of gravity thrust forward, is simply an explosion of animal-like energy. It may have style, but it lacks beauty.

During this correspondent's stay in Denmark, which coincided to the 25th Festival of Danish Ballet, I saw two full-length compositions by Auguste de Bournonville: a very witty and clever reconstruction by Mr. Ryberg and Mr. Bruce Marks, of his *Abdallah*, and his famous *Sylphide*, the title role of which was danced by Miss Lis Jeppesen, one of the few individuals who is able not only to portray, but also to represent with her own self, the idea of love in every gesture.

If one is to judge, not only by these works, but also from the stated opinion of Bournonville himself, it is likely, that Bournonville was not, by any means, the greatest choreographer of the early 19th century. But only his works have survived, and what they tell us, is that what the cynical art critics today dismiss as a mere style, the "Bournonville style," is not a style at all, not a lot of tricks that one adds on to Russian technique. It simply means, this is how people danced, when they still knew how to dance. It is something which is not a question of taste, or opinion, it is something which was once the universal form of the art, and which is intrinsically superior in both form and content, to the sort of flat-footed nonsense that drives people away from the theater today.

Now the Danes, who, fortunately for the rest of the world, are under the mistaken but patriotic impression that they are doing something typically Danish, are engaged in an energetic effort to bring this art back to life. I think they should be enthusiastically supported by civilized people everywhere.

International Intelligence

Pope will receive Austria's Waldheim

Pope John Paul II will receive Austrian President Kurt Waldheim for a state visit at the Vatican on June 25. The announcement was a clear signal that the Vatican opposes the U.S. Justice Department's attempted destabilization of Austria. Austrian Vice-Chancellor Alois Mock emphasized that "this is a very special gesture on the side of the Pope towards Austria and Austrian Catholics."

Waldheim was placed on the Justice Department's "watch list" and was refused entrance to the United States, on the grounds that he participated in Nazi war crimes as a lieutenant in the German Wehrmacht.

"Vienna comes out of its isolation" commented the Italian daily *La Repubblica* on June 18, adding that "accusations against Waldheim are very weak if not inconsistent."

Catholic bishop backs Bavarian AIDS measure

The Bavarian state measures to fight AIDS are "a step in the right direction," the Catholic Archbishop of Munich and Freising, Cardinale Friedrich Wetter stated at a press conference June 14. He asserted that AIDS can be transmitted by means other than sexual contact.

Bavaria's measures are the toughest in the world. They include AIDS testing for all applicants for government jobs, testing of male and female prostitutes every four months, testing of anyone suspected of having the disease, and quarantine of any infected person who does not obey restrictions placed upon them by health authorities.

Archbishop Netter stated that those reacting hysterically to the implemented measures are mostly those who have to change their behavior. The responsibility of the people who are infected with AIDS toward the healthy has to be awakened, especially because the virus can be transmitted without having sexual contact.

Brits to fill 'vacuum in the White House'?

British Prime Minister Margaret Thatcher will fly to Washington on July 17, for talks with President Reagan on arms control and world economic problems. According to the *Daily Telegraph* on June 18, the visit "will also set the tone for Anglo-American relations over the final 18 months" of the Reagan presidency.

An editorial in the London *Financial Times* on June 18 called for "some new grouping," centered around Mrs. Thatcher, to fill the vacuum created by the disorientation of President Reagan. Entitled "Vacuum in the White House," the editorial warned that the U.S. President "seems to have lost all his previous drive, and along with it nearly all of his remarkable charisma."

"Mr. Reagan's political difficulties at home and the extraordinary administrative mess revealed in the Irangate hearings can only devalue his promises and disarm any threats he may make." He was not able to make his policies prevail at the Venice summit, and the European Community shows no ability to pick up the slack.

So, the paper said, "if the vacuum is to be filled, some new grouping will be required, and this should now surely be a major preoccupation of British foreign policy. Mrs. Thatcher is now in a more secure domestic position than any other leader in the industrialized world, and enjoys enhanced international prestige. . . . While this is certainly not an occasion for the visible leadership from the front at which the Prime Minister excels, the situation should be seen as an irresistible challenge to British diplomacy."

American hostages now in Iran?

Some American hostages kidnapped in Lebanon have been moved to Iran, according to *Ash Shiraa*, the Lebanese weekly magazine that broke the Irangate scandal. *Ash Shiraa*, quoting sources close to Hussein Ali

Montazeri, Khomeini's hand-picked successor, said Montazeri has been demanding that "the American hostages . . . be brought to trial, especially since some of them have been taken to Iran."

State Department spokesman Pete Martinez said the United States had no information to substantiate the *Ash Shiraa* report, but if true, the United States "would consider it a matter of utmost gravity and would hold the Iranian government directly responsible for the safety and well-being of the hostages."

Ash Shiraa editor Hassan Sabra told Reuter the American hostages "were transferred to Iran some months ago and definitely before the deployment of Syrian troops in West Beirut." He said the hostages were moved "as a means of pressure against the United States."

Socialists shuttle from Moscow to Washington

The International Disarmament Advisory Council of the Socialist International has recently concluded shuttle diplomacy between Washington and Moscow, to promote the Soviet campaign for the zero-option and against the Strategic Defense Initiative.

In Washington from May 26-27, the Council met with Vice-President Bush, Secretary of State Shultz, U.S. arms-control adviser Nitze, arms control agency head Adelman, U.S. arms negotiator Kampelman, and others.

From June 1-2, in Moscow, they met with President Andrei Gromyko, U.S.-Canada Institute head Georgi Arbatov, former Ambassador to the U.S. Anatoli Dobrynin, and Academy of Sciences influential Yevgeni Primačov.

U.S. pressure delays Central American summit

U.S. pressure has forced a Central American summit meeting to be postponed. The summit of Central American heads of state,

Briefly

● **GRAVESTONES** were overturned by the dozens at Leningrad's Jewish cemetery on April 20—the birthday of Adolf Hitler. On the same day, according to unconfirmed reports from Leningrad residents, a number of youth, wearing black or brown and sporting swastikas and pictures of Hitler, staged a demonstration on the Neva River.

● **DEPOSED KING** Zahir Shah of Afghanistan has turned down an offer by the Soviet-puppet regime in Kabul to enter a coalition government, according to Agence France Press.

● **A SOVIET** delegation to Israel, the highest ranking since the rupture of diplomatic relations in 1967, will arrive in Tel Aviv in the first half of July. The delegation will be headed by Yevgeny Antipov, deputy chief of the department for consulate affairs in the foreign ministry. Soviet foreign ministry spokesman Gennady Gerasimov said on June 16 that the purpose of the visit is "to settle problems concerning Soviet citizens living in Israel, and to examine the status of the Soviet real estate holdings in this country," i.e., religious compounds used by the Russian Orthodox Church.

● **A CONVENTION** of the Evangelical Church of West Germany (Lutheran) began June 18. More than 1,300 "guests" from East bloc countries were present. A recent church document called for a "thorough 'de-enemyization' of German-Soviet relations," and criticizes "remnants of old anti-communist prejudices among the West German population."

● **SCOTLAND YARD'S** deputy assistant commissioner, Paul Condon, says the drug mafia is orchestrating racial conflicts in London's inner-city areas, to make it impossible for police to crack down on the drug trade. Mafia barons, said Condon, were encouraging young blacks to attack police officers.

was to have discussed the regional peace proposals of Costa Rican president Oscar Arias. Nicaragua was planning to attend.

Arias has proposed that all recognition of the U.S.-backed Contras be withdrawn, and that elections in Nicaragua be held following a negotiated settlement.

Guatemalan President Cereza, who was to have hosted the meeting, said that roving U.S. envoy Phillip Habib had just toured the area and pressured several other governments, including El Salvador, to find excuses for postponing the meeting.

The Contras also organized a seven-member delegation to visit every Central American president and argue against the Arias plan.

ASEAN will not ban nuclear weapons

The ASEAN nations have put into "suspended animation" a plan to ban nuclear weapons from Southeast Asia, because of U.S. opposition and reservations by four of the six ASEAN nations, an official of the association said June 16.

Reportedly, Thailand, the Philippines, Singapore, and Brunei opposed the plan. The United States opposed the plan because it would weaken the U.S. nuclear deterrent in the region while not restricting the Soviets.

Philippines officials were concerned that the treaty would help opponents of the U.S. bases there.

U.S. Secretary of State George Shultz, in the Philippines June 16, said Washington would resist any move to turn Southeast Asia into a nuclear-free zone. He went to Singapore the following day for talks with ASEAN foreign ministers and foreign ministers from Canada, Japan, Australia, and New Zealand.

Soviets find problems with their civil defense

The Soviet weekly *Literaturnaya Gazeta* reports that in the town of Balakovo, citizens underwent a civil defense test simulating a

"Chernobyl-style" nuclear catastrophe. The article hints that the Civil Defense apparatus must undergo a *perestroika* (transformation), for "everything went wrong": people panicked; evacuation could not take place because of traffic jams; the old and sick were abandoned; family separations were not prevented; and supplies were disrupted.

Only one underground shelter was in order; others were flooded, infested with insects, or lacked food supplies. All the Civil Defense services were "paralyzed." "Only the militia came out on top . . . the party bureaucrats failed." It was a "real disaster," wrote *Literaturnaya Gazeta*.

Party bureaucrats were criticized for "hoarding food supplies"; fire brigades looked like "they were going out for a picnic."

The article hinted that heads will roll: "We do not have the right to make mistakes, because we do not have the right to forget."

Baghwan cultists hail Gorbachov

In an article titled, "Gorbachov and the New Russian Spirit," the German-language newspaper *Die Rajneesh Times*, journal of the Baghwan sex cult, seems bent on proving that the Soviets run the "New Age" operations the Baghwans typify. The leader of the German Baghwans, in the form of a lecture-letter, writes:

"The night in the Soviet Union is coming to an end. The man Gorbachov is perhaps the first in the whole history of the Russian Revolution . . . who is trying his best to make the Soviet Union a really communist democracy, an open society. . . . I predict that Gorbachov is going to succeed in bringing the second and greater revolution to Russia, and his revolution in the Soviet Union is going to affect everything in the whole world.

"Gorbachov has a task which not only can make the Soviet Union an open society . . . but will take away all the power that America has accumulated by creating fear in the world against it [the Soviet Union]. If the fear disappears, the power of America will disappear with it."

Justice Department: 'lawless and out of control'

by Bob Greenberg

In the course of the month of June, the U.S. Department of Justice has undertaken a multi-pronged offensive to implement the corporatist (i.e., fascist) policy agenda of the "Project Democracy" covert government apparatus within the administration, while desperately attempting to protect that same apparatus from public exposure and criminal indictment. Three initiatives launched by what some legal observers have called an increasingly "lawless and out of control" Justice Department stand out:

1) the announcement of a civil lawsuit designed to facilitate a government takeover of the International Brotherhood of Teamsters;

2) the beginning of a broad investigation of the nation's bankrupt savings and loan industry;

3) an attack on the independent prosecutor system, with particular venom reserved for Lawrence Walsh, the independent prosecutor in the Iran-Contra affair.

The most dramatic of these initiatives was Justice's announcement of its intention to file a lawsuit designed to place the 1.7 million member International Brotherhood of Teamsters under government control, using the longstanding allegations of mafia control over the union in order to invoke civil racketeering statutes known as RICO.

The Department's actions have created an uproar among conservatives and liberals alike, protesting the excessive action by the Justice Department. Typical was the reaction of Washington, D.C.-based consultant Victor Kamber, a long-standing critic of the Teamsters, who stated that the action was "unconstitutional and impractical. If there are corrupt union officers, they should be prosecuted and removed in a fair trial under law. But to circumvent due process is unfair and threatening to fundamental liberties."

The statements issued by the Teamsters, however, were

more to the point. In a press release, the union accurately compared the Justice takeover effort to "union takeovers by communist and fascist governments. Our government supports the free trade union Solidarity movement in Poland, while attempting to destroy it at home."

Moreover, the department stated that the attack on the Teamsters was to be merely the first in a series of such initiatives to take over the U.S. trade union movement. Among the other announced targets of the Justice Department's actions are the International Longshoremen's Union, the Hotel and Restaurant Employees and Bartenders International, and the Laborers International Union of North America.

The targeting of the independent trade unions, simultaneous with the witchhunt against the nation's savings and loans, clearly points to an effort to bring the nation's most important constituency institutions under control prior to an economic blowout. These actions, which are reminiscent of those taken by Mussolini prior to his imposition of a corporatist-fascist state, are key domestic policy agenda items for the Project Democracy crowd popularly associated with Lt. Col. Oliver North, and still embedded in the Reagan administration. It is not a coincidence that the unions targeted are known as non-AFL-CIO-controlled unions, as it is the AFL-CIO that has been one of the prime movers of Project Democracy from the beginning.

Protecting Project Democracy

The Justice Department's actions come at a time that the department is virtually headless. Attorney General Ed Meese has come under increasing scrutiny for his role in the Wedtech corruption case and the Iran-Contra affair, and has had to recuse himself from any decisions on critical matters before the Justice Department. Included among these were the

department's review of the independent prosecutor system.

Because Meese's lawyer, Irving Nathan, is also the lawyer for Col. Aviem Sella, the case officer for convicted Israeli spy Jonathan Pollard, Meese has had to recuse himself from any cases bearing on Israel-related issues, issues which are at the center of the shadow government that ran Project Democracy.

The result has been a virtual coup inside Justice, with critical decisions being made by Deputy Attorney General Arnold Burns, Assistant Attorney General Stephen Trott, Criminal Division head William Weld, and a permanent bureaucracy within the department.

The department's well-publicized attack on Independent Counsel Lawrence Walsh points to what is really going on. While the congressional Irangate committee hearings have focused on attempting to affix blame on the President and paralyze the administration, Walsh's investigation has been attempting to systematically unravel the Project Democracy shadow government that has manipulated administration policy increasingly since 1983. In so doing, Walsh has spared no one, which, among other things, has resulted in a much closer scrutiny of the role of the Israelis in the affair.

The focus on the Israelis, which became public with the issuance of grand jury subpoenas for David Kimche, Adolph Schwimmer, Ya'acov Nimrodi, and Amiram Nir, threatens to unravel all the dirty back-channel arrangements that have been established between the Project Democracy crowd, the Israelis, and the Soviets. These arrangements, which have often been mediated by George Shultz's State Department, and Armand Hammer, have consistently resulted in the adoption of U.S. policies whose only beneficiary has been either the Soviet Union or Israel.

The permanent bureaucracy

An examination of the persons who are now attempting to control the Justice Department, clearly establishes their own roles at the center of these back-channel arrangements for years, in and out of government. For example, a cursory examination of the background of the number-two man at Justice, Deputy Attorney General Arnold Burns, makes it clear that he is hardly the man to oversee any investigation involving the Israelis.

Burns, who had no prosecutorial experience prior to going to Washington, has been an active member of the Republican-Jewish Coalition established by Max Fisher of Detroit. Fisher is a key figure in the U.S. side of the Israeli mafia. The coalition's reputation came into question after its financial chairman, Ivan Boesky, was indicted and arrested in New York City for the biggest Wall Street insider trading scheme in history. According to law enforcement sources, some of the money Boesky had skimmed off was used for illegal arms deals with Iran.

The Israeli mafia, through its main political mouthpiece, Ariel Sharon, is a critical part of the Israeli back-channel with

the Soviets. It was Sharon, through his subordinate, Rafi Eytan, who set up the Pollard espionage apparatus in the United States. It is a matter of public record that the Pollard apparatus was a "false flag" operation, with the intelligence gathered by Pollard going from Israel directly to the Soviets.

Burns's New York law partner, Walter Feldsman, is on the board of the New York-based Sterling National Bank. Sterling National was set up by Frank Ericson, a member of the Meyer Lansky mob. It remains the top bank of the Anti-Defamation League today. This alleged Jewish civil rights organization is a political intelligence and dirty tricks unit for Dope, Inc. and the Sharon wing of Israeli intelligence.

While Burns is bad enough, his associates Stephen Trott and William Weld are worse. Sources in the American Bar Association's Committee on Terrorism have stated that Trott and Weld have been key in establishing a back-channel with the Soviets for "joint anti-terrorism operations." The source, who is in a leading position in the ABA's committee, stated that neither Trott or Weld go along with Meese and other Reagan appointees who believe that the Soviets are the main patrons of international terrorism. Instead, they believe that the Soviets are threatened by terrorism as well, and have every reason to discuss this issue in good faith.

Underneath Burns, Trott, and Weld is what is known as "the permanent bureaucracy" in the Justice Department. Comprised of Criminal Division assistants Mark Richard and John Keeney, as well as the head of the Criminal Division's internal security, John Martin, among others, this network has been in place since the Carter administration or longer. In this capacity, they have been responsible for every travesty and coverup committed by the Department of Justice over the last decade. Mark Richard, John Martin, and then-Justice employee Joel Lisker were responsible for covering up the Billygate affair of 1978-80. If this had been exposed, the Carter administration's policy of arming both Khomeini's Iran and Qaddafi's Libya in collaboration with Israel, would also have come to light in 1979. The same network carried out the policy currently under investigation as Irangate.

Moreover, this network, along with Henry Kissinger, were responsible for the establishment of the back-channel between the Department of Justice and the Soviets known as the Office of Special Investigations, the phony Nazi-hunting unit created in 1979.

Under the cover of hunting Nazis, OSI is the only agency within the U.S. government with an official relationship to the Soviet KGB. Not only does OSI's cases against "Nazis" largely rely on manufactured evidence provided to them by the Soviets, OSI has become the means for greatly increased Soviet influence on the U.S. government. It is through this channel, that joint U.S.-Soviet-Israeli operations, such as the expulsion of Karl Linnas, the banning of Austrian President Kurt Waldheim from the United States, and the assault on U.S. Democratic presidential candidate Lyndon LaRouche, are undertaken at Kremlin behest.

Don't let Soviets in Gulf: Weinberger

U.S. Defense Secretary Caspar Weinberger delivered a report to Congress on June 16, detailing the rules of engagement for U.S. naval vessels in the Persian Gulf. According to the 26-page unclassified version made available to the press ("Report to the Congress on Security Arrangements in the Persian Gulf," excerpted below) the Navy can fire at any entity that locks its radar onto a U.S. ship, as if to target a missile. U.S. warships traveling through the Strait of Hormuz will fully man battle stations; an aircraft carrier will remain in the Indian Ocean year 'round to help protect the tankers; and three combatant ships will be added to the U.S. Navy's current contingent of six warships in the Gulf.

Protecting 11 Kuwaiti ships under U.S. flag is . . . a limited but effective signal of our determination to stand up to intimidation, to support our friends, and to help contain, and eventually end, the Iran-Iraq war.

It is a fact of life that Western economies are heavily dependent on oil for their survival and a further fact that 70% of the world's proven oil reserves are in the Gulf region. . . . Often overlooked, is the fact that the world oil market is one market. If supply is disrupted anywhere, prices rise for *all* consumers and *all* world economies are adversely affected.

For example, as a result of the Iranian revolution and Iraq's attack on Iran, international fear that these developments would disrupt oil supplies sent the prices of a barrel of oil from \$13 to \$31. In short, our vital national interests are at stake in the Gulf. The Soviets, in contrast, do not have a vital interest in that region because they are a net exporter of oil. Their objective in the Gulf is to establish a presence that ultimately enables them to manipulate the movement of Persian Gulf oil. For these reasons, the United States must be present, vigilant, and resolute in the Gulf.

Stability, security, access

. . . The continued expansion of the Iran-Iraq war creates opportunities for the Soviets to expand their influence at our expense, increases the threat of Iranian hegemony over the Gulf Arab states, and endangers freedom of navigation for non-belligerent shipping and the free flow of oil.

1979-80 saw the first serious threat to U.S. interests in the Gulf since the late forties with the Iranian revolution, the Soviet invasion of Afghanistan, and the outbreak of the Iran-Iraq war. Since then, we have faced additional serious challenges, including: Iranian intransigence in ending the war; Iranian determination to export its Islamic fundamentalism "from Teheran to Jerusalem"; continued Iranian intimidation of the smaller Gulf countries, in particular Kuwait, through attacks on shipping and territory; consistent Iranian support for and use of international terrorism; Iranian preparations to deploy Silkworm missiles to threaten non-belligerent shipping and the free flow of oil through the Strait of Hormuz; and Soviet efforts to exploit regional tensions to increase their military presence and political stature in the area.

Target: Kuwait

To counter those threats and safeguard our interests, President Reagan has approved a strategy which has at its focal point a major international diplomatic effort to end the Iran-Iraq war. . . .

Last September, Iran began deliberately targeting Kuwait . . . in part because of Kuwaiti logistical and financial support for Iraq in the war. Iran has refused to end the war except on its own terms. Such continued aggression by Iran, if left unchecked, seriously threatens U.S. interests. . . .

Our reflagging arrangement with Kuwait is a limited response to a very real threat. Should Kuwait or the other Arab Gulf states be left without support in the face of Iranian intimidation, Iran's resources in the entire Gulf would increase significantly. Moreover, should we not be responsive to Kuwait's request for help, the Soviets will be quick to supplant us, thereby positioning themselves to become the protector of the Gulf.

. . . A retreat now by the United States would have a profoundly negative effect, raising basic questions in the minds of the GCC [Gulf Cooperation Council] states about the character of our commitments and sending a signal to the Iranians and Soviets that our interests in the Gulf must no longer be vital.

The risks to U.S. naval forces in the Gulf from these threats are low. The risks involved in protecting U.S.-flagged vessels are moderate. The protection plan, which calls for the Navy to escort flagged vessels, and the military resources we have deployed to implement this plan, were determined by the level of threat such shipping faces. . . . There are some risks, particularly from unconventional threats, such as Iranian terrorism or sabotage.

In proceeding with implementation of this protection plan the President has emphasized . . . the need for careful military planning and preparation; adequate cooperation from the allies. . . .

Another critical element

Another critical element of U.S. deterrent strategy in the region includes helping regional states acquire the capability

to deter, and if necessary, defend themselves against external aggression, specifically Iranian threats and intimidation. For this reason, the administration places an extremely high value on its security assistance relationships, including arms sales, with the moderate Arab Gulf states, and in particular Saudi Arabia. . . . Recognizing the key role Saudi Arabia plays in regional security, U.S. willingness to help the Saudis meet their legitimate defense needs sends a very strong signal, both to our friends and others, of the level of U.S. commitment and resolve to protect our interests in the region.

We understand the risks involved in our strategy. . . . But we are convinced that the risks of alternative courses of action—or inaction—are even greater. . . . The inadvertent attack on the *USS Stark* last month also has heightened perceptions that the situation in the Gulf is more dangerous now than before the incident occurred. In addition, it has raised the public profile of our military presence in the Gulf and, coupled with the ongoing debate about U.S. protection for Kuwaiti tankers, has led to an increase in vituperative Iranian rhetoric. There is no risk-free way to safeguard our vital interests. . . .

Vital chokepoint

Since the Gulf is a region of vital economic importance to the Free World and a potential chokepoint for vital sea transport, we have a strategic interest in ensuring that it does not come under the domination or hegemony of a power hostile to the United States, to our Western allies, or our friends in the region. Should this occur, a hostile power would be positioned to move against other regional countries, e.g., Egypt, Jordan, Israel, and Turkey. . . . The region is . . . clearly vulnerable to Soviet meddling.

We do not want the Soviet Union either to control directly or increase its influence over the region. We have already seen evidence, including Afghanistan, that the Soviets are eager to exploit the opportunity created by the Iran-Iraq war and the perception of faltering U.S. interests to insert themselves into the Gulf. . . . The Persian Gulf has long been a strategic objective of the Soviet Union. . . . Iran's expansionism is another danger. . . . The effects of either Soviet or Iranian hegemony in the Gulf would be a strategic setback to U.S. and Western interests.

In 1986, about 30% of OECD Europe's oil consumption came from the Persian Gulf; the comparable figure for Japan was about 60%. This Western dependency is expected to increase as non-Gulf reserves are depleted. Likewise, while only 6% of U.S. oil consumption originated in the Persian Gulf in 1986, this level is expected to rise significantly in the future as our own reserves decline. . . .

In sum, the Soviets have long-term ambitions in the Gulf and they can be counted on to pursue them. The way the Soviets define their options . . . will depend in large part on Western and U.S. steadfastness, our willingness to protect our own and Free World interests, and the security and independence of our many friends in the Gulf.

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Book Review

A lot of unanswered questions in the Walker-Whitworth spy case

by Nicholas F. Benton

Breaking the Ring

by John Barron

Houghton Mifflin Co., Boston, 1987

241 pp., clothbound, \$17.95

● “The KGB regarded the Walker-Whitworth case as the greatest in its history, surpassing in import even the Soviet theft of Anglo-American blueprints for the first atomic bomb.”

● “The cryptographic data supplied by Walker and Whitworth enabled the Soviets to decipher ‘more than a million’ or ‘millions’ of secret American messages.”

● “The three principal officers who supervised the case received the highest Soviet decorations.”

● “One of the senior KGB officers . . . stated that in event of war, this Soviet ability to read enciphered American messages would be ‘devastating’ to the United States.”

This summary of the importance the Soviets placed on the John Walker-Jerry Whitworth spy ring, and the extent to which it compromised the national security interests of the United States, was given by the KGB’s Vitaly Yurchenko, during his abortive three-month “defection” to the United States in the fall of 1985.

John Barron gives a straightforward account of events in the Walker-Whitworth case, based largely on testimony provided by Walker himself during the trial.

John Walker, a communications watch officer on the Norfolk, Virginia staff of the commander of submarine forces in the Atlantic (COMSUBLANT), walked into the Soviet embassy in Washington, D.C. in January 1968. He had been trained to repair cipher machines, and had top secret clearance. He brought with him 30 days of key settings for a cipher machine, and offered much more where that came from, in exchange for \$1,000 a week.

For the next 17 years, Walker provided much, much more to the Soviets—including keys, logics, and technical manuals for the most sophisticated cipher systems developed by the United States, systems restricted for direct communications between admirals and the President. All this gave the

Soviets the ability to decode virtually every top secret communication passing through U.S. military channels. In 1975, just before retiring from the Navy, Walker recruited Jerry Whitworth, a man who, like himself, was able to access top secret cryptographic materials as a trained “classified materials system custodian.” Whitworth went on to provide the same kind of top secret data, on a regular basis, which he passed on to Walker to give to the Soviets. Walker drew his son, Michael, and brother, Arthur, into the spy network, until months of prodding by his divorced wife and daughter compelled the FBI to arrest them on May 20, 1985.

Secretary of Defense Caspar Weinberger confirmed last April 16, in a speech before the Navy League in Washington, that the damage the spy ring had caused was as severe as Barron reports Yurchenko to have said.

Weinberger said, “The harm caused to our national security by the Walker spy ring is of the gravest nature. We now know that the KGB considered the Walker operation to be its most important in history. The information stolen by Walker enabled the KGB to decipher more than 1 million messages. Averaged over John Walker’s career, this equates to Soviet decryption of more than 150 messages a day.

“These documents provided to the Soviets the keys to our message encryption systems, which revealed to the Soviets our future plans, ship locations and transit routes, military operations, intelligence activities, and the information on which we based our intelligence judgments. The Soviets gained access to weapons and sensor data, naval tactics, terrorist threats, surface, submarine, and airborne training, readiness, and tactics. Most dangerously, they may easily have learned how we might plan to employ the U.S. Navy worldwide in the event of crisis or conflict.”

However, amazingly enough, the extent of the damage done may never have come to light had not Weinberger himself intervened to overrule Secretary of the Navy John Lehman in October 1985. Lehman, as Barron reports, did not want to cut any deals with Walker in order to get him to talk on the witness stand—ostensibly in righteous indignation over the crimes Walker had committed.

However, as the government prosecutors knew, their case against Whitworth was thin. He had provided even more

damaging materials to the Soviets than Walker had (Whitworth had access to most of the Navy's ultrasecret cryptographic and communications data.) They wanted to cut a deal with Walker, exchanging a less-than-life sentence for his hapless son, Michael, if Walker would incriminate Whitworth.

When Lehman refused, the prosecutors took their case to Weinberger, and Lehman came along. Barron relates that "When [prosecutor John L.] Martin told Weinberger that John Walker's cooperation was essential to ensure a conviction of Whitworth, Lehman interrupted and angrily declared, 'I don't care if Whitworth talks.' That was a mistake. Weinberger raised his eyebrows in surprise, then his hand in a signal for silence. 'Wait a minute,' he said. 'You mean you might not be able to convict Whitworth?'"

When the details were described to Weinberger, himself a lawyer, he understood immediately, and the next day sent a message to Martin to "consummate" the deal. Two weeks later, Weinberger issued what Barron calls an "unprecedented rebuke" of Lehman, accusing him of making "several injudicious and incorrect statements with respect to the agreement."

Meanwhile, John Walker was angered to find that his partner in crime, Whitworth, had begun to have second thoughts and had made a feeble stab at exposing the ring himself. In the summer of 1984, he wrote some vague letters to the FBI in California under the pseudonym "RUS." This, and the offer of a reduced sentence for his son, was more than enough to open Walker up to telling the whole story on the witness stand.

Why Lehman tried to block all of this critical material from coming out in the trial is only one of the unanswered questions that the whole Walker-Whitworth case raised. How were Walker and Whitworth able to operate so freely over a 17-year period? Why hadn't the fact that the Soviets were deciphering so many top secret coded messages become obvious after awhile? Barron alludes to numerous instances in which Soviet responses to U.S. deployments seemed "uncanny" at the time, but he does not indicate that anyone ever undertook an investigation.

FBI does nothing

Why did the FBI sit on evidence of this massive breach of U.S. national security for almost a year? As Barron recounts, a guilt-ridden Whitworth began sending his "RUS" letters to the FBI in California in May 1984, a full year before the arrests. Barron notes that while some agents detected technical language in the letters that had ominous implications, no effective investigation was conducted, and the matter was "dead" by October.

Then, in November 1984, Walker's daughter, Laura, was moved by religious conviction to convince her mother, Barbara Walker, to go to the FBI. Barbara Walker had been divorced from John Walker since 1976, but had known her husband was spying for the Soviets almost from the begin-

ning. So did Walker's daughter, Laura, whom Walker had tried unsuccessfully to recruit to his ring in 1982.

But, as Barron reports, Barbara and Laura Walker's revelations to the FBI wound up in the "zero file." Months later, Laura recontacted the FBI to find out what had happened. It wasn't until March 1985 that the FBI recontacted Laura. This, according to Barron's account, occurred only because, when her file was revived and a copy of it sent to Washington, a duplicate copy was also forwarded to Norfolk. The copy sent to Washington was buried. The case was kept alive only because an agent in Norfolk picked up on the duplicate sent there, and began to bypass "normal channels" within the bureau to contact his friends to follow up the investigation.

Why did the FBI move in for an arrest of Walker at the first opportunity, rather than set up a counterespionage operation to flesh out the full extent of the operation? The May 20, 1985 arrest of Walker (which was coordinated with moves against Whitworth, Michael Walker, and Arthur Walker on the same day) came at the first opportunity the FBI had to catch Walker "in the act," passing material to the Soviets through an elaborate drop-off procedure along rural roads outside Washington. Was no consideration given to playing back into the operation, and thus revealing all of its components before blowing it? Such standard counterespionage tactics were not used in this case.

Thus, a final question also remains. Who else was involved? This one looms large. For example, among the things Barron does not report in his book is the assertion that Walker had convinced Whitworth he was passing secrets to the Israelis, not the Soviets.

In his final chapter, Barron notes that the U.S. reaction to the Walker spy ring was to make bold moves against known Soviet espionage operatives in the United States. In March 1986, the Soviets were told to reduce their staffing at the Soviet United Nations mission in New York by 105, but were given two years to do it, bit by bit. On Sept. 12, 1986, however, the Soviets balked on moving out the first 25, due to leave by Oct. 1. President Reagan reportedly blew up. On that day, he told advisers in the Oval Office, "I want to bloody the KGB!" FBI agent David Major, who was serving on the National Security Council at the time, leaned forward and said, "How about decapitation?"

Barron reports that Major then supplied a list of 25 men "who constituted the brains and sinews of the Soviet espionage apparatus in New York."

The United States formally expelled all 25, ordering them out of the country by Oct. 1. Then, on Oct. 21, another 55 Soviets, constituting the KGB and GRU leadership at the Soviet embassy in Washington and the entire KGB residency in San Francisco, were expelled. The United States had dictated an overall reduction of 179 KGB and GRU officers: 74 from Washington and San Francisco (55 expelled; 19 not allowed to return); 25 from the U.N. mission; plus 80 more who would have to leave the U.N. mission in stages by April 1, 1988.

July hearings set to probe U.S. conduct

At a hearing held in Boston on June 15 in the case *U.S. v. The LaRouche Campaign, et al.*, U.S. District Judge Robert E. Keeton set a trial date of Sept. 21. Evidentiary hearings are scheduled to begin on July 8, and, according to defense attorneys and Judge Keeton, could continue until the end of July.

The case is at the center of the efforts of a corrupt, Soviet-connected faction within the U.S. Justice Department to stem, or if possible eliminate, the growing policy-influence of Democratic presidential candidate Lyndon LaRouche.

While Judge Keeton has not yet made a final decision on the nature of the evidentiary hearings, he indicated that they will be held on at least three issues: 1) defense's motion to dismiss on grounds of prosecutorial misconduct, involving charges of harassment and intimidation of defense attorneys; 2) a motion to dismiss on grounds of Sixth Amendment violations arising out of the government's institution of involuntary bankruptcy proceedings against two corporate defendants in the Boston case; and 3) a motion to suppress evidence that the defense charges was illegally and unconstitutionally seized during the Oct. 6, 1986 raid on defendants' offices in Leesburg.

Challenge to Oct. 6 Raid

Defense attorney Robert Collins told the court that he will be submitting a supplementary affidavit on the motion to suppress evidence, utilizing tapes and photographs of the Oct. 6 raid, and said that he would be raising "serious allegations and evidence" challenging the government's conduct of the search. Defense attorney Daniel Alcorn said that he is still waiting for answers from the government, as to whether or not the government used national security electronic eavesdropping in this case.

On the other side, the government has continued its attempt to portray the defendants' political fundraising activities as part of some mafia-style swindle. At the June 15 hearing, Assistant U.S. Attorney John Markham told a rather bemused courtroom, "This is not a political case." Responding to arguments made by defense attorneys concerning the effect of the "political overtones" of the case on jury selec-

tion, Markham said "the crimes are very plebeian—fraud and obstruction of justice." Observers noted that even the Judge seemed barely able to suppress a laugh during Markham's remarks.

Defense attorney Alcorn then suggested that if this is not a political case, then the government should withdraw the parts of the Superseding Indictment which say that the defendants induced people to make contributions toward the war on drugs, the advancement of fusion energy, the Strategic Defense Initiative, or for the fight against AIDS. "It's in the indictment," argued Alcorn. "We'll have to see how they [potential jurors] feel about those political issues."

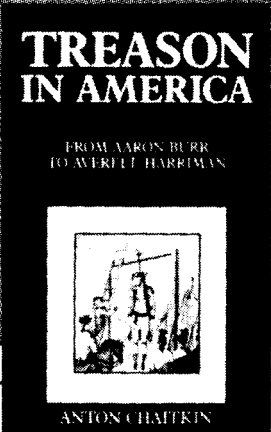
CIA Disavows Frankhauser

Meanwhile, in carefully worded affidavits received by defense attorneys June 15, CIA officials denied that defendant Roy Frankhauser was ever an employee of the CIA, in either a staff or contract capacity. Frankhauser, a former security consultant to associates of presidential candidate Lyndon H. LaRouche, is charged with conspiracy to obstruct justice. According to documents filed in the case, Frankhauser had repeatedly represented himself to LaRouche associates as a CIA contract agent over an eleven-year period. The affidavits were filed by the CIA's Director of Security, Director of Personnel, and the Chief of the Information and Management Staff of the Directorate of Operations.

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Swiss banker warns of economic doom

Rainer E. Gut, chairman of the board of *Crédit Suisse*, one of the three giants of Swiss banking, made sure that his audience at the National Press Club here June 17 understood the purpose of his speech: to shatter illusions about the state of the world economy that the myth-makers of the "Reagan economic recovery" have been spreading around town.

He warned of "dark harbingers of the nasty surprises that may be in store for us during a period of rising inflation and interest rates." He cautioned that "we may awake to the sight of our financial system in ruins."

Asked by the moderator whether he had anything good to say about the world monetary system, Gut replied: "No, frankly. It is very difficult to be optimistic. There is very little optimism warranted."

Gut told this reporter that he sees the world economy heading in the same direction as his *Crédit Suisse* colleague, Hans Georg Rudloff, who shocked the financial world earlier this year when he said, "We stand at the verge of the worst crash in history."

"I differ from Rudloff only in that I think the crash could be averted, if the right steps are taken, boldly enough and soon enough," Gut told me.

He called the Venice summit a failure, because it "did not manage to give any convincing signals to the markets" that firm measures will be taken to ease the global "climate of uncertainty."

The leaders there demonstrated "a

stubborn refusal" to come to grips with real problems, which, he said, "is all the more puzzling as the signs of a further slowdown in growth are, so to speak, increasing every day."

He predicted that "protectionist measures are likely to remain strong," leading to "worldwide confrontation and the erection of trade barriers."

Thus, he said, the day is over for "excesses such as the euphoric mood on major stock exchanges and the highly speculative use of new financial markets. . . . The international financial system has become considerably more vulnerable."

Because of the U.S. trade deficit, the dollar will continue its fall after a few months, and the bubble will burst, "sooner rather than later, on the volatile Japanese equity market, given the negative impact of the massive yen appreciation on the economy."

Competition, he said, will become "so strong that only banks which are able to offer all the important banking services on a truly international and global basis will probably survive. Institutions with a narrow focus on the domestic market, or which engage in only one of the main areas of business, are likely to have difficult times ahead of them."

"The hour of truth and trial will come," Gut said, "once interest rates start to rise again over a wide spectrum. . . . The naive belief that the five-year-old boom on the equity markets will go on forever is a dangerous assumption, a figment of the imagination."

The catastrophic consequences of collapse are magnified, he said, by "the fact that the markets are increasingly detaching themselves from the real economy and are starting to lead a life of their own. . . . The trend toward replacing part of the traditional lending business by transactions in the form of marketable securities increases the

volatility of the financial markets. . . . Since 1980, total international capital-raising has more than tripled, from \$125 billion to \$380 billion, [leading to] 24-hour trading in financial assets. . . . The volume of trading in U.S. Treasury paper outside the U.S. is already estimated at over \$10 billion a day, and trading volume in the Euromarkets rose 15-fold to about \$3.5 trillion."

A consequence of this, he pointed out, is that "a number of industrial companies have suffered substantial losses in foreign exchange . . . and there is a very real danger that the asset allocation of manufacturing and trading companies will be seriously impaired as a result."

Giuliani challenges public on drugs

Rudolph Giuliani, the man who, as the corruption-busting U.S. Attorney for the Southern District of New York, is rapidly developing a reputation as the Elliot Ness of the 1980s, told the National Press Club here June 16 that he does not expect to get the job as new director of the FBI, but will not rule out running for U.S. Senate, or governor from New York.

Giuliani gave up a post as assistant attorney general in charge of the Criminal Division, the number-three slot at the Justice Department, in order to go to New York and prosecute an astonishing number of Wall Street corruption and drug cases since 1983.

Law enforcement, Giuliani said, "can only hold the line against crime. It cannot defeat it. In a democracy, values are taught through private institutions, not dictated by government." He said that stopping drugs is a matter of changing values. "If we were a totalitarian society, we could expect the government to solve the problem," he said.

Helms introduces AIDS control bill

Sen. Jesse Helms (R-N.C.) introduced the AIDS Control Act of 1987 on June 10, S. 1352, "a comprehensive bill designed to be an important first step in curbing the spread of the AIDS virus."

The senator said, "To this point, substantively not much has been done to protect from this dreaded disease those who do not now have it. In fact, based on the public-health response to date, a good case can be made that AIDS is the first politically protected plague in all history."

Helms said that "it could be the fear of powerful homosexual rights groups [which] explains their silence," but "many public-health officials have also had their heads in the sand."

Taking aim at the so-called safe sex campaign, one section of the bill mandates the Public Health Service to inform recipients of federal family-planning program funds, that condoms "will not provide full protection against the AIDS infection." Helms said, "We owe it to the recipients of these services to tell them the truth about how safe certain measures are."

The bill has five major provisions, including one to force the Atlanta Centers for Disease Control (CDC) to keep records, by name, of not only those with the AIDS disease, but also those carrying the virus, who have not themselves shown symptoms. "By keeping records only of those individuals with AIDS and ignoring the numbers of those infected, we will never be able to grasp the magnitude of this epidemic," Helms said.

Other areas include protection of the organ, semen, and blood supply; increased testing for the AIDS virus

among the military, prisoners, immigrants, Veterans Administration hospital entrants, and applicants for marriage licenses; repeal of the Washington, D.C. law 6-170 which bars certain AIDS tests for insurance applicants; and Senate encouragement for AIDS testing by states.

"Our health-care personnel have a right to know which patients have HIV infection so that they can take necessary precautions to protect themselves from contracting disease," Helms said.

Another provision requires AIDS tests for those entering St. Elizabeth's Hospital, a federally administered mental hospital in Washington, D.C. "AIDS testing is elementary for accurate diagnosis of dementia and other nervous disorders resulting from AIDS, Helms said.

House puts hold on new Soviet embassy

The House on June 16 voted 414-0 to prohibit Soviet diplomats from occupying their new embassy in Washington, until steps are taken to counter the advantages afforded by the embassy's location for electronic espionage, and until the United States can enter a new embassy in Moscow where security is assured.

The Mount Alto amendment, named after the site of the new Soviet embassy, was adopted as part of the Department of State Authorization bill providing \$8.5 billion in funding over the next two years. The amendment was opposed by the administration.

Rep. James Courter (R-N.J.) put forward an amendment to halt construction on the U.S. embassy in Moscow, which would force construction of a new building. The building is so

riddled with Soviet listening devices, that "we should recognize it for the KGB masterpiece it is and begin again," Courter said. But after appeals that Congress wait to hear from a special panel on the embassy security question, headed by James Schlesinger, the amendment was defeated 272 to 142.

Rep. William Broomfield (R-Mich.) had harsh words for the State Department's opposition to the Mount Alto provision. "They don't want the Congress to tell them to improve their security and to get tougher with the Soviets," Broomfield said.

Wallop argues for concept of victory

Sen. Malcolm Wallop (R-Wyo.) has proposed introducing a "radical" idea back into U.S. military planning, that victory should be the aim of combat.

"Today America neither intends to defend herself nor pursue victory in the event of war," Wallop said on June 10. "We have no plans for defense nor goal of victory anywhere in our military structure."

"For instance," Wallop pointed out, "NORAD [the North American Air Defense Command] is assigned to maintain only the peacetime sovereignty of U.S. air space; no mention is made of either peacetime or wartime defense against any missile threat. The U.S. Strategic Defense Command merely pursues research into defense against ballistic missile attack."

"Can any American understand why no branch of our military plans to win a confrontation that someone else starts against us?" Wallop asked. "Clearly the responsibility for defend-

ing the nation against Soviet ballistic missile and aerial attack must be given to some branch of the U.S. Armed Forces. Clearly victory must be our purpose if someone dares assault us."

Wallop said he will be introducing an amendment to the Defense Authorization bill "to direct the secretary of defense to assign to one or more of the branches of the Armed Forces, the specific mission to defend the U.S. against all aerial threats and, in case of war, to provide the necessary capabilities to assure the free use of space in order to ensure a U.S. victory."

Gephardt amendment would 'stifle' trade

The Senate will take up trade legislation soon, and Sens. Max Baucus (D-Mont.) and Don Riegle (D-Mich.), two liberal Democrats, have clashed over the Gephardt amendment imposing mandatory trade restrictions.

Baucus raised the issue of the Gephardt amendment on July 10-12. "If the Gephardt amendment becomes law, it would start us down a path that would stifle world trade and cripple the U.S. economy within a few short years," Baucus charged.

Riegle said on July 11 that he was working with the Senate Finance Committee to modify the amendment, which Baucus labeled "son of Gephardt," in order to attack the \$170 billion current trade deficit. Riegle noted that such a deficit represented 8 billion jobs, and that "many of the jobs that are disappearing are some of the best jobs in our society."

Baucus said he agreed on the symptoms of the trade deficit, but argued that restrictive practices to force

open foreign markets for U.S. exports was only 10% of the problem. "If all of our major trading partners' trade barriers were eliminated, U.S. exports would increase by no more than \$30 billion, which is something, but is not much in the face of a \$170 billion overall trade deficit."

The senator added that one analysis estimated that 20% of the trade deficit was caused by declining U.S. competitiveness, and pointed to a study by the Federal Reserve claiming that 50-75% of the problem was due to U.S. trade deficits.

Baucus outlined the rapid, 50% or more, price increases that consumers would face under the Gephardt amendment, if they bought goods from restricted countries. "If you think kids' clothes are expensive today, just wait until Gephardt, because most of those clothes come from the countries restricted under Gephardt." Baucus suggested that a shirt costing \$40 would jump to \$55; slacks costing \$30 would jump to \$50; and cars, stereos, etc., would jump even more.

"And all of those figures assume that domestic alternatives to these products would be available," Baucus said. "Mr. Gephardt says that his amendment will 'get tough' on the Japanese. But it will end up getting tough on American consumers."

Proxmire scores Reagan's control of Fed

Senate Banking Committee chairman Sen. William Proxmire (D-Wis.) expressed concern on June 9 that Alan Greenspan, nominated by President Reagan to become chairman of the

Federal Reserve Board, will not be able to impose an anti-inflation program, even if he wants to. Proxmire will chair Greenspan's confirmation hearings in the Senate.

Proxmire said that the Congress created the Fed independent of the President, by staggering the 14-year terms of those he appoints to serve on its seven-member board, so that even a two-term President could barely appoint a majority of the board. "But here we have a President who has appointed every member of the board in barely three years," Proxmire said. "Illnesses and premature resignation have made that possible."

"The question is, if Chairman Greenspan decides to take on the White House and move in with a tough, no-nonsense, anti-inflation program, in the face of a Reagan administration that wants easy money to push along an expanding economy in the critical election year—1988—who would you bet on?" Proxmire asked.

Proxmire suggested that the easy course for Greenspan would be to go along with the other six board members who, like himself, were all appointed by the same President. "That is especially true when to follow that course would be most likely to coincide with the view of his old friends and associates and clients on Wall Street, as well as the principles of his favorite guru, Ayn Rand."

Proxmire noted on July 11, possibly as a warning, "The Constitution gives Congress the money power. The Congress has delegated that power to its created Federal Reserve Board. It can abolish the Federal Reserve Board any time, at will. The Congress can reclaim its own constitutional power over the nation's credit supply at any time, in whole or in part."

National News

Danny Graham pushes 'glasnost' in U.S.S.R.

Lt.-Gen. (ret.) Danny Graham, the head of Washington's "High Frontier" group, went on a hush-hush trip to the Soviet Union in mid-June, to attend a conference on the theme of "After Reykjavik: Planning the 1990s." The meeting was sponsored and funded by the Soviets' World Disarmament Campaign and the U.N. Department of Disarmament Affairs (DDA).

According to a spokesman for the DDA, Graham spoke on the need for both the United States and the Soviet Union to develop strategic defense capabilities, and proposed "satellite glasnost": a joint satellite data pool to share the data in the U.S. Library of Congress, Soviet encyclopedias, and the collected works of Lenin and Marx.

American reporters were generally prohibited from attending the meeting. Among those attending were Deputy Soviet Foreign Minister Bessmertnykh, Deputy Chairman for Treaties and Legal Affairs of the Defense Ministry Chervov, U.S. arms negotiator Edward Rowney, and Sir James Eberle of the Royal Institute of International Affairs.

In Congress, 'Reason has slipped its leash'

Defense Secretary Caspar Weinberger, in a statement released June 19, said that the 1988 budget proposed by Congress was proof that "reason has slipped its leash on Capitol Hill."

"The 1988 budget emerging from Congress will deny this country an adequate defense," he said. "It is exactly the wrong way to go, and is a clear sign that reason has slipped its leash on Capitol Hill. In addition to threatening us with a tax increase of more than \$19 billion next year and \$65 billion over the next three years, those who support this budget insist on at least a \$16 billion cut in defense spending—and more likely—a \$23 billion cut. . . ."

"All this amounts to is simply a bald and

irresponsible political document that disregards our national security. The congressional leadership is telling the President . . . 'Mr. President, we, the Congress, are ready to do something dangerous if you are willing to do something unwise, and if you don't, we'll do something worse.'"

General Rogers: Go slow on arms control

Outgoing NATO Supreme Commander Gen. Bernard Rogers sharply questioned the U.S. administration's flight forward toward a "zero-option" arms-control deal with Moscow, in a commencement speech in the Federal Republic of Germany on June 17. "Somebody ought to stand up out there and say to NATO, 'Time out, dammit!' We have moved too quickly and it is time for us to sit back and think and reorganize ourselves," he said.

"Somebody has to say, 'We go no further until we know what we are doing and what the long-term impact is going to be,' not just what the short-term advantages for governments and their credibility are."

"When the future of Western Europe is at stake, I don't know why it is so necessary to make decisions . . . to rush into this, other than the fact that certain administrations are going out of existence by certain time frames," Rogers said. "Is it more important to have these things accomplished on certain people's watch, or is it more important in the long term to ensure what we are doing is right to the future of Western Europe? I happen to think the latter is more important, but then I am only a dumb infantryman trying to make a living as a commander in Europe and with only 10 days to go."

Rogers was particularly incensed by "the preemptive concedes in high positions in the United States government," who do not push maximum U.S. positions with Russia because they think "the Russians won't accept this." Rogers insisted that "the alliance has to say enough is enough and recognize the fact that nuclear weapons are necessary into the foreseeable future."

White House spokesman Marlin Fitz-

water read a statement to the press June 18, objecting to Rogers' inference that President Reagan was putting political considerations ahead of national security.

Police face AIDS danger from suicide victim

A recent rescue attempt by police in the Richmond, Virginia area has sparked discussion among police and rescue workers about the necessity for gloves and other precautions to protect the workers from AIDS, according to a report in the *Richmond Times-Dispatch* June 18.

Three officers sought to aid a victim of a suicide attempt, who had slit his wrists. They applied compresses to his wounds, and some of the blood spilled on their hands and clothing. During the ride to the Medical College of Virginia (MCV), the man revealed that he had AIDS. The officers were told to bathe immediately and destroy their clothes and shoes. They are scheduled to be tested for AIDS in 90 days.

Dr. Lisa Kaplowitz of the MCV hospital's Division of Infectious Diseases said the officers' chance of catching AIDS is "very minimal," but police officials are not so sure.

Physicist compares SDI report to Nazi science

Frederick Seitz, the former president of the American Physical Society and the National Academy of Sciences, on May 19 sharply criticized the APS's April report denying the feasibility of the Strategic Defense Initiative (SDI).

"Physicists with long memories," he said, "will recall that when the Nazis came into power in Germany in the 1930s, the German physics journals—which had been, until then, among the finest in the world . . . began to publish works of questionable quality. That was one of the earliest indications of the decline of German science in the pre-World War II period."

Seitz continued, "I know of no precedent, in my long association with the American Physical Society, for the issuance of so seriously flawed a document as this. . . . What we see here is a lowering of the standards of publication in the journals of one of our most respected scientific organizations, in respect to an important defense program that happens to be unpopular with a number of American physicists. . . . In my view, this report is not worthy of serious consideration."

Seitz is chairman of the Science Advisory Committee for the SDI. His remarks were quoted in a commentary in the *Washington Times* June 16 by Maj.-Gen. (ret.) Henry Mohr.

EIR's critique of the APS report was published in our May 29 issue ("'Flat Earth Society' mounts feeble comeback").

Janice Hart rips Illinois AIDS bill

LaRouche Democrats Janice Hart and Susan Johnson held a press conference in Springfield, Illinois on June 16, to announce a lobbying effort for legislation to combat the AIDS crisis. A package of AIDS legislation is now before the state Senate.

Hart won the Democratic primary nomination for secretary of state of Illinois in 1986, unleashing the fury of the liberal Democratic machine around Adlai Stevenson III. Her campaign centered around AIDS, the War on Drugs, and the economic crisis.

One reporter told Mrs. Hart, "I've got to hand it to you people. You were the first to put AIDS on the agenda."

Asked about the bill before the state legislature, Mrs. Hart stated: "Not only is the legislation inadequate, but it must address the economic questions facing this country and the world. If people think the government is committed to saving their lives, they'd better think again. It is becoming apparent to all, that people within the government and the medical profession are covering up the truth about AIDS. The government is only interested in balancing the

books, not saving lives. For this reason, 'country club' Republicans and 'Project Democracy' Democrats are sticking with the condom approach. We are here to meet with these legislators to bring them reality."

Asked what is the most important thing the legislature could do, Hart replied: "Deal with the question that the economy is bankrupt, and if we don't deal with that, the AIDS disease will spread like wildfire. We are in a war against poverty, AIDS, and disease. If you go into battle wearing only a condom, you're going to get killed."

Edwin Wilson claims Irangate coverup

Former CIA agent Edwin Wilson, who has been in jail since 1982 for smuggling arms to Libya, said in a TV interview on CNN June 17 that congressional Irangate investigations have so far failed to uncover the full story behind the scandal. The key to the Iran-Contra deals, he said, lies with forcing full testimony from former State Department consultant Michael Ledeen and Associate Attorney General Mark Richard.

Ledeen is a kingpin of the Israeli Mossad's Irangate apparatus. Richard is an operative of Project Democracy's parallel government within the Justice Department.

Wilson said they are the "two men who know the full story." He announced that he is filing a RICO suit against four Irangate principals, Theodore Shackley, Richard Secord, Albert Hakim, and Thomas Clines.

According to Wilson, the Irangate coverup stems from efforts to limit the investigation to the period from 1985 to the present, whereas the weapons-to-Iran apparatus (in which Wilson himself was a participant) was actually established in 1978. It centered on the formation of the Eatsco company, a CIA proprietary involved in shipping arms to Iran.

According to a report in the *New York Times* June 18, "Wilson's ring formed much of the structure for the private foreign policy selling weapons to Iran and providing money to the Contras that was run by Oliver North."

Briefly

● **ELLIOTT ABRAMS** met with Gabriel Lewis Galindo, the leader of the effort to destabilize the government of Panama, in mid-June. No details were released, but Lewis Galindo was in the United States to seek support for ousting Gen. Manuel Antonio Noriega, chief of the Panamanian Defense Forces.

● **JESSE JACKSON** called for the resignation of the State Department's Elliott Abrams, in a press conference in New Hampshire. "I believe he should be removed, but Abrams was simply the mailman for others," Jackson said, in response to a question from a journalist.

● **ARMAND HAMMER**, who was to accept a National Medal for the Arts award at the White House, slipped in his bathtub and fractured a rib on June 18. He was confined to bed and was unable to pick up his award in person. Commenting on the award, Hammer said, "I'm just back from Moscow, where I got an award from Physicians to Prevent Nuclear War, the Nobel prize winners, and then I was in Budapest, where I received another award. . . . This one that the President has honored me with is the one that I prize most highly."

● **U.S. ATTORNEY** Robert Barr announced on June 17 that there was insufficient evidence to indict Atlanta Mayor Andrew Young for obstructing a police investigation of drug-use allegations, laid by Mrs. Alice Bond against Julian Bond, Young, and other black Atlanta politicians. The drug charges will be pursued, however, Barr said.

● **SEN. EDWARD KENNEDY** (D-Mass.) on June 18 introduced legislation requiring economic sanctions against South Korea. At a news conference with Sen. Barbara Mikulski (D-Md.), Kennedy charged that the Reagan administration "tilts toward the Chun Doo Hwan regime" and "has shown contempt for the struggle for democracy."

Russian Nazi-communists in France

Two very unusual trials are being litigated at this time in Paris, France, both involving the Soviet government's past and present Nazi sympathies. One is the trial of Klaus Barbie, a Nazi occupation police official who had served in Lyon during the war years, who is accused of crimes against humanity. The second is a defamation trial in which Lyndon LaRouche is the plaintiff and various Soviet figures are the defendants.

Plaintiff LaRouche is seeking court relief against the publication, in Soviet government media, of libelous characterizations of himself and his associates as "neo-Nazi." The Soviets have hired a well-paid battery of lawyers led by one of the great "progressive" legal authorities of France, Maître Joe Nordmann of the French Communist Party, who will try to "prove" in court that the government of the Soviet Union is justified in calling LaRouche "neo-Nazi," essentially on grounds supplied by a junior FBI stringer and drug advocate, one Dennis King of New York.

Maître Nordmann, at the same time, is representing the legal interests of the French Communist Party in the trial of Klaus Barbie, the alleged "Butcher of Lyon." One might ask, "What are the interests of the French Communist Party in the Barbie trial?"

Very simply, the French Communist Party was alone among all the political parties of France of that time, a *collaborateur* of the Nazi occupiers of France. The French Communist Party, Maître Nordmann's client, and its newspaper *L'Humanité*, as library collections show, welcomed the Nazi occupiers with open arms at a time when the rest of the world wept for France's fall.

If the right kinds of witnesses were to be asked the right kinds of questions at the Barbie trial, the whole sordid story of Nazi-communist collaboration during World War II would start coming out. Will such witnesses as Mme. Marie-Madeleine Fourcade, and other prominent leaders of the Resistance Movement of General de Gaulle's Free French, eventually be permitted to testify in the Barbie trial, or will Maître Nordmann's

objections prevail?

The Soviet government and the Communist Party have a great interest in steering the Barbie trial away from issues touching on the Nazi-communist alliance which lasted, sometimes formally, sometimes informally, from 1917 to 1941.

The Soviet Union's and international Communism's collaboration with Nazism and Hitler reached its high water mark with the infamous Hitler-Stalin Pact of August 1939, the non-aggression pact signed by Joachim Ribbentrop and Vyacheslav Molotov, the foreign ministers of Hitler and Stalin respectively.

Readers will be surprised to learn that the Soviet Union refuses, to this day, to repudiate formally the Hitler-Stalin Pact. From all inquiries undertaken by the *EIR* on this matter, Soviet diplomats appear to be under instructions *not to repudiate* the Hitler-Stalin Pact. When the subject is brought up, a Soviet official may argue that the pact was "necessary" at that time, or that "it has now lapsed," or that "it was annulled" by the Nazi invasion of Russia in 1941—but you will not hear a Soviet diplomat repudiate the Hitler-Stalin Pact.

The reason is the secret protocols of the Pact: In them, Adolf Hitler bequeathed to the Soviet Union a "sphere of influence" in Europe which was later recodified in the Potsdam and Yalta Agreements.

Russian law, such as it is, and Russian foreign policy, view the Hitler-Stalin Pact as the legal foundation of their occupation of Eastern European lands today, lands which otherwise should have belonged to Poland, Romania, Hungary, Czechoslovakia, and the now defunct states of Latvia, Estonia, and Lithuania.

Ironically, Russia's only legalistic claim to have jurisdiction over the deported Karl Linnas, a naturalized American of Estonian origin, is the 1939 Hitler-Stalin Pact, which is the only legal-status document which recognizes a "Soviet sphere of influence" over Estonia. Moscow is the real Nazi collaborator and the real neo-Nazi, as the Paris trials will eventually show.

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Why this is the most controversial publication in the West

The economy

In our Oct. 21, 1980 issue, *EIR* warned that deregulation's "objective is a banking system like that of Canada or Britain with a few giants dominating. . . ." On June 7, 1987, the *New York Times* reported that Treasury Undersecretary George Gould, with the blessing of Federal Reserve chairman-designate Alan Greenspan, has concocted a "package of revolutionary changes" in banking law "to allow concentration of U.S. banking into 5-10 'mega'-banks," even as his boss, Secretary James Baker, was denying any such intention at the Venice Summit.

In our 1983 *Special Report*, "The coming reorganization of U. S. banking—who benefits from deregulation?" *EIR* stated that the gameplan for the Citibank-led overhaul was to "soften up the domestic banks" for takeover by the money center giants, utilizing selective enforcement by regulatory agencies as a lever. Nearly **four years later**, after March 1987 Committee hearings, Rep. John Dingell (D-Mich.) accused the FSLIC of closing viable thrifts "without proper cause"—**confirming our 1983 reading**.

Nazi-communism

In our March 7, 1986 edition, *EIR* charged that the U.S. State Department and Sen. Jesse Helms had joined forces to bring to power a Nazi-run opposition movement in Panama, **for the benefit of Moscow**. We presented evidence that opposition leader Arnulfo Arias Madrid—touted by his U.S. supporters as a "democrat"—was a bona fide Nazi, ousted from power in 1941 with U.S. help for having conspired with Hitler to promote a Nazi movement in Ibero-America against the United States. In our March 21, 1986 issue, we reproduced **documents** from the National Archives in Washington, D.C. proving Arias's Nazi past.

Last fall, the explosion of the Iran-Contragate scandal revealed that the biggest "democratic" boosters of Arias and his gang in the U.S., were in fact running a **parallel government** out to destroy democratic institutions in the United States as well as abroad. Then on June 16, 1987, **some 15 months later**, amid daily, mass street demonstrations by the "democratic opposition" in Panama, the *Washington Times* admitted that opposition leader Arnulfo Arias Madrid is "a known Nazi supporter"—the first time anywhere that the truth about Arias appeared outside *EIR*.

EIR: Knowledge is leadership.