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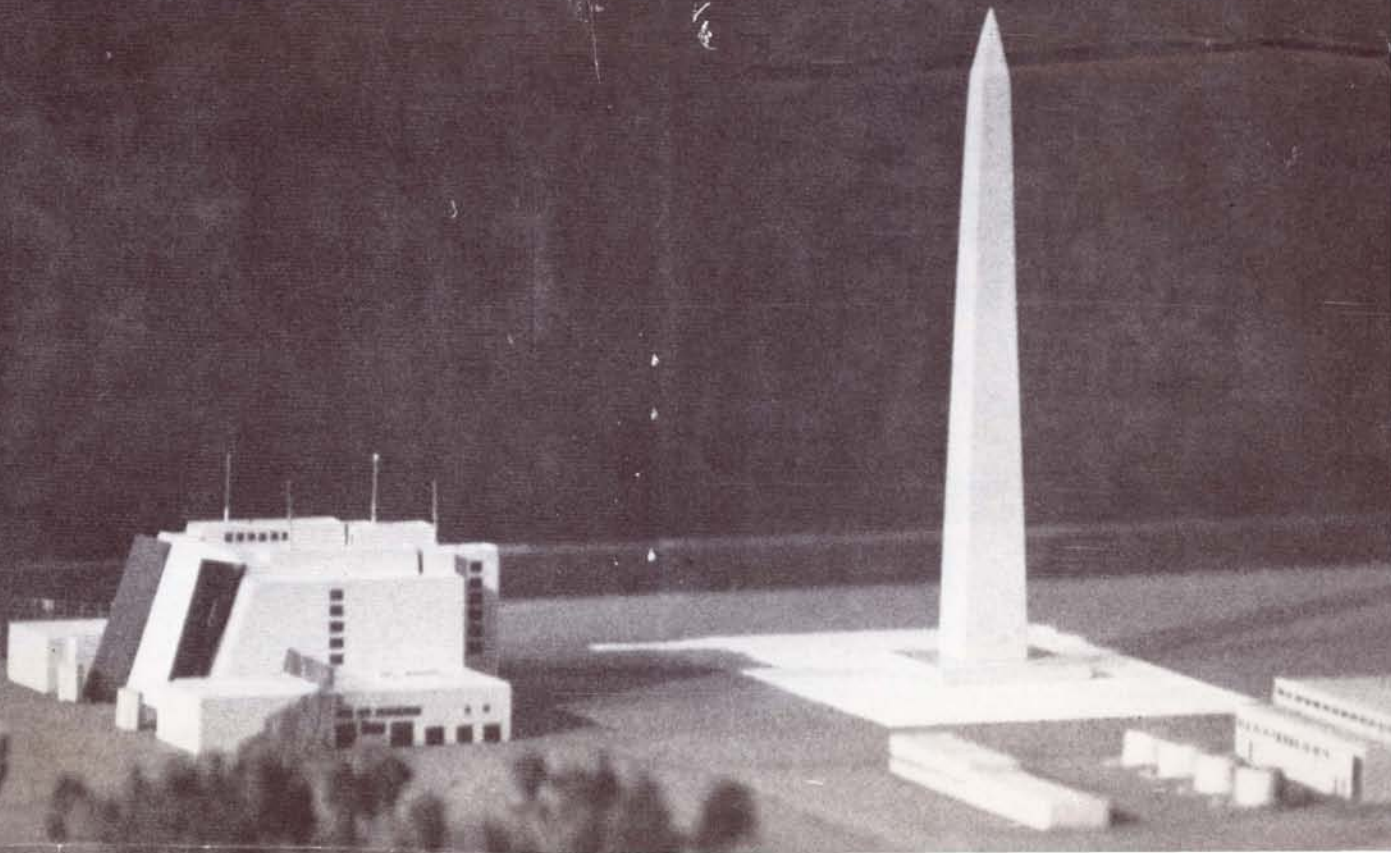
Executive Intelligence Review

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International body denounces 'terror' vs. LaRouche
Pope's U.S. visit shows the resiliency of truth
How the banks imposed zero growth on Thailand

Glasnost or dezinformatsia?
Pentagon rips off the mask



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- The explosive impact of AIDS on the world economy

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From the Editor

Given the alarming turn of strategic events over the recent week, I recommend that you begin your reading of this extraordinary issue by turning to the article on page 42.

At the very moment when the Soviets have succeeded in getting the White House to lick their shoes for the sake of a "Munich II" INF treaty that will set us on track to world war, direct links have been exposed between the FBI's political persecution of 1988 Democratic presidential candidate Lyndon LaRouche, and the Soviet government.

Friends of ours in the LaRouche Democratic Campaign tell us that a mass leaflet on the FBI being caught red-handed in this dirty game with the Russians, is being distributed all over New England. It has gone out in New Hampshire where Lyndon LaRouche has geared up his campaign for the 1988 Democratic presidential primary (see page 61)—to the discomfiture of his foes, who thought they had "shut down LaRouche" several times in the past year—and in Boston, where the political trial against LaRouche and some of his associates is opening this week.

The longer packages in this issue are most relevant to this perilous strategic conjuncture. The cover *Science & Technology* story reports in detail on what the liberal press has deliberately falsified or covered up—Pentagon exposures of the Soviet ABM Treaty violations, which the Soviets have flaunted by putting their Krasnoyarsk radar facility on display to a U.S. congressional delegation.

In the *Feature*, we present the full texts of three documents from the Sept. 9-11 hearings of the Fact-Finding Committee of the Commission to Investigate Human Rights Violations in the United States, which was called into being to probe the outrages committed against LaRouche and his friends: the final summary by the Fact-Finding Committee, and two testimonies, submitted by veteran U.S. journalist Ralph de Toledano, and West Germany's General Paul-Albert Scherer, both experts in the Soviets' methods of running terror against their enemies.

While maintaining our usual breadth of international news coverage, we have also been able to include two other exclusives, the court papers on Lyndon LaRouche's relations with the CIA, which I am certain will be pored over in certain quarters (p. 64), and a first report on Harvard "mind-control" experiments (p. 68).

Nora Hamerman

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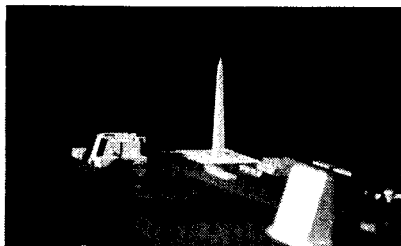
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The world's biggest debtor against the wall

by David Goldman

There is no question that America's creditors will put Treasury Secretary James Baker III against the wall at the International Monetary Fund's Annual Meeting the first week of October. There is some question as to how they will do this, however. On the face of things, the foreign central banks who have, virtually alone, paid America's bills for most of the past year, will announce their decision to stop doing so, and dive into their own monetary storm-cellars. The result will be a regime of *monetary austerity* not much different from the one former Federal Reserve chairman Paul Volcker imposed upon his return from the 1979 IMF meeting in Belgrade, Yugoslavia. The regime will combine ratchet-devaluations of the U.S. dollar with a multi-stage rise in U.S. interest rates.

As such, the IMF Annual Meeting will set its course straight for the rocks. The faintest hint of an alternative appeared Sept. 14, however, in remarks by Japanese Finance Minister Miyazawa, which sent a mild shock through Washington. Japan, he said, might consider leading a new global initiative on Third World debt, given America's paralysis on that matter; it would require a new sense of responsibility on the part of the Japanese people, he added, who are not accustomed to a world-leadership role. The sole point of substance in Miyazawa's remarks made friendly reference to the Brazilian debt-reorganization plan offered the previous week by Finance Minister Bresser Pereira, which Baker had rejected without ceremony.

High-level Washington sources say that Baker and the bankers objected not so much to the specific content of the Brazilian plan, which offered them (on paper) sufficient interest payments to avoid big losses on their \$25 billion exposure to that country, but to the simple fact that Brazil

proposed to write its own debt-reorganization plan. "It is not for the debtors to propose debt reorganization. It is for them to offer economic reforms," i.e., offer to sell their national assets to creditors "on the cheap," one senior Senate aide said. "It is for the creditors to look at such reforms, and say, 'I'll pay for that.'" The secondary-market price of Brazil's debt-paper fell from 49% to 41% of face value after Bresser offered the plan.

But "the Japanese were astounded that Baker didn't rush to embrace the Brazilian plan," a Washington specialist argued. The Japanese banks are concerned with what interest they receive, and, much more, their future trade prospects with the one Ibero-American nation in which Japan has a strong presence. Control of the political side of debt reorganization, the central concern of the American banks and Treasury, means nothing to Japan, which has had little to say about any of it.

All that Miyazawa has offered, thus far, is *political* difference with the U.S. Treasury; there is still no concrete Japanese plan on the table. However, Japan has never had the temerity to interfere with America's imperial doings in the Western Hemisphere before.

End of the imperial economic policy

What the European and Japanese central banks have in store for the United States, however, has already registered, in the form of a 200-point drop in the Dow-Jones average since the August peak, as well as 10% collapse of long-term U.S. Treasury bond prices, and a 1% rise in short-term Eurodollar interest rates, during the same period.

The central banks printed \$78 billion of their own currencies between January and June of this year, to purchase un-

wanted dollars off the floor of the foreign exchange market, and they reinvested these dollars in U.S. Treasury securities. That is, the entire U.S. current-account deficit during this period, and most of the Treasury's borrowing requirements, were financed on the printing presses of the Bank of Japan, the German Bundesbank, and the Bank of England. During the same period, America's trade deficit rose from a \$160 billion annual rate to a nearly \$200 billion annual rate. No nation in the history of civilization has exacted a greater subsidy from its trading partners, excepting Imperial Rome in the heyday of its colonial tribute.

America's foreign economic policy has been reduced to a temper tantrum thrown by James Baker against West Germany, for refusing to continue printing money. Speaking at the Institute for International Economics Sept. 14, Baker demanded that Germany reflate, under the terms of the Group of Seven's so-called "surveillance" arrangements. He said that the IMF's new surveillance "indicators" "did pick up the decline in German economic growth," a statement that the United States will use the forthcoming IMF meeting to pressure the Germans to reflate. Second-quarter West German GNP rose 1.5% per annum from the previous quarter, and 0.8% from the same period the previous year; and Baker pouted that the German government in May promised stimulative action if the economy showed growth of less than 2%.

Another meeting participant, former German economics minister Count Otto Lambsdorff, rose from the floor to say that "the indicators don't seem to be very helpful. As far as I can see, these political decisions [to reflate] will not be taken."

Baker shot back, "We need a little more discipline in the [surveillance] system. We don't get there overnight, and we are a heck of a lot better off today than we were a year and a half or two ago, when—I can promise you—we didn't have meaningful meetings. We had a little *tour de table* everybody recited what their economies' prospects were, but there was never any serious discussion of coordination. You're right, you need the political will, but first you need the political mechanism."

Baker is spitting into the wind. After much U.S. pressure, the weakening government of Chancellor Helmut Kohl offered a pallid tax-cut program. It cuts taxes by \$24 billion by 1990, while reducing spending by \$11 billion—hardly what Baker is asking for. Meanwhile, the Social Democratic opposition has denounced the plan as too expansive. In the Bundestag budget debate Sept. 9, opposition spokesman Hans Apel attacked what he called the "megalomaniacal" tax reform, which mainly benefits the rich, by way of reference to the horrible example of America, "where tax cuts did not bring about the hoped-for growth impulse, and resulted in devastating budget deficits."

Japan, as reported on page 6, has begun a managed shake-out of its own speculative financial markets, likely to force Japanese private investors to drastically reduce their holdings

of U.S. securities. Nor will Japan make further concessions by way of monetary expansion. Bank of Japan governor Satoshi Sumito said Sept. 9 in Tokyo that the Japanese central bank will continue to hold its discount rate at the record low level of 2.5% even though the Federal Reserve raised its rate by 0.5 to 6% the previous Friday.

On Sept. 18, a leading Japanese daily, the *Yomiuri Shimbun*, reported that the Group of Seven countries had decided to abandon the present "target range" for support of the dollar at yen 140 to 160, and retreat to a range of 130 to 150.

Worse and worst alternatives

Among America's creditors, only certain voices in the City of London propose to keep financing America's deficit. The London *Financial Times* editorialized Sept. 15, "Failing still tighter monetary policy in the U.S., further declines in the dollar would not be surprising . . . [It] would be the price of attracting the required private financing of the external deficit . . . an adjustment process triggered by higher interest rates . . . that had the by-product of dramatically impairing the position of developing country debtors, would seem most unwelcome."

The *Financial Times* editors conclude, "Despite the evident dangers of a slow adjustment of the present pattern of deficits and surpluses, an effort to unwind more rapidly could create still more problems. A continuation of the U.S. deficit . . . is the worst possible situation for the world economy, except for all the alternatives." However, that logic has no credit at the Bank of England, let alone the Bank of Japan or the Bundesbank.

To some extent, the administration can choose its poison, e.g., permit the dollar to slide, or raise interest rates. In fact, its maneuvering room is negligible, since a big drop in the dollar will chase out the foreign money that has supported the U.S. securities market, and force an increase in long-term interest rates. By choosing a major dollar devaluation, in the range of the 30% that former Carter official C. Fred Bergsten wants, the administration might, for some time, hold short-term rates down, while long-term rates soared.

Should short-term rates, now at 7.5% for one-month Eurodollars—1% above August's level—rise another 1.5%, large parts of the U.S. financial system, including about 1,000 savings banks, will collapse. It is entirely possible that Alan Greenspan, whose ideological bias resembles that of Andrew "liquidate everything" Mellon, Herbert Hoover's bloodthirsty Treasury secretary, will choose a tight-money regime, and begin a financial crash during October.

Wall Street is terrified that Greenspan will do precisely that. After the 0.5% increase in the discount rate, the Federal Reserve pushed the overnight interbank loan, or Fed funds rate into the 7¼% range. Greenspan still has 1-1.5% to go upwards before the needle hits the red mark; but that margin of safety could disappear in the few days following the IMF meeting.

Will Japan's 'zaitech' bring a market crash?

by William Engdahl

The current joke circulating in international financial centers is about the number of Japanese workers needed to produce an auto today. The answer? Three. One to operate the industrial robot assembly, and two to speculate in stock futures.

The Sept. 2 announcement by a medium-sized Japanese chemical company, Tateho Chemical, that it had incurred losses in speculation in the Japanese bond market of \$141 million, some \$25 million beyond the company's entire net worth, sent a shock wave into already nervous financial markets from New York to London and back to Tokyo.

Some analysts argue that the public mauling of Tateho Chemical, as well as rumors that major Japanese institutions might be in the same kind of trouble, were encouraged by the Japanese monetary authorities, for two reasons. The first is to warn market participants to pull in their horns; the second is to make clear to the United States that Japan can no longer afford to invest \$90 billion or more per year in U.S. securities.

Senior London financial sources expect that the impact of the Tateho affair will be felt internationally in the coming weeks. "Japan won't blow in any imagined '1929' way," one leading London broker stressed to *EIR*. "Instead, the Japanese government will step in fast to bail out any crisis situation. This would, however, result in extreme caution by Japanese who would then pull back from overseas investments. That would pull the rug out from under American and European financial markets." Japan has been investing overseas at an estimated \$100 billion annual rate in the latest period. This is equivalent to the entire foreign debt of Mexico or Brazil.

The process by which industrial firms compensate for large production losses and export declines by indulging in an orgy of speculation is known in Japan as *zaitech* (literally: "financial engineering"). Since the more than 40% appreciation of the Japanese yen against the falling dollar over the past two years, Japanese companies have turned to *zaitech* to prop up their corporate profits.

As long as the Tokyo or other stock and bond markets seemed to be rising with no upper limit in sight, it was a "sure win" game. Companies in Japan are almost without formal regulation regarding financial speculation, buying stock on margin (where the buyer need put up only a tiny fraction of purchase price). Even insider trading is commonplace. When the Bank of Japan and the finance ministry took a number of recent steps to rein in the dangerous levels of market specu-

lation, rumor had it that Tateho was not the only company to take staggering losses. West European banking sources have heard reliable market reports that at least one major Japanese bank has incurred losses "in the billions" in foreign exchange and securities trading recently.

The actual extent of *zaitech* is unknown outside Japan, but one report is that the giant Toyota Motors relied on its *zaitech* speculation for fully one-third of its 1986 pre-tax profits.

More to come

A spokesman for one of the largest Japanese investment houses in London, who asked not to be named, said that the problem inside Japan of such speculative exposure is very "worrying" and that the possibility of an imminent "30-40% correction of the Nikkei" was considered great by informed Japanese financial circles. The Tokyo Nikkei, Japan's equivalent of the Dow Jones average, has risen a breathtaking 105% since January 1986, as soaring yen prices for export-dependent Japanese industries such as shipbuilding, steel, and auto collapsed.

According to estimates, industrial economic growth this year will hit a 30-year low. The combination of this enormous profit squeeze on one of the world's few remaining industrial economies, plus U.S. and London pressures on the Japanese to open up their financial markets to the speculative practices which have so endangered those markets, has created the danger of a domino-style collapse of paper. Because of the concentration of Japanese firms, and the rise in the yen, their dollar-denominated asset holdings have become staggering even by Wall Street standards.

Nomura Securities, one of the Big Four, manages some \$237 billion worth of customer assets worldwide. Nomura has replaced Toyota as the nation's most profitable company, with profits up 63% over the year before. When the Sept. 22, 1985 agreement by the finance ministers of Japan, the United States, West Germany, Britain, and France insured the plunge of the dollar from its record highs, Japanese companies began to invest in stock speculation to shore up profits, rather than in new plant and equipment. One estimate is that the greater part of some \$142 billion set aside in special corporate investment funds by Japanese industrial companies in recent months, is devoted to *zaitech*.

Wall Street has been a significant center of such speculative investment by Japanese companies. The U.S. Treasury bond holdings of the large Japanese houses have been the prop for some 40% of recent U.S. debt sales.

The danger is compounded by the unique character of Japanese bank regulation. Unlike their U.S. or European counterparts, Japanese banks are allowed to count stock market holdings as "primary capital," the capital and reserves which a bank uses to determine its legal lending exposure levels. If there is a sharp contraction in stock values, bank primary capital could be wiped out, just when it is most needed to protect against default.

How the international banks forced zero population growth on Thailand

by EIR's Bangkok Bureau

Given all the malthusian doomsday propaganda surrounding the birth of the five billionth person on Earth, it would be instructive to look at one of the population control lobby's "success stories": Thailand. This short history will demonstrate how international financial institutions, working through their privately funded "family planning" agencies together with the World Bank, the International Monetary Fund (IMF), and the United Nations, created a population-control movement in Thailand which managed to collapse the Thais' population growth rate from 3.2% in the 1960s to 1.5% as of mid-1987. The goal is to limit the population growth rate to 0% and to halt the population level at not more than 100 million by the year 2045.

The malthusian policy for Thailand is in reality economic policy. Endowed with rich resources and lush agricultural potential, Thailand is one of the most prosperous nations in all of Southeast Asia. The basis for this prosperity is a high level of agricultural production. In the last 80 years, Thailand's food production has quadrupled, keeping up with the simultaneous quadrupling of the population. But this increase in agricultural production has not been the result of increased input into agriculture or any increase in agricultural productivity, but has resulted from a precise quadrupling of land put under cultivation. Thailand has now reached the limits of such cheap linear expansion of acreage dedicated to agriculture.

To maintain its population and permit the nation to grow requires that agricultural productivity be increased through irrigation, electrification, fertilization, and mechanization. Thailand can easily solve this potential crisis through industrialization for which it has the financial means, the labor force, and the physical resources. However, for the World Bank et al., industrialization is out of the question. Thailand is to remain a purely agricultural nation—a nation of zero growth.

Almost all the funding for the malthusians has come from international agencies and governments. However, the implementation of population planning came from key individuals in the ministry of public health, and especially the National Economic and Social Development Board (NESDB),

the government agency which formulates Thailand's five-year economic plans.

The NESDB, composed mainly of technocrats schooled in monetarist economics, represents a World Bank-IMF lobby in Thailand. When the international banks give an order, the NESDB translates that order into a financial policy. Therefore, when the World Bank ordered zero population growth for Thailand, the NESDB formulated and implemented a plan that fit the specifications of Thailand's international creditors.

Until the late 1960s, the population planning advocates were strongly opposed by the pro-growth military leaders who viewed population growth as a definite asset to national security. Between 1900 and 1968, the Bangkok government supported this view by promoting pro-growth policies. For example, during World War II an official Wedding Promotion Committee encouraged early marriages under the slogan, "Get Married Young and Make the Nation Prosper." As late as 1956, an act entitled "Welfare of Persons with Numerous Offspring" authorized payment of bonuses for large families.

The first major challenge to these pro-growth policies was the 1958 World Bank Report dealing with economic development programs in Thailand. The report warned that Thailand's "excessive" population growth would cause problems such as shortages in housing, schools, public services, etc., and would seriously affect national development. The World Bank advised the adoption of birth control measures as a solution.

The Cabinet responded to the World Bank Report in 1960 by appointing several committees to investigate the population problem. However, in 1961, the government declared that birth control would remain a private and voluntary matter only, and that dissemination of birth control information was prohibited. Even in the late 1960s, hospitals and health clinics could only provide birth control information to married couples upon request. The fact is, Thailand in the 1960s averaged an 8% annual growth in GNP together with 3.2% population growth. All this, however, did not deter international "family planning" agencies from converging on Thai-

land to impose the World Bank's demand for population planning.

In 1963, the first national population seminar was held in Thailand, sponsored by the Rockefeller-funded Population Council of New York City and the National Research Council of Thailand. Shortly afterward, the government set up a pilot project on birth control in the rural district of Potharam. While the National Research Council and the Ministry of Public Health conducted the study, the Population Council provided the finances and advisers. Naturally, the zero-

Thailand's rural programs went from bad to worse. Basically untrained personnel were allowed to administer birth control pills, and village midwives were trained to insert IUDs.

growthers used the study's result to show that an "overwhelming" majority of women were eager to practice birth control.

In October 1967, Prime Minister Thanom Kittkachorn endorsed the World Leaders' Declaration on Population sponsored by the United Nations. This gave added legitimacy to the burgeoning zero-growth movement in Thailand. The first real policy change on population by the cabinet came in 1968. They ruled that the birth control services which had been introduced into the Potharam project could be extended to married women in other areas of the country. The King then also publicly expressed concern over the high birth rate and endorsed the extension of birth control services.

The Ministry of Public Health became directly involved in population planning by training over 4,000 nurses and midwives in birth control methods. Also during this time, the U.S. Agency for International Development (AID), the Population Council, and UNICEF financed the distribution of contraceptives, clinic equipment, vehicles, fellowships, advisory services, and training funds.

By 1969, seminars on population planning were broadcast on television, radio, and widely covered in the press. These seminars, again, were sponsored by the Population Council and the National Research Council; also at this time, the NESDB established a population section and drew together a policy report to submit to the cabinet. This policy report led to the "National Family Planning Policy," which was announced as official government policy in 1970. The government was now stating that population growth was a

detriment to economic growth.

The health ministry was made responsible for implementing the population planning program. Midwives were soon authorized to distribute birth control pills (a crucial step for population planning in the rural provinces). Medical educators were indoctrinated in birth control, and the Ministry of Education introduced "family life education" into their adult education programs. In another major step, the 1971-76 NESDB five-year plan included a plan for population planning, with a goal of reducing the population growth rate from 3% to 2.5% by 1976. Major funding from the United Nations Family Planning Agency started pouring in at this time.

A glance at the developments leading up to the 1970 National Family Planning Policy shows that population planning actually became institutionalized long before it was ever authorized by the government. By 1968, money was already pouring in from foreign associations, especially AID, the Population Council, and UNICEF, seminars were being organized, and policy papers churned out by both foreign and domestic zero-growth institutes. Crucial in setting it all in motion was the NESDB, together with the health ministry. In fact, a veritable incestuous relationship existed among the NESDB, the health ministry, and the private population planning agencies, with certain key individuals sitting on the same committees in both the public and private sector.

Officials in the health ministry also coordinated the aid from international agencies. Between 1972 and 1976, 75-85% of the family planning policy direct costs were financed by international agencies. This percentage remains high to the present day. The AID has been the major donor. Other major foreign donors include the U.N. Family Planning Agency, UNICEF, the Population Council, the United Kingdom, the Netherlands, Denmark, and Japan. All this funding allowed the government to distribute oral contraceptives free of charge, beginning in October 1976.

In 1974, the Ministry of Public Health initiated a village volunteer program to bring birth control to the rural areas. The program involved recruiting volunteers from each village, who would then receive only two weeks of paramedical training, along with an initial supply of basic household medicines as well as contraceptives. The term volunteer should be used loosely, since a money-making scheme was developed to encourage these villagers to recruit as many people as possible to birth control. The so-called volunteers were permitted to sell the initial supplies at a 35% mark-up and continue to replenish their stocks with additional 35% profit margins. The services they were supposed to provide included pill and condom distribution, maternal and child health care, and nutrition. Imagine all this on two weeks training! This village volunteer program was initiated as part of the Lampang Project, a pilot project designed to develop a cheap birth control system for the rural population, whereby the

villagers would “self-administer their own contraceptives.”

These rural programs went from bad to worse. Allowing basically untrained personnel to administer birth control pills was certainly bad enough. But in 1976, a program began to train midwives to insert IUDs. Government officials believed that the villagers would be more willing to use IUDs if they were administered by the village midwives than by an “outsider,” that is, a physician. In the Lampang Project the midwives were given the respectable titles of Traditional Birth Attendants, and received, again, only two weeks of professional training at a health ministry facility.

The fourth NESDB Plan (1977-81) was a top-down assault on the remaining pro-growth government policies. Specifically the plan called for:

- 1) giving family planning agencies priority financing;
- 2) ending subsidies and benefits, such as allowances for maternity leave and free education for government officials with more than four children;
- 3) revising the law on sterilization, which permitted it upon request only after giving birth to four children;
- 4) requiring the government to pay the cost of sterilization for low-ranking officials, government employees, and personnel of state enterprises.

Mechai, the ‘Condom King’

No discussion of population planning in Thailand would be complete without a look at Mechai Viravaidya, Thailand’s “Condom King.” A former development planner with the NESDB, Mechai holds leadership positions in a variety of zero-growth agencies in Thailand, including the Planned Parenthood Association of Thailand and the Community-Based Family Planning Services, which was founded on a grant from International Planned Parenthood. Since the distribution of contraceptives alone could not explain the collapse of population growth in the last 15 years, a look into Mechai’s methods is necessary. These methods, carried out mainly by his various family planning agencies, could only be described as psychological warfare against the Thai population.

During its first two years of operation, the Community-Based Family Planning Services recruited between 6 and 8 million people to use of birth control, emphasizing the rural areas. Mechai, adopting the “grass roots” approach described earlier, had the villagers themselves distribute birth control devices, especially pills and condoms. Recruited to distribution were the village shopkeepers, grocers, farmers, teachers, even noodle vendors. Mechai adopted incentives such as a free stud service for pigs and special bank loans for those accepting birth control services. Individuals choosing sterilization received more generous loans than those choosing less permanent forms of birth control.

Mechai also integrated the Buddhist religion into population planning appeals by popularizing so-called little known sayings in the Buddhist scriptures, such as “many births cause

suffering.” Mechai stressed the Buddhist philosophical position that one can have “too much of anything,” insisting that this also meant children. He organized monks to publicly stress condoms and pills. Claiming to have once consulted monks to learn the Buddhist position on abortion, he said, “They told me that if you regard the termination of pregnancy a sin, it is a small sin that will prevent many bigger sins.”

His campaign to popularize condoms and overcome their “negative connotations,” e.g., prostitution and venereal disease, is what Mechai is certainly most famous for. His calling card became a brightly colored package of condoms, referred to as “mechais.” He sponsored condom-blowing contests for teachers and students to “desensitize” people to birth control. His Community Based Family Planning Services developed “family planning songs,” learned by children in school with the message for their parents, “Too many children makes you poor.” They also developed family planning games, calendars, savings banks, bikini panties, and T-shirts.

Given the goal of an overall reduction in the population, contraceptives alone would not be adequate, so Mechai has worked overtime to promote vasectomies. Since 1980, more than 50,000 Thais have had free vasectomies, courtesy of the Community Development Association. Mechai created mobile medical units, decorated with birth control slogans, complete with doctors and nurses, and equipped to perform “instant vasectomies.” “It only takes seven minutes,” Mechai tells people. These units operate all around Bangkok and are especially visible whenever there are holiday celebrations. Dr. Apichart Nirapathpongorn, director of the Community Development Association’s medical and nursing bureau and one-time TV personality in a popular game show, claims that the association broke a world record in 1983 when 1,190 people turned up for vasectomies in one day! Dr. Apichart credits these successes to the association’s promotional campaigns.

A product logo of a flying dove, the Thai symbol of virility, is used to counter fears of impotence, as well as eye-catching posters, billboards, and a TV variety show entitled, “Happy Vasectomy.” Their annual “sales blitz,” he says, coincides with the King’s birthday, the biggest holiday in Thailand. In 1984, the Community Development Association won the Marketing Award from Thailand’s Business Management Association, when the vasectomy number rose to 45,173!

At present, the Ministry of Public Health, together with the Community Development Association and the Planned Parenthood Association of Thailand, are zeroing in on their latest birth control targets, the Khmer and Laotian refugees. Funding for their latest program is expected from the New York-based Family Planning International Assistance, which financed the previous unsuccessful programs targeting the refugee camps. Khmer leaders have told Thai officials that they are opposed to birth control because they want to in-

crease their population with the hope of regaining their homeland, and to fill the void left by the deaths of millions of their countrymen during the rule of the Khmer Rouge.

Sombhong Pattawichaiporn, executive director of the Planned Parenthood Association of Thailand, currently responsible for birth control programs in the Laotian camps, recently hinted at plans for coercing refugees into birth control by threatening to withhold their food rations! At present, the U.N. High Commissioner for Refugees grants a weekly ration of 3,500 grams of rice to each refugee over nine years of age and 2,000 grams to those younger than nine. Sombhong, along with Dr. Thawat of the Community Development Association, believe that the food rations given by the U.N. refugee agency encourages the refugees to have too many children, and have publicly stated so.

It is not surprising that agencies and individuals in the zero population growth movement would also be pushing zero economic growth. As it happens, Mechai himself is an executive in both the World Wildlife Fund International and the World Wildlife Fund of Thailand. Mechai's rural development schemes being carried out by the Community Development Association, are based strictly on the "small is beautiful" approach, using the "appropriate technology" methods that have been popularized by the World Bank and IMF.

What Mechai introduced into the poorest areas of Thailand, especially the rural northeast, is a scheme whereby impoverished villagers would be forced to practice birth control in order to receive a loan or some other form of assistance. The Community Development Association introduced into rural villages a 50,000 baht fund, divided into 10 baht shares. A vasectomy entitles a villager to 80 shares; female sterilization gets 40; IUD users get 20; pill users get 10; and condom users only get 5. Villagers were then advised on buying chickens, water buffalo, pigs, rain barrels, etc. Obviously, this "development plan" will not only keep those villagers hovering around subsistence levels, but will eventually cause these Thai villagers to die out for lack of offspring. Perhaps this is what the NESDB had in mind all along, since they never considered actual rural development based on the modernization of agriculture a "viable investment." Instead, the NESDB chose to impose the World Bank-IMF model of population reduction and labor intensive farming and production. And to legitimize this backwardness, Mechai's "family planning" groups applaud the lack of people as "quality of life," just as the World Wildlife Fund's environmentalists praise the lack of development as "conservation of nature."

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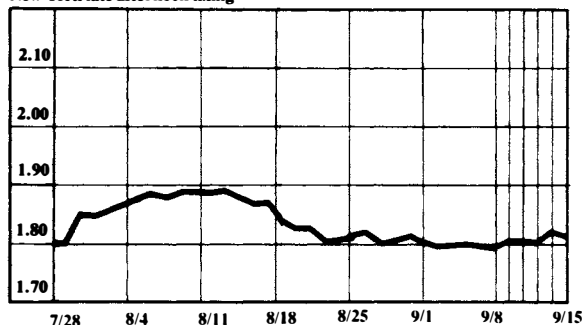
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Currency Rates

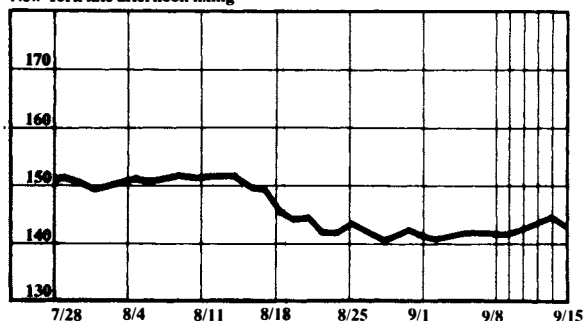
The dollar in deutschemarks

New York late afternoon fixing



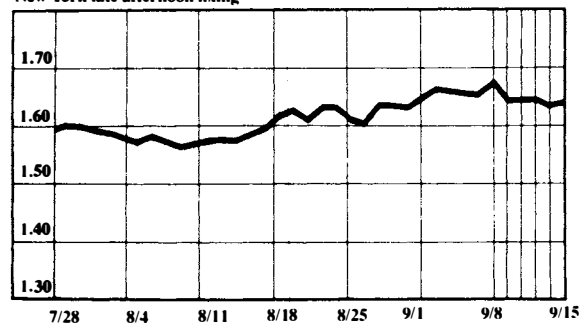
The dollar in yen

New York late afternoon fixing



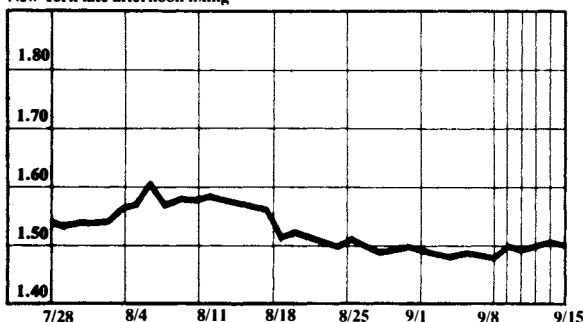
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



This column to be discontinued

Thanks to a run out of all currencies, there soon will be no such thing as foreign exchange.

A comparison of the respective behavior of bond markets in all currencies, and commodity prices in all currencies, makes clear that the underlying impulse of the present crisis, leads toward a run out of all national currencies.

The condition of world trade makes that less than surprising; while world trade as a whole remains below 1980 levels, if we deduct the cancerous increase in American imports, these American imports, as a percentage of world trade, have increased drastically.

In other words, the Third World debt crisis has wiped out what had been, and should have remained, the engine of expansion of international trade; and the subsidy of the failing United States economy, has become the principal source of apparent trade growth for most of America's trading partners.

Correspondingly, the export of American IOUs has turned the Japanese banks into the principal financiers in the dollar sector itself, and increased the dollar's relative proportion of international currency reserves.

Since both the physical trade, and the private and public financial reserves of America's trading partners, depend on the dollar, the collapse of the dollar becomes a collapse of all currencies.

The most vulnerable, because least liquid, sector, is the Eurobond market, whose \$200 billion annual volume compares to less than a tenth that much at the beginning of the decade.

A commentary in the London *Financial Times* of Sept. 14 expressed fears of a general shakeout in Eurobonds, noting, "While the U.S. Treasury can issue its paper come hell or high water, because U.S. primary dealers undertake to underwrite all new Treasury bonds, there is no such commitment from dealers to the issuers in the Eurobond market."

The Sept. 11 report of America's \$16.5 billion July trade deficit "aimed a kick for a market already on its knees. . . . Bond yields in most major currencies seemed to be on an inexorable path upward while a complete absence of investor interest meant that last week's was about the smallest crop of new issues seen in the Eurobond market this year," the *Financial Times* reported.

"In happier times, worries about a sliding dollar would have prompted a rally in D-Mark and Japanese yen bond prices because of prospects for currency appreciation. When the dollar drops these days, so does the U.S. Treasury bond market and its Japanese and German counterparts. 'The worry is that we are seeing a cyclical rise in world interest rates and it's difficult to see what's going to break that cycle,' said a syndicate official at a U.S. firm."

The term, "cyclical rise in interest rates," means nothing; the issue is simply that the long-term profitability of all the major nations' economies is in jeopardy.

There is no other way to explain the generalized rise in commodity prices during the past year. Prior to January 1987, raw materials prices

hovered at about 30% below their 1980 levels, reflecting a deflationary spiral comparable to that of the 1930s.

That was before central banks began the biggest exercise in money-creation in world history, creating \$78 billion of their own currencies during the first half of 1987, in order to purchase unwanted dollars off the floor of the foreign-exchange market.

Many industrial commodities, e.g., silver, lead, cotton, rubber, nickel, wool, copper, aluminum, and other metals, are up 25-50% this year so far, and oil prices have doubled from the lows of a year ago. The London *Economist's* commodity price index has risen 35.6% during the past 12 months.

The Commodity Research Bureau's spot index of raw industrial materials is up 38% over the past year.

Notably, the *Economist's* mixed-currency commodity index has risen 25.8% in the past year. That indicates that the collapse of the dollar (the currency in which most commodities are traded) has had only a limited impact on the rise in commodity prices; most of the rise occurred independent of the dollar's fall against other currencies, which is to say, that the value of commodities rose against all currencies.

Given that there is no industrial demand anywhere in the world, the startling rise of industrial commodities reflects a speculative build-up of inventories of hard, tradeable goods, as a hedge against all currencies. Normally, gold, whose price has risen sharply during the past year, plays this role, along with gold-equivalents such as silver; the system-threatening feature of this development, is that the entire range of durable, fungible commodities has become an inflation-hedge.

That is what makes hyperinflation possible.

Stop economic subversion of Iowa; farm states could feed Africa

by Marcia Merry

In the fifth in a series of surveys of state-level production potentials, we look at Iowa's food output capacities, which "experts" say must be reduced.

The official state plans for Iowa, and the proposals by most of the presidential candidates campaigning there, call for a "transformation" in the economy of the state, in a way that, if implemented, would amount to economic subversion of the national food supply. Of all 50 states, each year Iowa ranks in first, second, or third place in the production of livestock feed, pork, and beef. To call for "restructuring" the Iowa economy to "adjust" it to producing less—which is the common theme of the official programs and prescriptions—is incompetent and immoral. Instead, the decline in the state's agriculture output should be reversed as rapidly as possible.

This is starkly underlined by the call for help from government officials in Ethiopia. The week of Sept. 7, Ethiopian leaders asked for food aid in 1988 of 1 million tons of cereals—the same as the country needed during the 1984-85 drought disaster. Because of the lack of rain, crops in Ethiopia have failed again. The government requests that the first shipment of 200,000 tons of cereals be in place by the first of the year, since, under current conditions of decrepit infrastructure, it takes four to five months to distribute the food where needed.

Other countries in Africa are also hard hit by adverse weather, plagues of locusts, and the spread of AIDS and other diseases. The minimum annual needs for food relief for all of Africa amount to at least 20 million tons a year—including foods of different groups to boost nutrition.

With French Premier Jacques Chirac organizing internationally for a "Marshall Plan" of food aid for Africa, the political momentum exists to act quickly on this need. On Sept. 21, Chirac's plan will be debated by the European Community.

According to all the government and media reports about

the huge U.S. grain stock "surpluses" that "glut the market" here and abroad, you would think that the only obstacles standing in the way of getting emergency food to Africa were paperwork and logistics. Not so. Instead, the prevailing view among most candidates and Iowa economic officials is that less food should be produced, and that African nations are out of luck, because they can't afford to buy on world markets.

In reality, the resources of Iowa, and the other foodbelt states, are required to begin to merely fill the unmet needs for a quality diet even in the United States, where declining supplies of meat and other foods have been masked only by imports, and the inability of households to buy what they need.

There have been mass-scale dispossessions of farmers and huge decreases in food output potential in Iowa and other farmbelt states. The national carryover of grain stocks—even according to the overstated U.S. Department of Agriculture statistics—is running at only about an official two-month supply for domestic and export utilization. Logistics experts regard a two-year reserve grain supply as advisable.

Stocks of wheat as of May 31 this year were 1,815 million bushels, down from 1,905 million bushels on the same date in 1986. By May 31, 1988, wheat ending stocks are expected to be even lower, at 1,725 million bushels. Because of poor grain storage conditions, almost everywhere except in elevators owned by the top grain cartel companies, much of the grain is infested and damaged. It is this worm-threatened reserve that officials wrongly call "surplus."

Where is the surplus?

Fully 91% of the total land area (35.8 million acres) of the state of Iowa is in farmland, exceeded, marginally, only by Nebraska, where 91.7% of land area (49.1 million acres) is in farmland. The predominant farm type in Iowa (before the current dispossession of farmers) is the family farm of

less than 500 acres. In recent years, Iowa had 115,369 farms, averaging 282 acres. About 57% of Iowa farms were in the 100-499 acre category.

Iowa traditionally ranks either first or second—back and forth with Illinois—in output of hogs, corn, and soybeans. In addition, Iowa ranks fourth in the number of cattle and calves. Iowa is the third-ranking farm state in the nation, in terms of cash receipts for top agricultural commodities. Of major U.S. export commodities, Iowa ranks second, because of its large corn and oil-related exports. Illinois usually ranks first.

The table shows the steep decline in the last five years of the value of Iowa farm assets, farm equity, and cash receipts from farm marketings, including livestock marketings.

The state's total farm assets were \$83 billion in 1981; in 1985, this had fallen to \$45.8 billion. Farm equity fell from \$67 billion in 1981 to \$30 billion in 1985. Values of farmland have fallen 50% over this time period.

The cash receipts from farm marketings overall declined by almost \$2 billion a year from 1981 to 1986. Until the recent uptick in the prices for cattle and hogs, this decline in marketing receipts reflected an actual decline in the inventories of meat animals. Farmers still able to raise livestock have been forced to convert their operations into contract relations with the cartel company pork processors, turning the farmer into a virtual serf, in service of the grain cartel's feed and meat brokers. The increase in the hog inventory in some locations does not represent a way out of this servitude, but rather a passing response to rising prices.

This destruction of the family farm in Iowa is of national significance. For example, Iowa alone accounts for 25-30% of the total national hog and pig output. Total numbers of hogs and pigs nationally have dropped from 76 million in 1980 down to little over 53 million in 1986. The U.S. Department of Agriculture has insisted that livestock numbers can always "bounce back" after declining, but the collapse

of farms under the "recovery" shows that this is not true. As reported by a recent farm commodities newsletter, Oklahoma State University's *Market Viewpoints*, Sept. 4: "Current hog slaughter does not support the last two USDA hog and pig reports. The USDA reports indicated that hog numbers should be about 10 percent higher. To date, hog slaughter has not supported the USDA estimates."

Manufacturing employment has declined at the same time as farming in Iowa, because of its close connection to agriculture. Illinois and Iowa are the centers for production of U.S. farm machinery, whose sales have dwindled to next to nothing. For example, sales of combine harvesters have dropped from 32,000 a year in 1979, to 15,500 in 1982, and only 7,600 in 1986.

Federal policy over this period had been to foster the shutdown of farm production. This year, the state of Iowa ranked first in the nation for the number of corn acres taken out of production, under the federal crop acreage reduction plans. Out of a base acreage of 14,748,000 acres of cornland, there were a reported 4,137,499 acres removed from production.

Dramatizing the shrinking of the agriculture and industrial base of Iowa, there is a net outflow of thousands of people from the state each year, because there is nothing for them to do.

Doubletalk from the bureaucrats

The response of Iowa state officials has been to mimic Washington's doubletalk about "recovery." In the strategic plan of the Iowa Department of Economic Development, "New Opportunities for Iowa" (*Strategic Planning Recommendations for Economic Development*, March 17, 1987) the objective is stated: "The economic transition occurring today is profound. The growth of the non-manufacturing sector is transforming America into a service and information-based economy." The plan advocates "diversifying" the economic base of the state, and encouraging service sector jobs.

This is the same outlook expressed by the *Iowa Economic Forecast*, (2nd Quarter 1987-4th Quarter 1989), produced by the University of Iowa. In the "Iowa Outlook" section, the forecast speaks of signs of increased service-sector employment as suggesting that "the adjustment process triggered by the agricultural crisis is subsiding. . . . For the longer term, the farm sector still faces the adjustment to a market-based economy in line with proposals presented by the Reagan administration at the recent Economic Summit Meetings."

What the candidates have to say

The presidential candidates touring Iowa have either resorted to the same rhetoric about the need for Iowa farms to adjust to the "magic of the marketplace," or, as in the case of Richard Gephardt (D-Mo.), supported a radical plan to im-

Decline in Iowa farm assets, equity, and receipts from farm marketing, 1981-86

Year	Total farm assets \$000	Cash receipts from marketing		
		Farm equity \$000	Livestock \$000	All-farm \$000
1981	\$83,042,800	\$67,355,200	\$5,678,816	\$10,620,500
1982	76,847,100	59,335,600	5,906,599	10,012,400
1983	68,674,300	51,772,900	5,140,270	9,233,000
1984	53,690,200	37,353,600	5,014,616	8,939,000
1985	45,838,800	30,044,800	4,811,147	9,200,800
1986	N.A.	N.A.	4,825,000	8,844,000

Source: USDA

pose mandatory production-reduction quotas on farm output, so that supply would be reduced, and, supposedly, demand would drive up the price for the farmer.

Only presidential aspirant Lyndon LaRouche has called for increasing food output. Speaking at a New Hampshire press conference on Sept. 13, he said, "There is no food surplus in any part of the world. There is no farm surplus. . . . The defense of a nation, particularly today, requires that you have the equivalent of at least a year's food supply in reserve. Do you know what we're running on? About a week to two weeks. Now, what's happening is that the reserve, which is being depleted, systematically depleted, is being counted as surplus. The second thing is, as a result of economic conditions, people are actually eating less, in terms of quality, which is not only the number of calories they eat, it's the quality—the minerals, the protein, the kinds of proteins they get—a balanced diet. And people are losing resistance to disease because of this. We have mass starvation. So, we should actually increase world food production by about 50% to meet world needs, even in the United States."

The restoration to production of Iowa's idled 1987 corn acres alone shows the way food could be "commissioned"—just as ships and matériel are requisitioned during war or national emergency. If the number of acres of corn idled this season in the federal set-aside program in Iowa were restored

to production (4,137,499 acres), there would be an additional 21.177 billion pounds of corn produced, enough cereals-equivalent (if processed properly) for 48.5 million people to have a ration of 1.2 pounds of cereals a day for a year. Or the corn, if fed to beef cattle (at a factor of 3.8 pounds of corn for 1 pound of retail portion), could provide enough beef for 12.58 million people to have a daily ration of 2 ounces of beef a day.

The American National Cattlemen's Association has calculated that rations of 2 ounces of canned beef and 1.2 pounds of corn a day for a person would provide 2,000 calories, plus protein requirements to meet minimal needs. This means 46 pounds of beef a year, and 438 pounds of corn per person. For example, if Iowa merely increased the number of cattle going to slaughter by 2 million, there could be 1 billion more pounds of beef, enough for 21.74 million people for a year.

These amounts of food could supply a quarter of the emergency annual relief needs of Africa. Such a goal could be tied to supplying several entire nations in Africa, and, like a mission to explore space, people around the world could watch the progress, from planting through to delivery. There are precedents, from Lend Lease production in World War II, for the U.S. Department of Agriculture to promote expanding agricultural output at parity-related prices, instead of the current programs for reducing agriculture.

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Peruvian bank nationalization bill nears passage despite enemies' fervor

by Peter Rush

A battle has been engaged in Peru for economic freedom, over the bill which President Alan García has introduced to nationalize Peru's financial system, in order to release credit for economic growth. The bill is now being debated by the Peruvian Senate—it has already passed the House of Deputies—and passage is now considered very likely, especially since the Peruvian Catholic Church has just intervened to quash a nominally "Catholic" insurgency which is trying to mobilize popular opinion against the measure.

The bill has aroused the passionate enmity of Peru's drug-money-laundering conglomerates and their paid pen, the Moonie-linked former grade B novel writer-turned-politician Mario Vargas Llosa. Vargas Llosa, backed by the misnamed Liberty and Democracy Institute (ILD), is the self-styled champion of the "informal economy" of drug pushers and street vendors. He has been joined by the oligarchy's pseudo-Catholic front, the gnostic Tradition, Family, and Property sect.

President García introduced the bill in early August after weeks of illegal speculation against the Peruvian currency, the inti, aided by the major Lima banks. The same banks have been facilitating flight capital for years. Several, especially the Banco de Crédito, have laundered millions of dollars of drug money daily. But the bill is intended to do much more than merely clean up these abuses.

As explained by García in an interview in early September in *The Peru Report*, the English-language economic monthly published in Lima by British financial journalists, "The transformation of the Peruvian banking system is going to go much farther than a mere expropriation of the large, national, oligarchical banks that dominate Peru. This must be accompanied, principally, by setting up private regional banks, free from the influence of the great banking groups of Lima."

García hit the over-concentration of the financial system, saying that "the owners [of the banks] have consolidated huge empires of large companies tied to the banks, exacerbating the centralization around the four great banking groups in Lima. . . . The largest private bank, the Banco Italiano, has been converted into the property of four powerful economic subgroups that dominate 128 companies. The national banks

based in Lima are the spinal column of those empires," he told *The Peru Report*.

Senate debate

Amplifying the same point before the Senate, APRA party Sen. Rafael Eguren pointed out that of 8,100 stockholders of the banks, 120 "have absolute control over the banking economy," and that 5 groups "control 335 companies." Sen. Alfonso Ramos Alva further charged, that while the expansionary policies of the government had increased the profits of the four main banks by 45% in 1986, investments fell by 26%, with the added profits being "converted into dollars and brought to the U.S. and Wall Street to render homage to freedom."

The bill is being debated and voted on article by article, and about half the bill has already passed. Under particularly intense debate is Article 7, which seeks to define the financial sector as a "public service," which legal definition would prevent successful court challenges by the banks to the bill's implementation. The big banks' parties, "Popular Action" and "Christian Action," recognizing that a bill in some form will definitely pass, have adopted the tactic of "amending" key provisions to blunt or negate the effectiveness of the bill.

It has been left to hired pen Vargas Llosa and the ILD, backed by the U.S. State Department and its "private" arm, the National Endowment for Democracy, which funds the ILD, to attempt to create the appearance of mass popular opposition to the bill. For the past six weeks, Vargas Llosa has been railing about the alleged dangers of "totalitarianism" and "dictatorship" represented by the nationalization. He told a much smaller than expected crowd in the northern town of Piura on Sept. 3 that "the right to private property is a natural right of the human person and therefore no one can take it away"—though under pressure from the Church, he was forced to acknowledge that there were social obligations attached to private property.

The landowner-linked sect Tradition, Family, and Property took out ads on Sept. 3 saying that "Jesus and the natural order supports the absolute right to private property." Desperate to create the appearance of a general revolt against the

bill, the TFP forged the names of two bishops and many Catholic priests to their ads.

Freedom must be for everyone

One of the bishops and many of the priests immediately protested the unauthorized use of their names on the ads. On Sept. 10, as the Senate debate opened, the Episcopal Conference of 300 priests issued a condemnation of the Vargas-TFP argument, saying that "human life [is] the most valued gift of God, and the first human right to defend, without which there is no sense speaking of the unrenounceable right to freedom or even to legitimate private property . . . [which] cannot be spoken of without recognizing that it is not an absolute right."

The bishops' document went on to identify that "millions of Peruvians live in inhuman poverty which violates the Gospel. . . . [This poverty] results from multiple factors, among which are a strong concentration of political and economic power in a few privileged groups." Speaking of freedom, it said that "Freedom cannot be spoken of in this country without claiming it for everyone, and not only for a minority; which implies a decided commitment to eradicate the injustices of our society, the first of which is the massive and unbearable poverty, the fruit of unequal distribution of wealth."

President Alan García himself, in response to the controversy over the bill, has spoken to scores of outdoor mass meetings, both in the poorer districts of Lima and in dozens of other cities across the country, to explain the importance of the bill for the country's economy and its fight against poverty. García told an interviewer from the Mexican newspaper *Excelsior* Sept. 6, "In Peru there is more freedom than in any other Latin American country. What has happened is that the bankers and their defenders have made the problem an ideological one," and pointed out that after 38 days of debate, even the bill's opponents had been forced to acknowledge the evil represented by concentration of credit.

In his interview with *The Peru Report*, he said, "I am a democrat, who believes that the population must be convinced rationally. Some people don't understand this because they believe that all Latin American revolutionaries must be dictators. The right wants to see my government repressing the intelligentsia, a totalitarian government. But I think I am capable of winning the population with my ideas. . . . It is a question of demolishing [my enemies] with intelligence, not with force."

In every speech, he has laid out how the financial system of the country has one and only one function, to provide credit to small entrepreneurs as well as large, to promote the development of the country, and that if a handful of bankers control the credit of the country for their own benefit and abdicate this social responsibility, it is the duty of the state to step in.

Asked if he didn't fear ending up like Salvador Allende,

the Chilean socialist leader overthrown in a military coup in 1973, he told the Mexican daily *Excelsior*, "He who allows himself to be led by the passions of the multitudes, by the revanchist zeal of the people, ends up like this." He said his reaction to the campaign against the measure "was to hold 50 public meetings. Not to awaken passions, but rather to diminish them, to devote myself to a battle of ideas, and to demonstrate that this will be won by the more prudent party . . . he who explains it better."

The success of García's public campaign has apparently prompted a tactical shift by the opposition. Seeing that the phony charge of "dictatorship" was discredited and no longer drawing crowds, the ILD has attempted to point to the Mexican bank nationalization of 1982 to "prove" that García's objectives won't be fulfilled. The ILD imported a supposed expert, one Mr. Serfio Sarmiento, to say that since nationalization, the Mexican banking system has provided progressively less credit to industry, and is now all but defunct. The conservative Mexican industrialists organization Coparmex sent several communications to the ILD with the same line. Both fail to point out that Mexican President de la Madrid gave the banks back in everything but name to their former owners, and did everything in his power to undermine the intent of the nationalization.

The coup option

The final fallback option of the opposition is to hope for a military coup. Rumors of a possible coup have periodically appeared in Lima, and been denounced by politicians, including those from the right who can't afford to be publicly identified with a coup.

From the United States, an editorial in the *Christian Science Monitor* of Sept. 7, said that García's pushing the nationalization bill has started a "struggle which could bring Peru to crisis, and perhaps topple its present government. One possible scenario is a coup, and a return to the military rule which was imposed on Peru from 1968 to 1980."

García's tough stance against the drug traffickers, and the police forces' increasing success against the Shining Path terrorists has actually strengthened military confidence in his government. Interior Minister José Barsallo announced Sept. 14 that the organizational structure of Shining Path in six departments had been smashed, and that the pace of terrorist attacks was decreasing. Soon, 2,500 more specially trained police will be deployed, and a major anti-terrorism campaign will begin within the next 60 days. The leftist pro-terrorist press has been claiming that Shining Path is regrouping in the Upper Huallaga valley, the heart of the cocaine producing region, with an army of thousands, but Barsallo said these reports have no substance.

A policeman who survived a recent attack on a police station in Uchiza, in the Huallaga, documented that the drug traffickers were financing the Shining Path terrorist operations in that region.

Worst bank losses ever only the start

Are we looking at \$20 billion losses for the fourth quarter of 1987?

Twenty billion dollars in bad-loan reserves pushed the American banking system into the red for the first time since 1934, and by a margin far worse than any Great Depression losses. But bank analysts at major brokerage houses are beginning to admit what *EIR* asserted in May, when Citibank began the fun with a \$3 billion special reserve against losses on developing-sector loans: the second-quarter disaster looks puny compared to what the banks will write off in the next several quarters.

Major banks are scrambling to put storm-measures into effect. Chemical bank will lay off 2,100 employees, a tenth of its workforce, and close some offices, in a general restructuring which will result in a third-quarter loss of about \$65 million. The closures will supposedly save \$150 million a year, and the bank will sell off consumer operations to raise \$300 million.

Last month, Mellon Bank announced plans to cut between 1,800 and 2,000 jobs from its work force of 19,000. Other banks, notably Manufacturers Hanover and Chase Manhattan, have also cut staff.

It is difficult to tell whether the problems on the surface—e.g., oil and real-estate loans in Texas, or farm loans in the Midwest—are a bigger danger than the problems just below the surface at the major banks. The latter are not figured into the FDIC's profile of profit and loss in the banking sector, which is terrifying enough as it is.

According to the FDIC's quarterly

banking profile, 2,354 of the nation's commercial banks, or 17%, were unprofitable for the quarter ended June 30. That compares with 2,019, or 14%, in the first quarter. That is to say, that an additional 300 banks went into the red during the second quarter alone. The inexorable unraveling of the real estate market in depressed parts of the country—which include about two-thirds of the 50 states—is gradually taking the banking system under.

But the worst will come in late October, when Treasury and Federal Reserve bank regulators have scheduled a decision on the treatment of U.S. banks' \$25 billion-plus Brazil debt. The big write-offs announced for the second quarter barely account for a fifth of banks' exposure. Under the regulators' standing rules, banks should have set aside an additional \$20 billion in loss reserves as of Aug. 20, i.e., for the second quarter, when Brazil's debt-service payments turned six months overdue.

At least two American banks, Bank of America and Manufacturers Hanover Trust, would become technically insolvent, were they to write down their Brazil paper; put differently, they do not have enough capital to set aside the required reserves.

What the regulators, who have postponed their decision awaiting the outcome of Brazilian debt negotiations, will finally do, is hard to imagine. In the meantime, the price of Brazil's (and other debtor nations') debt on the secondary market has crashed.

Between bad oil and real estate

loans, which cost the Federal Deposit Insurance Corporation \$1.4 billion when First City Bank of Houston failed in mid-September, and the Third World debt, the second-quarter disaster appears almost trivial.

But the worst might come fastest in the S&Ls sector, the weakest part of the banking system. *EIR* has emphasized that a Federal funds rate of 8½-9% would wipe out an additional 1,000 S&Ls, on top of the 500 already considered "brain-dead," costing the regulators close to \$150 billion to close, against the \$50 billion backlog now facing the Federal Savings and Loan Insurance Corporation.

Federal Home Loan Bank Board chairman Danny Wall warned Sept. 9 that the FSLIC's planned \$10.82 billion borrowing, plus \$7 billion expected from deposit insurance premiums and liquidation of defunct assets units, would not stabilize the industry. Wall said he hoped it would last three years. In the event of a run, it wouldn't last three weeks.

The problem is the credibility of FSLIC guarantees, which are now being used to solicit deposits for the "brain-dead" institutions. The Federal Reserve fears a general exodus of healthy, premium-paying S&Ls from the FSLIC system, that wants to permit commercial banks to buy up S&Ls—in order to keep the insurance premiums coming.

After six months of soliciting institutional investors to buy high-interest, small denomination, guaranteed certificates of deposit from bankrupt institutions, as an alternative to closing them, the FSLIC faces the worst of all possible alternatives, namely, a run by institutional investors, who are less easy to dupe than the unsuspecting saving public. When a few of them decide that the risk isn't worth it, the withdrawals will swamp the FDIC's resources within a matter of weeks.

Business Briefs

Dope, Inc.

Hongshang completing Marine Midland takeover

"Hongkong and Shanghai Bank has won approval, subject to Marine Midland board approval, to "buy the 48% of Marine Midland Banks, Inc. that it doesn't already own by sharply boosting its bid to about \$758 million. . . ." reported the *Wall Street Journal* Sept. 16.

EIR's best-selling book, *Dope, Inc.*, first published in 1978, documented the Hong Kong bank's role as the world's premier drug-money institution, for more than a century continuing into the present day. The information their supplied, brought to the attention of New York bank superintendent Muriel Siebert a year later, caused her to intervene to block the Hongshang's purchase of a majority share in Marine Midland. However, she was eventually overruled by Federal Reserve chairman Paul Volcker.

According to the *Journal* report, "Owning all of Marine Midland would give Hongkong and Shanghai a safe haven should it need one in 1997 when control of Hong Kong passes from England to China."

Foreign Exchange

EC ministers fear dollar collapse

The finance ministers of the 12 European Community (EC) nations, meeting Sept. 13 in Denmark, took steps to try to insulate their countries from a possible collapse in the value of the U. S. dollar.

The ministers approved a proposal drawn up by the Basel, Switzerland-based Bank for International Settlements, recommending that currency support interventions be coordinated among the European Monetary System's member states. France was a particularly strong advocate of this proposal.

The talks also pointed in the direction of the EC nations taking steps to remove existing exchange controls within the Community, a move advocated by those who want

European trade to be increasingly denominated in a European Currency Unit (ECU), rather than the dollar or local currencies.

Recent currency storms have hit Italy particular hard. Even as the EC ministers met, the Gorla government in Rome announced a set of emergency measures to stabilize the value of the lira by reducing the rate of bank-loan creation from the current 13% to about 8%.

Following a period of continuous collapse of the Milan Stock Exchange, the lira had declined sharply against other currencies of the European Monetary System. In the course of a single week, the Bank of Italy spent \$2 billion to defend the currency's value. Since the beginning of August, the central bank has spent more than \$7 billion to this purpose.

Confronted with alternatives of a devaluation or credit cuts, Gorla decided for the latter.

Health

Seek debt forgiveness to fund AIDS research

The first Pan American Teleconference (played by satellite all over Ibero-America) concluded in Quito, Ecuador with a call on creditor nations to forgive 10% of Third World debt, and allocate that amount to fighting AIDS.

The two-day meeting brought 400 scientists from around the world. The proceedings were broadcast via satellite to 650 cities on the continent.

The concluding document, "Declaration of Quito," urged a "coordinated effort" to eradicate AIDS. The health services of the developing sector nations "cannot deal" with the required fight against the disease. Given their huge debt burden, little can be done at present to prevent an epidemic "that will be concentrated in the most productive sector of society."

More broadly, The Pan American Health Organization warned that the economic crisis of Ibero-America has brought with it a health crisis whose dimensions are not fully known.

In its report, "Health Conditions in the

Americas 1981-1984," the health organization says that the burden of foreign indebtedness and the collapse of capital inflows have caused a collapse in the health of the population even worse than indicated by official figures. Most of those figures are two or three years out of date.

Some of the exemplary data produced: By 1984, Argentina had 12,506 cases of leprosy, Brazil 206,081, Colombia 20,737, Mexico 16,448 and Venezuela 12,032. There are 30,000 deaths annually from tuberculosis, 4.5 per 100,000 people. But things are undoubtedly much worse in 1987, said the report.

Debt

Unicef comes up with new scheme

"An innovative plan for banks to transfer African and Latin American loans to charities which would put debt service payments to work in debtor countries was unveiled yesterday by the UN Children's Fund (Unicef)," reports Sept. 11's *Financial Times*.

According to the report, "Mr. Richard Jolly, Unicef deputy executive director, said in London that the fund was negotiating with several U. S. banks and that one was considering the scheme, Debt Relief for Child Survival."

Banks would write over a portion of their loans to Unicef, and write it off as a tax deductible donation. Unicef would then try to collect. One unnamed bank is considering a write-off of \$5 million, said the British newspaper.

Speculation

Mexican stock market goes boom

The Mexican stock market is experiencing an enormous speculative boom, even as the Mexican economy continues to decline under the pressure of International Monetary fund austerity programs.

In the five days following a Sept. 1 speech by President Miguel de la Madrid, the market went up 18%, equivalent to a one-week rise on the U.S. market of 485 points! In one day alone, the market rose the equivalent of 200 points on the U.S. market.

The five-day rise was 22% greater than the entire rise in the market between 1982 and 1986.

Between 1975 and 1978, the volume of stock market transactions totaled no more than 7.2% of the GNP. But in the first six months of 1987 alone, the volume of transactions exceeded the GNP by 88%.

Analysts say the market is being fueled by both the "return" of flight capital from the United States and the "flight" of capital out of the Mexican banking system, which is being drained of assets.

Labor

Giuliani to take on Teamsters union case

At the end of August, U.S. Attorney for the District of Columbia Joseph E. Di Genova was taken off the case involving the U.S. Justice Department's attempt to place the International Brotherhood of Teamsters in receivership. Di Genova was reportedly "foot-dragging" on the case.

On Sept. 15, the U.S. Attorney for New York's southern district, Rudolph W. Giuliani, was put in charge.

Late last year, the government used civil provisions of the Racketeer Influenced and Corrupt Organizations Act to place the Union City, New Jersey Teamsters local in receivership. Now, the Justice Department says it is preparing a suit aimed at ousting the union's 21-member international executive board, even though only union president Jackie Presser has been indicted or even publicly accused of any crime—and the evidence against him is weak at best. The Justice Department attacks on labor are so blatant that even the AFL-CIO executive board has condemned them.

On the same day that Giuliani's takeover of the case was announced, 3,000 Teamsters rallied in Cincinnati against the Justice Department action. Presser told his members

that this was the first attempt by government to take over a national union and is totally unjustified.

The Justice Department action would give the government the right to appoint local leaders, take over local negotiations, and control pension funds, welfare funds, and organizing drives.

The Teamsters, the largest U.S. union with 1.7 million members and historically one of the most aggressive organizers, is one of four unions targeted by the President's Commission on Organized Crime.

Three presidential hopefuls, Republicans Alexander Haig and Jack Kemp and Democrat Jesse Jackson, addressed the Cincinnati rally and expressed their support for the union.

The Sept. 14 *New York Times* noted that after Teamster President Presser talked the union's board into supporting Ronald Reagan in 1980 and 1984, the administration responded by issuing a "report last year [by] the President's Commission on Organized Crime [that] urged that law-enforcement officials consider ousting union leaders"—going after the Teamsters by name.

AIDS

Cuba adopts public health measures

The Castro government in Cuba has adopted a very strict national policy to stop the spread of Acquired Immune Deficiency Syndrome (AIDS), including universal testing and quarantine. Outside of such Soviet satellites and the Soviet Union itself, only Israel has taken this classic public-health approach to containing the deadly pandemic.

Cuba, according to Havana news reports, has already tested more than 10% of its population, or 1.1 million people. The tests have been given to every Cuban who has been out of the country since 1976. In addition, anyone entering a hospital or doctor's office will be tested, and all foreigners who stay for more than three months, except diplomats, must be tested.

Those found to be infected are immediately quarantined at a sanatorium on the outskirts of Havana.

Briefly

● **WESTINGHOUSE** built the Angra I nuclear plant to fail, Brazilian Science and Technology Minister Renato Archer charged Sept. 10. He said Westinghouse "knew from the beginning that the reactor would not function, because it was deliberately constructed not to succeed . . . because they deliberately wanted to demoralize us on nuclear energy." West Germany's Siemens will get the contract to repair the plant, he announced.

● **CHINA** began production at the world's largest surface coal mine at the beginning of September. The mine was built by Soviet agent Armand Hammer's Island Creed Coal Corporation. Hammer was on hand for the ribbon-cutting ceremony.

● **THE SOVIET** minister for the radio industry, Pyotr Pleshkov, 65, died Sept. 14 after a long illness. Pleshkov had been radio minister since 1974. The post is one of the most important ministries within the Soviet military-industrial complex. The Soviet Deputy Defense Minister for Armaments since 1980, and high-tech weapons specialist, Army General Shabanov, had served as a deputy minister for the radio industry under Pleshkov from 1974-78.

● **THE WORLD BANK** says that even though more Third World development projects were financed in 1986 than ever before, the amount loaned fell to \$920 million from \$1.16 billion, and World Bank data showed that 109 debtor nations paid out \$30 billion more in interest than they received in net disbursements from official and private lenders.

● **MEAT INSPECTORS** who have AIDS should be fired, but only if they show a full-blown case of the disease. If they merely test positive for AIDS antibodies, however, they should not be dismissed, according to a draft proposal submitted to the Department of Health and Human Services by the Agriculture Department.

Pentagon rips off the mask from Russia's 'glasnost'

The problem has not been to identify the purpose of the Krasnoyarsk radar, but to get the Congress to accept the fact, that the Soviets have an "SDI" which is very close to deployment.

The Soviets attempted a propaganda coup on Labor Day weekend, by inviting a group of U.S. congressmen to visit their supposedly super-secret radar installation at Krasnoyarsk. The half-completed Soviet radar installation, located at the Siberian town of Krasnoyarsk, has normally been off-limits to visitors; however, it has been the subject of U.S. satellite observations.

The importance of the visit, from the Soviet point of view, was underscored by the admitted role of Yevgeni Velikhov, vice president of the Soviet Academy of Sciences and top architect of the Soviet "SDI." This leading scientific-military policy adviser took full credit for arranging the congressmen's tour.

The Pentagon has revealed that, as is usually the case with the new *glasnost*, this is simply another sophisticated deception operation by the Soviets. They decided to take advantage of the fact that they had been caught with their proverbial pants down, to gain a certain propaganda advantage. The truth is that the United States has been keeping the half-constructed site under close satellite observation, because its completion will close the gap in the country-wide radarscreen otherwise in place in the Soviet Union, and bring that country a major step forward in its capability to deploy an effective anti-ballistic missile defense system.

Since 1983, the Pentagon has been warning of the fact that the Soviets are developing all of the elements of an anti-missile defense, including a radar system which will allow the tracking of missiles. For example, in the March 1987

edition of *Soviet Military Power*, published by the Pentagon, the Krasnoyarsk installation was specifically referenced. The Pentagon warned then that Krasnoyarsk and other Soviet radar installations, are in clear violation of the 1972 Anti-Ballistic Missile treaty between the United States and the Soviet Union. The treaty specifically prohibits the inland location of large radar installations.

The fact that the radar is located hundreds of miles inland, provides a key to its purpose. Its location proves that it is part of a network stationed to track missiles in order to target them.

The ostensible purpose of the congressional visit was to clear the air—and the Russians even told the visiting American congressmen, that the Soviets might consider stopping construction. This is indeed a viable option for the Soviets, rather than a major concession. According to the Pentagon, the Krasnoyarsk installation is far enough advanced now, to give the Soviets a commanding lead, even with a hiatus in construction.

The American congressmen recognized that completion of construction would be in clear violation of the ABM treaty, but that they were impressed by the opportunity which they were given to view and photograph the site. It was to set the record straight that the Pentagon gave a detailed press briefing on Sept. 10. Among other naive but dangerous impressions brought back by the congressmen, was that shoddy Soviet workmanship gave the United States a clear and commanding lead.

Frank Gaffney, Assistant U.S. Secretary of Defense for International Security Policy, addressed this issue in the briefing, with the following warning:

"I think it is the case that the Soviets, as a rule, have built with brute force and for massive effect—some call it overkill. We should take no comfort from the fact that, to varying degrees, their proficiency, their skill, their competence seem inferior to ours.

"The reports that a general who was responsible for the Krasnoyarsk construction would, were he in this country, be court-martialed because the concrete flaked or because the construction appeared shoddy is, in my view, the kind of condescending contemptuousness which has caused us often-times to misjudge the real capability of Soviet systems.

"Many of you," Gaffney continued, "will recall the MiG-15 that flew into Japan some years ago and the ridicule that was heaped upon that system when it was discovered that it was enormously heavy, and that it had exposed rivets, and that it had a very early variant of a radar system.

"The fact of the matter is, on closer inspection, it was actually a pretty good aircraft for the mission that it was designed to serve. And the fact that it could be produced in quantity and was being produced in quantity, I think, is something we tend to lose sight of, but we shouldn't—because we can, unfortunately, grossly underestimate the actual threat to defense."

Potemkin Village?

Gaffney closed his press conference with a pointed quip about the typical Soviet practice of spreading disinformation:

"In addition to the closed society with which we are forced to deal, with the Soviets as our adversary, we should remember there's another tradition in the Soviet Union. Indeed, this goes back to the time of the Czars, and that is the phenomenon of showing people what you want them to see.

"And this, perhaps, reached a high-water mark in the time of Catherine the Great and the Potemkin Village, but I think we ought to be cautious in judging on the basis of a very limited data base what may well be the Potemkin radar."

In other words: If the work on the radar station at Krasnoyarsk looks shoddy, maybe that's just because the Soviets want us to see it that way, to lull us into complacency about the threat Russian military power poses to us.

Below is a transcript of the Sept. 10 press conference. We are also including an excerpts from a recent article by Lt. Gen. James Abrahamson of the Strategic Defense Initiative Organization based on his testimony to Congress on the Soviet antiballistic-missile defense capability, including emphatically the Krasnoyarsk and eight other similar radar stations now under construction. This, along with a short section from *Soviet Military Power*, verifies that the Soviets did not tell us anything which we did not know already, even if some congressmen do not wish to admit this.

Krasnoyarsk violates heart of ABM treaty

What follows is an edited transcript of the Defense Department briefing by Frank Gaffney, designated Assistant Secretary of Defense for International Security Policy, and James McCrery, Defense Intelligence Agency, on Soviet non-compliance with the ABM Treaty on Thursday, Sept. 10, 1987.

Mr. Sims: . . . We have with us Frank Gaffney, who is the designated Secretary of Defense for International Security Policy, and with him is Jim McCrery of the Defense Intelligence Agency. They are here on a single subject and that is to discuss the Soviets' non-compliance with the ABM Treaty, specifically with regard to the Krasnoyarsk radar. . . .

Sec. Gaffney: . . . As I think you know, there has been some interest expressed in the Krasnoyarsk radar as a result of the Soviets' invitation to several members of Congress to visit the site last week and some activities that have ensued upon the return of those members, and we thought it would be helpful to try to provide you an update on our reading of the Krasnoyarsk situation and to put it into context for you, in particular, in light of some of the comments that have been made by members of Congress and other people traveling with the party, in the light of their visit.

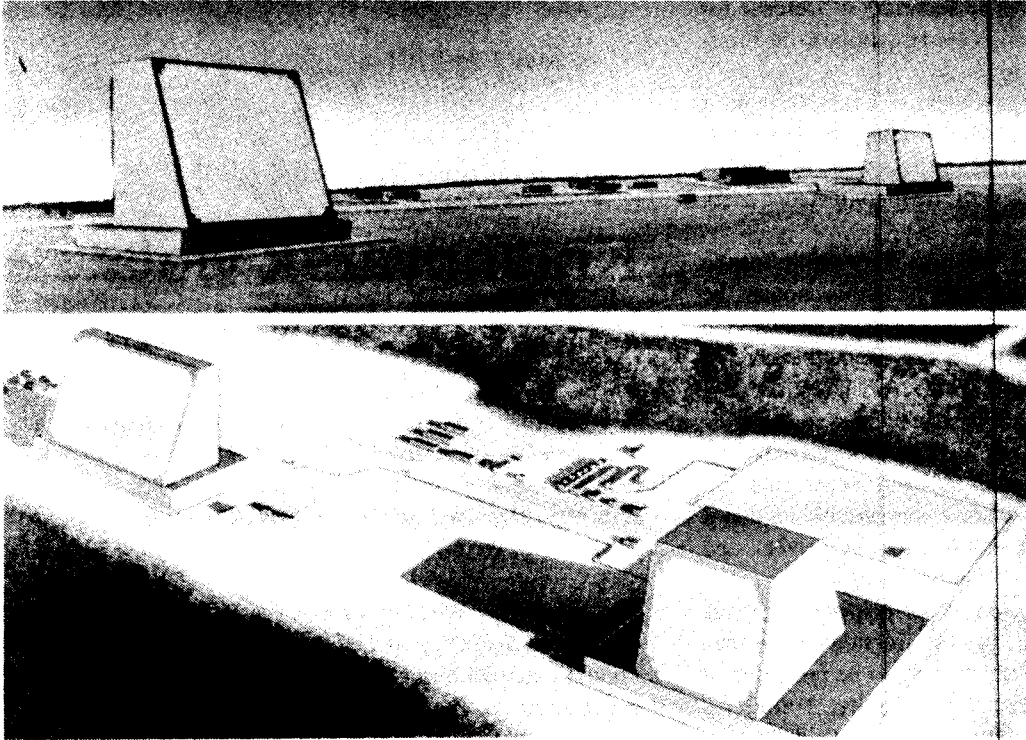
. . . As the result of the trip by our members of Congress, we've had this model made up [see Fig. 1], actually before the members of Congress made this trip, and just to give you a sense of the scale of this beast relative to some of the objects you know well. The United States Capitol is here; the Washington Monument here. This is the receiver—rather the transmitter building and the receiver building for the Krasnoyarsk radar, another associated infrastructure. I would point out to you that this model was made without benefit of any insights gained from on-site inspection, such as it was.

It was, in fact, built, based upon the information available to us through national technical means, and I think it can serve as the basis for our discussion here with you this afternoon. . . .

Let me begin by saying that I think there are certain things that we agree with the members of Congress about, and there are certain things that we disagree with them about.

First, we clearly agree that the Soviets are lying now and

FIGURE 1



This is the Defense Department's sketch of the giant Soviet Anti-Ballistic Missile Defense and Early Warning Radar currently under construction at Krasnoyarsk, which violates the 1972 ABM Treaty.

Department of Defense

have been lying in the past when they have said the purpose of this radar is for space-track functions. Interestingly, that was not a conclusion that you needed on-site inspection to arrive at, but the members of Congress have, nonetheless, affirmed the view that we have long taken in the administration, that that simply was not the purpose of this radar installation. Indeed, it is the wrong radar, operating with the wrong design, with the wrong orientation, and in the wrong location for effective space-track functions.

This is not to say that the Soviets don't know how to do space-track, nor is it to say that if an object in space flies through the field of view of this radar, that it will not, in fact, be able to track that object.

It's simply to say that it is unlikely in the extreme that the Soviets would spend upwards of half a billion dollars to build a radar that is so remarkably incompetent for the ostensible purpose, namely space-tracking. A further data point is that this radar, as Jim will be able to elaborate, is sufficiently identical to a number of other radars of the so-called Pechora-class that the Soviets themselves have identified to us as early warning radars, that it would be very difficult indeed to construe this radar as being other than also for early warning purposes.

And indeed that is another point that the members have made upon their return, and we agree with them, this radar is a ballistic missile, detection and tracking radar. As such, it is a clear-cut violation of the ABM Treaty. Again, we didn't

need on-site inspection, such as it was, to determine that. In fact, that has been the position of this administration for several years. Turning to where we disagree—we disagree categorically with the contention that this is a technical violation of the ABM Treaty or a militarily insignificant violation of the ABM Treaty.

Quite to the contrary, as the President himself has put it, militarily, the Krasnoyarsk radar violation goes to the heart of the ABM Treaty [see Fig. 2]. As I said, we've asked Jim McCrery, the Defense Intelligence Officer responsible for Strategic Programs in our Defense Intelligence Agency to join us today and to present you with some additional information which I think will leave you in no doubt as to why we are correct in our judgment that this is both, in and of itself, a clear-cut violation of the treaty, and in the context of the class of radars of which it is a part, in the context of the other radars that form the nationwide network of ballistic missile tracking and detection radars, of which it is also a part, and in the context of a variety of other programs, about which I think you've all been briefed, about which we have written in *Soviet Military Power*, it is against all of that backdrop that this presents the kind of significant military development that fundamentally undercuts—indeed goes to the heart of—the ABM Treaty. . . .

Mr. McCrery: I'm a civilian. By training, I'm an engineer; by current vocation, I'm a Soviet watcher. I have been involved in a number of negotiations with the Soviets in

FIGURE 2



This Defense Department picture shows the model of the giant Soviet ABM and early warning radar which is under construction at Krasnoyarsk and is a clear and significant military violation of the 1972 ABM Treaty. The Washington monument is shown for comparison in the background of the DoD model.

Geneva, have spent many years viewing and analyzing this radar, among others. The Soviet Union has a very serious ABM program. They have committed themselves, years ago, to that serious ABM development and, as a matter of fact, to deployment as well. And we see that in many, many, aspects of that ABM program. The one that we're discussing today . . . is the area of large radars—large phased array radars as they are sometimes called—LPARs—in particular, the Krasnoyarsk radar.

It is a very large radar. This, in fact, is a very small-scale model of it. It is a very large radar. It's the world's largest. It is a very powerful radar. It's the world's most powerful radar. It's designed in a relatively straightforward way yet it utilizes modern technology. And it utilizes it in, as far as we can determine, a very meaningful way—a very useful application of modern technology. As you know, there are nine of these kinds of radars around the country and we'll look at that in just a moment.

. . . I wanted to remind you that we've been talking about this radar and its location and its capabilities for about six or seven years. And, in fact, I chose a very early sketch that we made and presented in *Soviet Military Power* several years ago of this radar to illustrate that. And while the fine details that you see in the model here are not present in the sketch that we had in *Soviet Military Power*, I think you can see that the approach was to give you a good view of what the Soviets were doing there.

Now, I said that the radar was very, very large. If the radar is large and there are many, many antenna elements in the face of the array, then it can form a very narrow beam. If it's a phased-array radar, as these are, it can generate many, many of those narrow beams. And what that all means is that it can track large numbers of objects very accurately. The data from that radar can be used for any number of purposes to include early warning, attack assessment, battle management, and other kinds of ABM-related functions. . . .

This is the photograph that we all saw in the *New York Times* [see Fig. 3] and I think, as you can see there, you have a very close depiction, if you will, of what we showed you back over the years, and in fact, if you look at that and the model, you'll see that they are virtually identical. The model was made based on national technical means information that we had before. What we saw by virtue of the visitors' photograph here, in fact, confirms what we had known earlier about this radar. It confirmed its existence certainly, its location, its orientation, the direction it was pointed and the angle of the face—all of those are important in assessing its compliance with the treaty and also assessing its capability for ABM-related purposes.

We can look and see that it has a large number of elements on its antenna face. It's a phased-array with the ramifications that I just mentioned. We can see that it's a very large radar. In fact, this radar—the receiver for this radar is about a football field in length and a football field in height. If you

FIGURE 3



This is the front page of the New York Times from Sept. 9, 1987 which was referenced as one of the pictures taken of Krasnoyarsk during the tour of U.S. Congressmen. This picture shows that the Defense Department was truthful in their previous reporting on Krasnoyarsk.

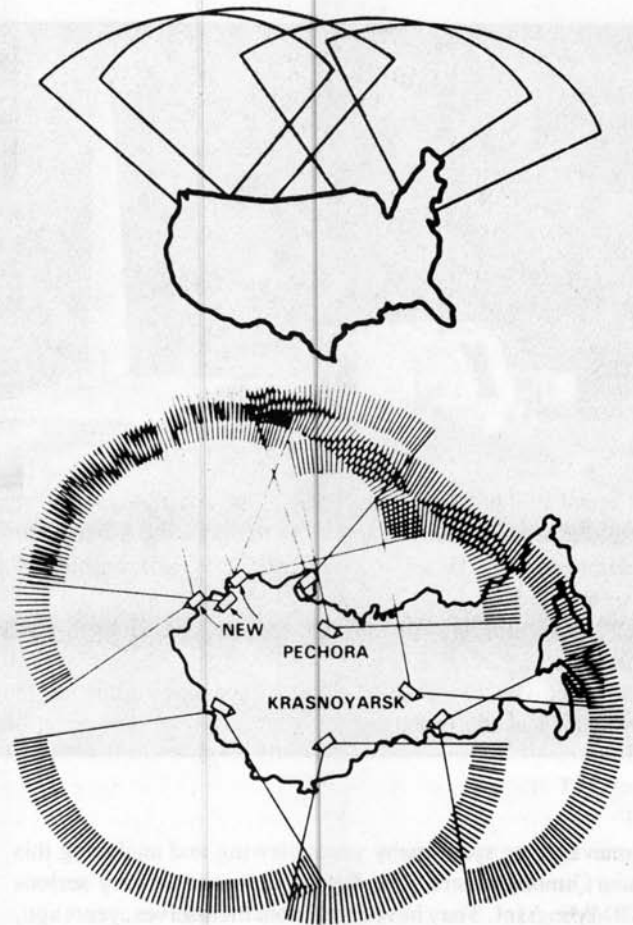
were to lay this down, two or four teams could play football simultaneously on the face of that radar. So we see that all of the characteristics that we had assessed before are, in fact, borne out from what we observed from this photograph. . . .

Now we mentioned its location and its orientation. You can see here that in conjunction with the rest of this large network, this new network of phased-array radars, Krasnoyarsk completes the coverage in the northeast [see Fig. 4]. In fact, while it's been suggested by some that this radar is not for ballistic missile detection and track, as are the rest of them, and in fact, as the Soviets have indicated, the rest of them are. You can see that, should they have left out this coverage, they would, in fact, have left themselves very vulnerable to an attack from the northeast. So, in essence, they—by saying that this is not a ballistic missile detection tracking radar, they're actually advertising what would be a very foolish kind of approach [see Fig. 5]. So we doubt very much just from that standpoint that their claim about space track could be true. . . .

We have commented over the years that this radar at Krasnoyarsk is identical to, or virtually identical to the radars at the other facilities. And again, these are sketches from recent copies of *Soviet Military Power*, where the Krasnoyarsk radar is at the top in a little more detail than I showed you before. And the Pechora radar, which is the one located here, is at the bottom. And you can see that they are virtually identical. Now I think you can see from the model here and from the photographs that the congressman took, that we have been truthful and honest with you over the years in our depiction of these systems.

The significance of the network of radar is that, well, you can view it in a number of ways. First of all, it duplicates to

FIGURE 4

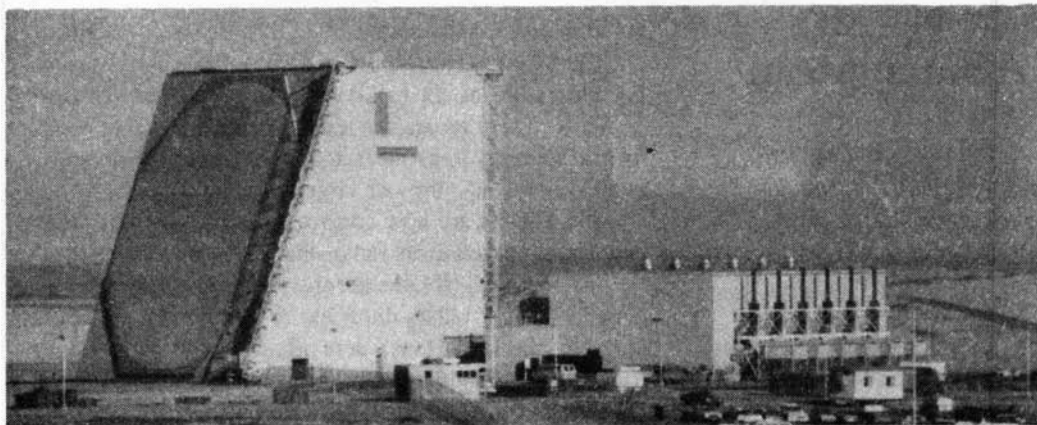


This DoD diagram shows the coverage of the United States by phased-array early warning radars (PAR) versus that of the Soviet Union. Note that Krasnoyarsk fills in the gap in the northeast of the U.S.S.R. and is located 4,000 kilometers from the border which it faces, in violation of the 1972 ABM Treaty. The diagram also shows the overlap between Soviet large phased-array radars (LPARs) which permits more accurate tracking, targeting, and handover to short range antiballistic-missile defense (ABM) systems of incoming missiles.

a large extent an earlier early warning, in fact continued, existing early warning system that is deployed. They're the ones that we typically call Hen House. It duplicates that with a capability much more sophisticated than the older early warning radar network, and therefore gives us pause when we consider what the Soviets might be involved in in deploying this network. It is a contiguous network, as you can see, including the Krasnoyarsk radar, which means that they have good coverage against attacks coming in through any portion of the western and central U.S.S.R. The coverage that they provide by virtue of the size phased-array nature of the radar, is much, much better than you need for early warning, thus giving rise to some of our concerns [see Fig. 6]. . . .

There is the size of the radar compared with the U.S.

FIGURE 5



U.S. Air Force Photo

This U.S. Air Force photograph gives an overall view of the antenna and its power plant at the PAVE PAWS early warning radar located in Beale, California.

Capitol Building [see Fig. 7]. . . . Early-warning radars need not be so large and so capable as the ones the Soviets have deployed here. This will certainly provide early warning, but we're concerned that it might do very much more.

Question: Are you saying their LPARs are more capable than ours?

Mr. McCrery: This LPAR is capable of doing—when you look at the broad range of attributes of the radar, the long-range detection capability, the target-handling capability and what have you and the aggregate of all of those—yes. In the aggregate, this particular radar is much more capable than U.S. early-warning radars. . . .

Question: . . . What things is it better at in particular?

Mr. McCrery: Well, it'd probably take us a while to go into it. The long-range. Let me give you an example, though. The long-range detection capability of this radar is better than, I think, than anything that we have deployed.

Question: That's an early-warning function.

Mr. McCrery: Well, it's both. If you detect it far away and track it for a very long time, then what you have is a capability to predict ahead and hand over, use that data for handover to an ABM system. . . .

If you look on the viewgraph [see Fig. 8], what I'd like to point out is that, had they deployed on the periphery of the country, it would have provided early warning very nicely. In fact, you can see a depiction of a ballistic missile passing through the blue fan. The problem is that, after it goes out of the beam, the computer has to take over and extrapolate the trajectory. In doing so, errors are introduced. The longer time, the longer distance, the more the errors. And, in fact, when we look back in the western and central portion of the country, the portion that they may wish to defend . . . the handover would be inadequate, because the errors would have grown too much.

However, if they move it back the 4,000 kilometers that they have moved it back from the periphery, back to the Krasnoyarsk location, and go through the same calculation, you can see the depiction in red that indicates that the hand-

over requirements fit like the proverbial hand in the glove. And so what we're looking at here very well may be the explanation of why they chose to violate the treaty. They obviously didn't do it for political reasons. They've taken some political heat over that. But—and so they must have done it for some kind of military reasons, and we think that this very well may explain the military reason and justification for their having done what they did, i.e., violate the treaty.

Question: In terms of national ABM defense?

Mr. McCrery: Well, the decision about that is almost left to the reader, isn't it? We don't see the national defense being deployed; however, we do see some other attributes of their ABM program, if you will, a rapidly deployable ABM system and surface-to-air missiles, ostensibly air defense systems, that have some ABM capability. We see both of

FIGURE 6



This DoD diagram compares the scale of the U.S. PAVE PAWS early warning radar located in Alaska with the scale of the existing Soviet ABM radar at Pechora and the new Krasnoyarsk ABM radar. Note that the Pechora measures 56 meters across its face, while the Krasnoyarsk measures 83 meters and the U.S. PAVE PAWS 34 meters.

The Soviets' ABM system

Lieutenant General James A. Abrahamson reported the following to Congress last spring, with regard to the Soviet efforts on construction of large phased-array ABM radars. (The text is taken from Defense 87, July/August 1987, page 39.)

... The Soviet emphasis on research into defenses against ballistic missiles was articulated by then Minister of Defense Grechko shortly after the signing of the ABM Treaty in 1972. He told the Soviet Presidium that the treaty "places no limitations whatsoever on the conducting of research and experimental work directed toward solving the problem of defending the country from nuclear missile strikes."

The Soviets maintain the world's only operational ABM system; it defends Moscow. In 1980, they began to upgrade and expand that system. When completed, the modernized Moscow ABM system will be a two-layer defense composed of silo-based, modified, long-range Galosh interceptors; silo-based, high-acceleration Gazelle interceptors designed to engage targets within the atmosphere; and a new, large radar at Pushkino designed to control ABM engagements. The modernized system will have the 100 ABM launchers permitted by the ABM Treaty and could become fully operational by the late 1980s.

The Soviet system for detecting and tracking ballistic-missile attacks uses launch-detection satellites, over-the-

horizon radars, and a series of large phased-array radars.

The 11 large Hen House ballistic missile early-warning radars are at six locations on the periphery of the U.S.S.R. These radars can tell the size of an attack, confirm a warning from the satellite and over-the-horizon radar systems, and provide target-tracking data.

The Soviets are now constructing a network of nine new large, phased-array radars that can track more ballistic missiles with greater accuracy than the Hen House network. These radars duplicate or supplement the coverage by the Hen House network, but with greatly enhanced capability. However, one of these radars, under construction near Krasnoyarsk, closes the gap in Soviet radar coverage against ballistic missile attack. Because it is located well within the Soviet border and "looks out" across some 4,000 kilometers of Soviet territory, this radar is in direct violation of the ABM Treaty, which permits large, phased-array radars for ballistic missile early warning like that at Krasnoyarsk, only if they are located on the periphery and oriented outward.

This growing Soviet network of large, phased-array radars for ballistic missile detection and tracking is of particular concern when linked with other Soviet ABM efforts. Such radars might allow the Soviet Union to move rapidly to construct a nationwide ABM defense. The Soviets are developing ABM components that apparently are designed to allow them to construct ABM sites in a matter of months instead of years. This would allow the Soviets to undertake rapid ABM deployments to strengthen the defenses of Moscow and defend key targets in the western U.S.S.R. and east of the Urals.

those in development, and in fact, when we assess the capabilities of this radar and the requirements of those rapidly deployable ABM systems and air defense systems, we see

quite a natural compatibility between the two. So one is left with the question, why are they deploying this network of radars? And the possible answer is that they are preparing for a widespread, nationwide territorial-type defense. . . .

... These are for each of the large phased-array radars. And when you look at all of them together . . . you can see you have multiple redundant coverage. . . . You can see that the multiple redundant coverage covers the most important portions of the Soviet Union, the western and central portions. They are both the most militarily significant and the most economically significant. . . .

When we look at their capabilities against submarine-launched ballistic missiles, we find the same kind of phenomenon exists. . . .

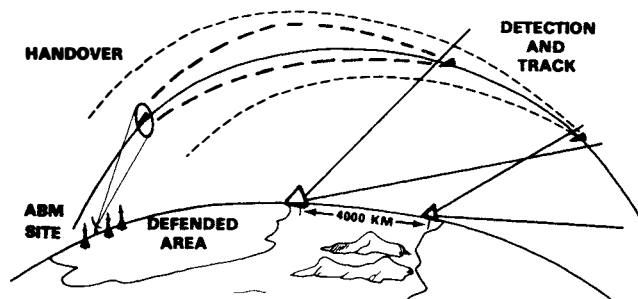
... The significance is that if it were just an early warning radar and intended only for early warning, you would not expect to see handover capability over such a wide range. In fact, if it were purely early warning, you might not see handover capability anywhere. . . .

FIGURE 7



This DoD diagram compares the scale of the operating Soviet Radar at Pechora and the new ABM radar under construction at Krasnoyarsk with the scale of the U.S. Capitol.

FIGURE 8



This DoD diagram shows the missile defense implications of the Krasnoyarsk radar. Located 4,000 kilometers from the border, the Krasnoyarsk facility provides the highest degree of coverage of incoming missiles in order to hand them over to ABM defenses, which are shown to the left of Krasnoyarsk in the western and central parts of the Soviet Union.

Question: How long do you estimate this facility would take for completion?

Mr. McCrery: We estimate about two more years . . . and with regard to that, let me make a comment about . . . speculation about the possibility of cutting a deal with the Soviets to stop construction of this right now, and to continue to verify that construction has . . . ceased. It takes a long time to build these radars. In fact, that's one of the points that we have made. We have used the term "long lead-time item" for a future widespread ABM system. They have come far enough with the Krasnoyarsk radar that in a militarily meaningfully short time, they could complete it, even if they stopped now, even if they put it in limbo now. And as such, one might question whether or not ceasing construction now would be meaningful in any way to the United States. . . .

Question: Are those trackers or interceptors?

Mr. McCrery: These are the ABM sites themselves which would consist of an ABM radar—a tracking radar, which would be provided data by the type of radar that we're talking about here and then interceptor missiles. So the network, as we see it now, of nine large phased-array radars is projected to be completed sometime in the early '90s, and so conceivably deployment of the engagement systems, the ABM sites, if you will, could begin at that time or even before that time. . . . It's very difficult to hide a large number of things. We hope that while our ability to watch the Soviets is not perfect, we hope that it's good enough to detect that kind of thing. But you have to ask the question: Can you detect in a short enough time that you could turn around and do something about it? Detection and identification is not enough. And there—when you are looking at the rapidly deployable ABM system or the use of surface-to-air missiles—air defense systems in an ABM role, then you get very nervous. And in fact, that's the situation that we're in now. We're in a very nervous environment as we look at the broad range of

Pentagon on Krasnoyarsk

The Defense Department publication *Soviet Military Power 1987* has the following to say about the Krasnoyarsk ABM radar.

The Krasnoyarsk radar, essentially identical to the other large phased-array radars that the Soviets have acknowledged to be for ballistic missile detection and tracking, violates the 1972 ABM Treaty. The radar is not located on the periphery of the U.S.S.R. and pointed outward, as required for early warning radars. It is some 750 kilometers from the nearest border—Mongolia—and it is oriented not toward that border, but across approximately 4,000 kilometers of Soviet territory to the northeast.

The Soviet Union claims that the Krasnoyarsk radar is designed for space tracking rather than for ballistic missile early warning, and therefore does not violate the ABM Treaty. Its design and orientation make clear that this radar is intended for ballistic missile detection and target tracking in the LPAR [large phased-array radar] network.

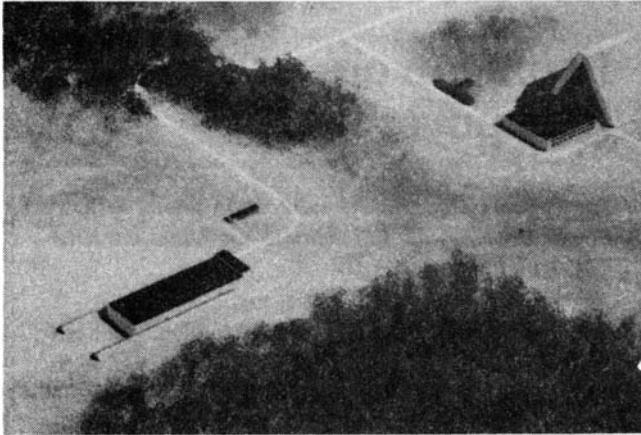
The growing network of large phased-array radars, of which the Krasnoyarsk radar is a part, is of particular concern when linked with other Soviet ABM efforts. These radars take years to construct and their existence could allow the Soviet Union to move quickly to deploy a nationwide ABM defense. The degree of redundancy being built into their LPAR network is not necessary for early warning. It is highly desirable, however, for ballistic missile defense.

During the 1970s, the Soviets developed components that could be integrated into an ABM system that would allow them to construct individual ABM sites in months rather than the years required for more traditional ABM systems. The development and testing of the components represent a potential violation of the ABM Treaty's prohibition against the development of a mobile, land-based ABM system or components. By using such components along with the LPARs, the Soviets could strengthen the defenses of Moscow and defend targets in the western U.S.S.R. and east of the Urals.

ABM related and potentially ABM related activities that are going on.

Question: About its data management functions: Is that the conclusion of the intelligence-community-wide estimate

FIGURE 9



The older Soviet Doghouse phased-array radar (artist's conception).

or is that just CIA or is that just you?

Mr. McCrery: I don't think you'd find any argument in the intelligence community about the capability of the radar to provide data accurate enough for handover, direct ABM support, battle management, whatever you want to call it. . . .

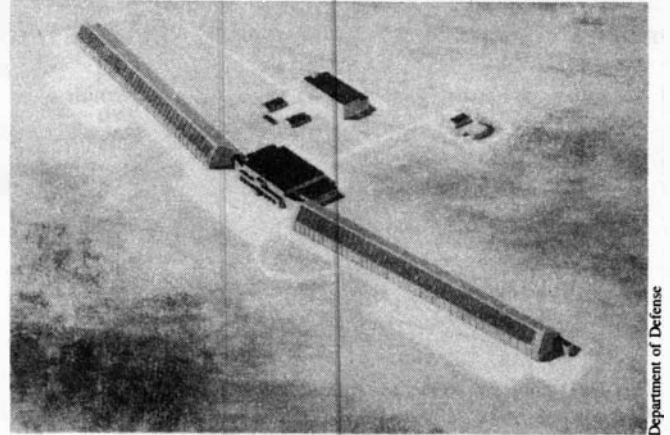
The estimate of what it's for is probably a little more open than that. And again, as Mr. Gaffney said, what we're presenting to you is the evidence as we see it. We're not trying to sell you something, but to give you the facts as best we can. And what we see is rapidly deployable ABM systems under development; air defense systems with some ABM capability; early warning network that's already in place that's been for 17 or 18 years—quite adequate for early warning; and then we see this thing—this network of Krasnoyarsk-type radars [see Figs. 9, 10, and 11] coming along with a capability that is consistent with the requirements of the engagement system—the ABM systems that we see under development that need not be there for early warning purposes, although it will certainly do early warning, and will certainly be used for that in addition to the other early warning. . . .

Question: What do you think was the Soviet motivation in inviting this delegation there? . . .

Mr. McCrery: . . . From a Soviet standpoint, this was nothing but a win, because here they can appear forthcoming without telling us anything. . . . They can bring people into a radar that is just in the mid-phase of construction, late mid-phase construction. The detailed components, that from the Soviet standpoint the Americans would like to see, aren't in there, yet. Not much more is visible from the inside than the Americans probably know already from the outside. And so the downside risk is very small, and the upside political potential is moderate at least, maybe even great, because of the press. . . .

Mr. Gaffney: . . . There have been *démarches* at every level in every forum . . . at every level we have impressed upon the Soviets our concern about this. . . .

FIGURE 10



The older Soviet Henhouse phased-array early warning radar (artist's conception).

Department of Defense

Unfortunately, the Soviets have not, in any of these forums, in any of these discussions, in response either to congressional letters, congressional resolutions, presidential initiatives, *démarches*, what have you, expressed any willingness to do the one thing that will alleviate the problem . . . dismantle them. . . .

Question: . . . Why don't you ask them to tear down all the LPARs?

Sec. Gaffney: Well, it's a good question. . . . We can't even get . . . popular support to have them tear down the one thing that is clearly a violation . . . if you will join us, members of the Fourth Estate, in an effort to really rectify the larger problem, who knows what's possible? But one step at a time. . . .

Question: How about the frequency? . . . less than 200 . . . 180 . . .

Mr. McCrery: 180. Yes, that's even better.

Question: For battle management?

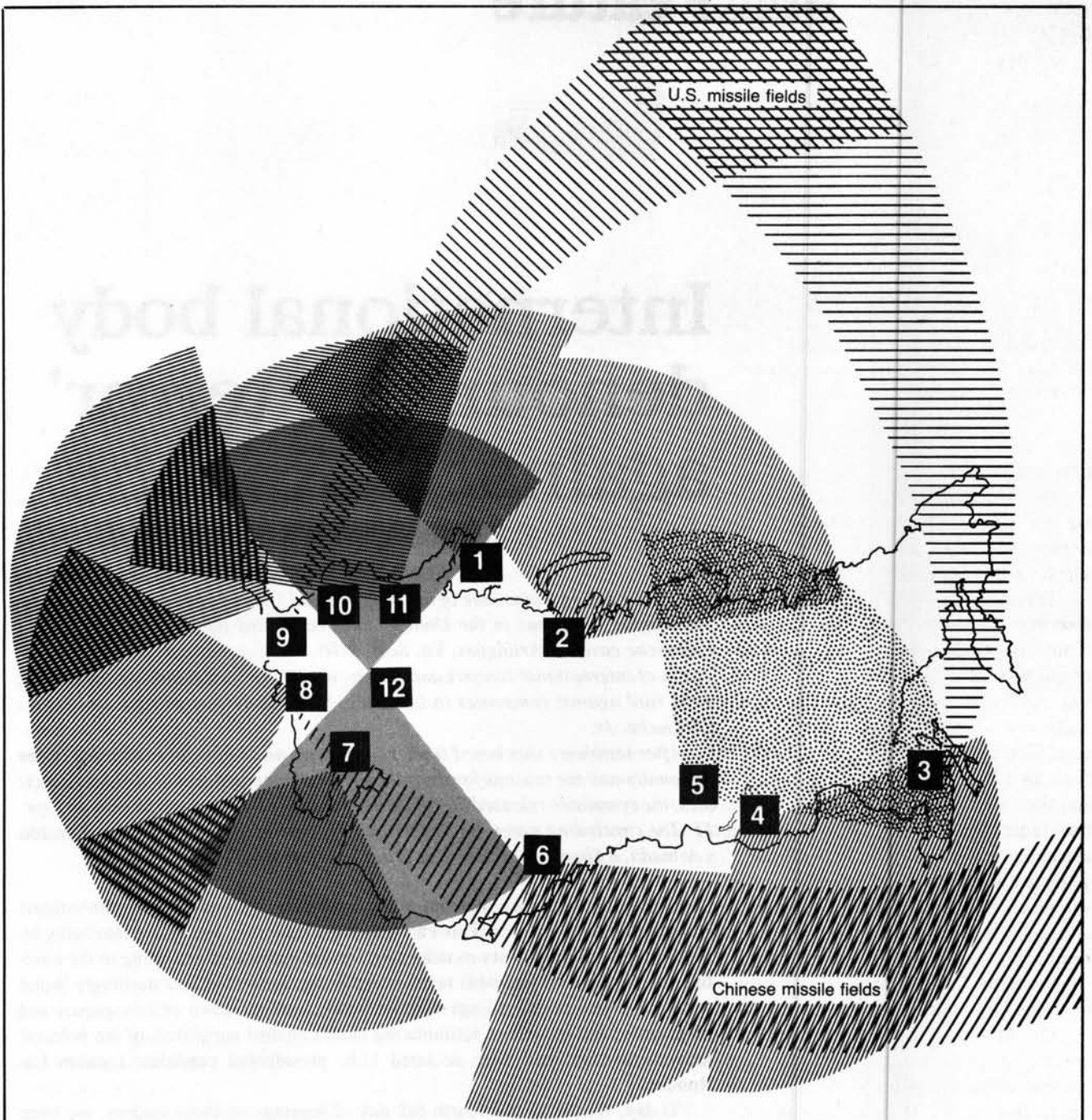
Mr. McCrery: For—



Question: Early warning?



Mr. McCrery: No. For both. . . . But they chose a size and a frequency—if your numbers are correct—the size and frequency that's very compatible for providing data suitable for early warning, providing suitable data for attack assessment, providing data suitable for battle management or direct handover—put those together. . . .

Mr. Gaffney: Let me leave you with one thought if I can. . . . In addition to the closed society with which we are forced to deal with the Soviets as our adversary, we should remember there's another tradition in the Soviet Union, indeed going back to the time of the Tsars, and that is the phenomena of showing people what you want them to see. And this, perhaps, reached a high water mark in the time Catherine the Great and the Potemkin Village, but I think we ought to be cautious in judging on the basis of very limited data base what may well be the Potemkin radar. . . .

FIGURE 11



*Over-the-horizon backscatter radars 
 DOG HOUSE/CAT HOUSE radars 

New large phased-array radars 
 Krasnoyarsk radar 

- | | | | |
|---------------------------|----------------|----------------|-------------------|
| 1. Murmansk | 4. Mischelevka | 7. Lyaki | * 10. Baranovichi |
| 2. Pechora | 5. Krasnoyarsk | * 8. Nikolayen | 11. Skrunda |
| * 3. Komsomol'sk-na-Amure | 6. Sary Shagan | 9. Mukachevo | 12. Moscow |

The discovery by spy satellite of the new large phased array radars, confirmed by recent intelligence as being located at Baranovichi (10), Mukachevo (9), and Skrunda (11), strongly suggests the construction of a "triple-tiered" radar system to cover western approaches to Russia such as would be required only for a nationwide missile-defense system.

International body denounces 'terror' against LaRouche

The Fact-Finding Committee of the International Commission to Investigate Human Rights Violations in the United States conducted public hearings on "the LaRouche case" in Arlington, Va. Sept. 9-10. The Committee is a distinguished group of international lawyers and jurists, who assembled following the Oct. 6, 1986 raid against companies in Leesburg, Virginia associated with Lyndon H. LaRouche, Jr.

After testimony was heard from 32 witnesses on LaRouche's influence internationally and the reasons for the political witchhunt against him and his associates, the committee released the following statement at a press conference on Sept. 11. The concluding statement was written by committee chairman Víctor Girauta y Armada, a Spanish attorney who is active in anti-drug efforts.

I am speaking today as a member of the International Commission to Investigate Human Rights Violations. This Fact-Finding Committee was called into being by the Commission nearly six months ago, for the purpose of providing to the commission findings of fact with respect to the unprecedented and startlingly brutal series of police raids, jailings without bond, shutting down of newspapers and magazines, and the use of intimidating tactics against supporters of the political movement associated with declared U.S. presidential candidate Lyndon LaRouche.

Today, following our fourth full day of hearings on these matters, we issue our preliminary findings to the press. On Sept. 25, we will present our final findings of fact to a gathering of the Commission in Paris, France, where it is headquartered.

We have treated of nothing in these hearings which is *sub judice*. We have nothing but the greatest respect for the American system of justice, and we are therefore hopeful that American courts will reach a just conclusion in the matters *sub judice*, in relation to LaRouche.

I personally must state that, though I am a citizen and patriot of Spain, I love this country, and it is out of this love that I work with this Commission. For, should the United States be irreparably weakened by internal injustices against her own best citizens, the Soviet Union would be that much freer to impose its



Philip Ulanowsky

Members of the Fact-Finding Committee hear testimony on the political assault against Lyndon LaRouche and associates. From left: S. C. Birla, advocate at the Supreme Court of India; Committee chairman Víctor Girauta y Armada, lawyer from Spain; and Lennart Hane, lawyer from Sweden.

barbarism on the world, including on my country. We have no other option but to further the work of this important Commission.

We have been presented with thousands of pages of evidence, with hundreds of statements, with documentation and news footage, and with dozens of moving, personal testimonials, from every continent of the Earth, witnessing the achievements and character of Lyndon LaRouche and those associated with him.

As independent observers, we have been shocked and surprised by the extent and scope of LaRouche's global influence and by the positive achievements he has made in the past 20 years of his political life. His work ranges from an international war on drugs, to global monetary reform; from strategic defense to the most technical aspects of modern biophysics; from seeking a solution to global terrorism to solving centuries-old questions in classical music.

All this work has been presented to us, not only by his supporters in every part of the globe, but by co-thinkers in leading positions of the governments of many nations. We have read and heard in-person testimony in support of LaRouche's efforts from Peruvian congressmen and labor leaders; from the top command of Bolivian, Peruvian, Colombian, and Mexican anti-drug efforts; representatives of the governing party of Panama; leading figures in the armed forces of West Germany, including Admiral Zenker, the former commander of the naval forces of the nation; and Germany's leading expert in Soviet psychological terror, Brig. Gen. Paul-Albert Scherer. We have heard from several leaders of the Free French Resistance against fascism during World War II, including Marie-Madeleine Fourcade, the "leading

lady" of the Resistance. We have received testimony, too, from leading scientists and engineers of several nations, and from artists and musicians who, like violinist Norbert Brainin of the Amadeus Quartet, speak with love and great dignity about their association with Lyndon LaRouche.

The power and influence of LaRouche

No truthful man or woman who has reviewed this testimony could help but be struck by the power and influence of LaRouche and his movement. We are forced, through the sheer weight of evidence presented to us, to conclude that, contrary to the vast majority of press accounts, both in the United States and Soviet Union, Lyndon LaRouche and his associates have served the best interests of the United States and the free West, and have, indeed, improved the image of this nation abroad, in the face of the growing hostility and resentment against America worldwide, cleverly orchestrated by Soviet assets.

We have also received an enormous amount of evidence, alarming in its implications, of the violation of fundamental constitutional rights of LaRouche and those associated with him and his presidential campaign. We have received testimony of unprecedented use of governmental force to close down the publishing capabilities associated with LaRouche, a declared presidential candidate. A sequence of state and federal indictments, accompanied by lengthy jailings without bond, have been directed against this political movement for the sole seeming purpose of what General Scherer, in his testimony, termed "psychological terror." This has been coupled with intense government harassment, testified to by dozens of statements from those of its victims still willing to

come forward, against those in particular who have dared to contribute financially to this movement.

We single out here for attention the case of Lewis du Pont Smith, who, solely because of his political beliefs, has been declared mentally incompetent by two courts of law in this land. Mr. Smith and his wife Andrea have presented to us a most convincing case, not just of his mental competence, but of the use of unprecedented, Soviet-style psychological warfare against a political dissident in this nation.

Looking for the cause of this wave of terror, we are directed by the testimony of two of the world's leading experts in Soviet techniques of warfare: Paul-Albert Scherer of the Federal Republic of Germany, and Ralph de Toledano, the respected American journalist and author.

Retired Brigadier General Scherer is the former commanding officer of one of the world's most successful counterintelligence services, the military intelligence division of the Bundeswehr. In his testimony, he states, "I have declared my readiness to testify before the independent committee to investigate the LaRouche case, because I am convinced that Mr. LaRouche is neither a faker, nor an agent of influence, and certainly not a neo-Nazi or fascist. . . ." He points, as an intelligence expert, to the offensive against LaRouche, as "a typical, offensive, and manipulative intelligence-directed operation, aimed at eliminating an opinion-shaper, who is a considerable disruption to the Kremlin's policies, and who can neither be silenced nor influenced by means of the usual financial arrangements."

Mr. Ralph de Toledano, perhaps better known to the American press, presented similar evidence to us, from his personal interview with Mr. and Mrs. LaRouche, and a fact-finding tour he undertook for the Commission. In his statement, presented to us last Wednesday, Mr. de Toledano stated, "Whatever the substantive issues of [the LaRouche] case—and they are small—it can be stated categorically that the Justice Department has made a mockery of the First, Fourth, and Fifth Amendments specifically and of the Constitution as a whole in its prosecutorial attempt to silence and suppress the LaRouche movement. Both the Justice Department and its investigative agencies have acted more like the Gestapo or KGB in their utter disregard of law, hounding the defendants, illegally seizing property, and negating the safeguards of the accused as written into the Constitution and our common law."

We find ourselves in full agreement with the assessment of these two experts.

As a body of attorneys under sanction of the Commission, we are not constituted with force of law, and thus are not in a position to present an indictment for wrongdoing in this affair. We are, however, in a position to bring the force of moral suasion and public opinion to bear, through the efforts of the Commission, to right the wrongs which have been committed against Mr. LaRouche and his associates. This we intend to do.

Ralph de Toledano

Who really is Lyndon LaRouche?

What follows is a transcript of the testimony delivered to the Fact-Finding Committee in Arlington, Virginia on Sept. 9. Subheads have been added by the editors.

My name is Ralph de Toledano. I live and work in Washington, D.C. (I guess for my sins) as a nationally syndicated columnist for Copley News Service, a contributing editor of *National Review*, and a free-lance writer and political analyst. I am the author of 19 books on such topics as Soviet espionage and Soviet penetration of the United States government, biographies of important political figures—Richard Nixon, Robert F. Kennedy, and J. Edgar Hoover among them—and perhaps also for my sins, two novels and a book of verse. I was the first newspaperman to interview Igor Gouzenko, the Soviet cipher clerk whose defection led to the arrest and conviction of numerous atomic spies. More recently, I broke the story of the defection to the CIA of Vitaly Yurchenko, the high-ranking KGB official and of the mysterious disappearance of Vladimir Alexandrov, the scientist who did the mathematical calculations for the "nuclear winter" hoax.

During the many years I have worked as a journalist, I have had the confidence of four Presidents—the late Herbert Hoover, who referred to me (perhaps mistakenly) as "one of the most astute political analysts in this country"; Richard M. Nixon, who was a friend until some of the people around Bob Haldeman terminated that friendship; Gerald Ford, for whom I helped prepare a report on American military strength and strategy during his congressional days; and Ronald Reagan.

I have known Mr. Reagan for many years, and I like to tell a story about him, when he was governor of California, and I went to visit him in Sacramento. I walked into his office and he said, "Hi, Ralph," and I said, "Hi, Ron," and I said, "How are things going?" He said, "Oh, the same as usual—

they still stick the knives in the same places!"

I have traveled widely in Europe, Asia, and Africa—visiting the Soviet Union on three occasions, one of them being the coverage of the 1972 summit. Throughout my professional life, I have had numerous contacts and associations in the Congress and federal government.

I say these things not to pat myself on the back, but perhaps to lend credence to what I am about to say. It is this background which conditions this testimony on Lyndon LaRouche and the political movement which he leads. Let me state first that I am not in any way connected with Mr. LaRouche or that movement. I have frequently disagreed with the positions taken by him and by his associates, though for the most part I agree in general with his analysis of the dangers to this Republic of Russian imperialism and Soviet adventurism. I agree with him that Marxism is merely one outward manifestation of the Nechaevism and the Russian mystique which threaten the free world.

Lyndon LaRouche and his followers have been attacked as agents of the KGB, as "Nazis without swastikas," as anti-Semites, and as "radicals." The last charge, interestingly, comes from liberals whose admiration for "radicalism" when it is of the Leninist variety, knows few bounds. The charge that Mr. LaRouche is an agent of the KGB and financed by Moscow gold has been given wide publicity in such august publications as the *New York Times*. It has been contradicted passionately by the Soviet press and by Moscow's one-time friend, the Anti-Defamation League. The charge of "anti-Semitism" is in no conflict with either of the above since hatred of the Jews and of Israel is endemic to both fascism and communism.

Let me note first, that I became more than casually interested in the LaRouche movement when the Democratic Party, in an hysterical fit, sought to subvert the will of Illinois voters by attempting to remove from the ballot two candidates for state office, members of the LaRouche movement, who had legitimately and legally won their candidacies in the state primary.

That to me was not particularly surprising. As a lifelong Republican, I expect very little concern for civil rights in the Democratic Party. The fact that there was no outcry from those people who spend their time on civil rights and human rights, was shocking to me, and I wrote about it in a column which won me the hatred of people who I considered fellow conservatives and anti-communists, because I had the nerve and temerity to state that Lyndon LaRouche and his followers were entitled to civil rights in the United States.

I was jolted again by the attack on Lyndon LaRouche and his movement by the Justice Department in a case that will come to trial soon in Boston. Whatever the substantive issues of that case—and they are small—it can be stated categorically that the Justice Department has made a mockery of the First, Fourth, and Fifth Amendments specifically, and of the Constitution as a whole, in its prosecutorial attempt to silence

and suppress the LaRouche movement. Both the Justice Department and its investigative agencies have acted more like the Gestapo or KGB in their utter disregard of law, hounding the defendants, illegally seizing property, and negating the safeguards to the accused as written into the Constitution and our common law.

As a newspaperman, I was particularly shocked at the suppression of newspapers and other publications, a suppression so violent, that I cannot think of a single instance in U.S. history that has been so blatant.

Others, I am sure, will develop this denial of fundamental civil and human rights to Mr. LaRouche and his movement, but I am moved to point out that only one small Washington publication in the last few days, a paper called the *City Paper*, has seen fit to expose the Justice Department and its political motivation in what should now be a cause célèbre.

The view in Europe

In search of the truth about Lyndon LaRouche and his movement, I journeyed to Wiesbaden two weeks ago and spent some six hours listening to Mr. LaRouche expound his views. I might add that my wife was with me and afterwards she said, "That was the longest time I've ever seen you with your mouth shut!" But frankly, I was not there to hold forth. I was there to listen to what Mr. LaRouche had to say.

As something of an expert on totalitarianism, I listened closely for even a hint of Nazism or Marxism-Leninism in what he had to say. I was amused at the start to discover that Lyndon LaRouche is as far from the booted stormtrooper of journalistic myth as he could possibly be. A vigorous speaker, yes, but almost professorial in his approach. He struck me as a man of broad, though from my viewpoint, not perfect vision who had studied in depth the sources of those values which we call democratic.

Let me repeat: I have a good nose for totalitarianism. I have fought Nazis, fascists, communists for most of my life, and they have fought me, and they have threatened me, and there have been times when I thought that my life wasn't worth very much. I recognize them. And in listening to Mr. LaRouche, I saw none of this. I heard none of this, what I heard was reasoned analysis of what besets our society, of what besets the Western world and our civilization.

I think Mr. LaRouche was best summed up by Marie-Madeleine Fourcade in her deposition to this Commission. Mme. Fourcade, as you know, was one of the leaders of the French Resistance during World War II, an intelligence specialist with the Free French fighting forces, and latterly a member of the European Parliament. She met Mr. LaRouche long before President Reagan had proposed the Strategic Defense Initiative and was struck by his proposal of a "space shield" to defend the United States and Europe from Soviet nuclear missiles.

At the time, and to this day, Mr. LaRouche seemed to Mme. Fourcade to be, "above all . . . a serious man, resolute

and not taking account of established prejudices in making effective an idea which he judged—rightly—to be fundamental for the security of the Western democracies against the nuclear armaments of their adversaries.

“However, it was on another count that M. LaRouche earned my esteem. . . . I thus fully endorse his battle against hunger and malthusianism, and it is with great interest that I have taken note of his proposals for a new world economic order founded on mutual development, and for a new Marshall Plan, an initiative in which my own government, the French government, would participate.

“M. LaRouche, in the course of numerous meetings I have had with him, seemed to me not only a leader raising the fundamental problems of his day, but also like a man of heart, immediately moved to seek solutions to these problems and to fight for those solutions with great courage.

“A direct man, M. LaRouche has never been afraid to say what he thinks, and to make it known loud and strong. At the same time, I have always esteemed his concern not to gratuitously attack the powers that be, but on the contrary always to try to convince them.”

And, Mme. Fourcade added, “I have particularly appreciated the human quality and the devotion to the cause of freedom shown by M. LaRouche’s associates whom I have had occasion to come to know. These men and women struggle while living materially with very little, and show a constant devotion to the cause of Europe and the West, to the cause of liberty and justice.”

And this last statement I can underscore, because in the last weeks and months, I have come to know a number of people associated with LaRouche and I have been struck by their dedication and their sense that they had something to contribute, whether or not they prospered in doing so.

I quote Mme. Fourcade at such length, because she expressed the same sentiments to me when I visited her in Paris last week. Mme. Fourcade is a woman to be respected, She is 78 years old, and I wish at my age I had half the drive and the energy that she has. She is still active in the politics of France—which can sap anybody’s energy—and a woman of tremendous personality and character. She has fought the battle, the battle that many of us have tried to fight, physically fought it—not merely talked about it. My respect was reinforced when I discovered that people in France—leaders, members of the National Assembly, fighters for freedom, fighters for justice both in their country and the world, people I have respected and known—were associated with her. People like the late Marcel de Camray, and Gen. Pierre du Ben-ville, who fought for the Free French from England and returned to France to fight against fascism and communism and for democracy.

As I have said, one need not agree with Lyndon LaRouche, and one may also take exception to some of his unbridled rhetoric. When he speaks or writes, he may sometimes overstate his case. He may be in error, but that does

not make him a fascist, a communist, a tool of the neo-Nazis or the KGB. Most of all, it does not make him the assassin who ended the life of Olof Palme in Sweden—as the Soviet press and the KGB disinformation apparatus and their worldwide allies have charged. It will be interesting to see if the French courts, who have been hearing Mr. LaRouche’s libel action against *New Times*, an international Soviet propaganda organ, have the courage to rule against Moscow.

But whether they rule against Moscow in this libel action, it is one of tremendous significance, because Mr. LaRouche and his friends and allies in France have put the Soviet Union on the defensive. And if they win, we can expect hundreds, if not thousands, of libel actions against Soviet publications which have over the years destroyed reputations, falsified history, and have done (to use an expression Mr. LaRouche likes) “the work of Satan.”

And in Israel

In conclusion, let me return to the charges that Lyndon LaRouche and his movement are anti-Semitic and anti-Israel. A little more than a week ago, I spoke in Tel Aviv to Meir Pa’il, a former officer of the Israeli army and a one-time member of the Knesset, Israel’s parliament. Mr. Pa’il spoke with high approval of Lyndon LaRouche’s plan for a Middle East economic community including Israel, much needed if there is to be peace and prosperity in the area. Such a Marshall Plan—and, again, that is the way it has been called, and I always object to the use of “Marshall”—as envisioned by Mr. LaRouche, would be contingent on a secure peace between Israel and its Arab neighbors, based on a settlement of the West Bank controversy, the territory to be integrated into Jordan or become a non-militarized Palestinian state. Whether such a solution is possible is problematic, but according to Mr. Pa’il, it would have the support today of some 30% of Israelis—hardly an index of anti-Jewish bias.

Mr. LaRouche’s views on Israel and the Middle East are certainly controversial, but by no stretch of the imagination can they be considered anti-Semitic or anti-Israeli. Ironically, many Arabs would find Mr. LaRouche’s views on the Middle East as obnoxious as does the extremist Anti-Defamation League. But they are views to be considered and they can be an opening toward some kind of a settlement in the Middle East, a settlement which would ensure Israel’s security and take into account the feelings and interests of Arabs.

This has been a very, very brief account of a very brief journey, talking to people in Germany, in France, and Israel, about Lyndon LaRouche, about his movement, and about what they think of him.

To repeat, I think it is highly significant that all the rumor, the dis- and misinformation and the attack on Mr. LaRouche and his movement as anti-Semitic was laid to rest by my conversations in Israel, a country which is as sensitive on this issue as any in the world.

Thank you for your time and your patience.

Poison weapons of psychological terror against Lyndon LaRouche

Testimony of Brig. Gen. (ret.) Paul-Albert Scherer submitted to the Sept. 9-11 hearings of the Fact-Finding Committee of the Commission to Investigate Human Rights Violations in the United States, in Arlington, Virginia. Subheadings have been added by the editors.

An intelligence expert's evaluation of the situation surrounding what is, in both my personal and professional view, the climaxing of a typical, targeted psychological terror campaign of worldwide proportions against the person of Lyndon LaRouche and against his potential influence, can be concisely summarized as follows:

We are dealing here with a typical, offensive and manipulative intelligence-directed operation, aimed at eliminating an opinion-shaper who is a considerable disruption to the Kremlin's policies, and who can neither be silenced nor influenced by means of the usual financial arrangements. If the adversary's tenaciousness turns out to be superior to the psychological means deployed, or if a critical blunder is made, then there will remain no other choice: His physical destruction will be, and must be, arranged and forcibly carried out. This kind of subterranean warfare makes no accommodating obeisances to the usual Western standards of behavior; there is no appeal to the Helsinki Accords on this field of battle. Strangely, Western counterespionage services have an inadequate mastery of this mode of warfare; they find it easier to get a grip on activities such as espionage, sabotage, etc. After all, who likes to use specific governmental organs to intervene into the taboo area of journalistic intelligence-gathering, with its gross exaggeration of the principle of freedom of the press, which has long degenerated into utter arbitrariness? Moreover, this area of counterintelligence requires an extended professional education and intellectually high-caliber personnel.

The goal of such operations, in my view, seems to be to utilize poisonous weapons which are tailored to an open society—weapons which for that society, and within that society, are virtually deadly—in order to maneuver the targeted person and his circle of supporters into a corner, in such manner, that the mass of opinion-makers, the power

elite, the party managers, etc. act to completely silence him, doing so, on the one hand, as a result of whisperings from behind Moscow's curtain, transmitted via agents of influence, and on the other hand, simply out of fear of the influence of a competitor whom they feel they can not match. As a simultaneous, accompanying feature, media who are like-minded or who lean in the same direction, continue to churn out, on demand, new, denigratory slanders and scandal reports, while agents of influence supply new "proofs" and "incriminating material," until at last, outraged civil servants, confronted with such a mass of allegedly criminal energy, send the attorney general and the police into the man's house and his apparatus in order to ward off a danger to the community. Lastly, professional revolutionaries and leading personnel of the pro-Soviet intelligence services have been professionally trained in creating hatred, sowing doubts, and branding people as monsters, so that through this *dezinformatsia*, they can almost imperceptibly guide these developments. Their character-assassination arsenal includes public discrimination against the individual as a confused outsider who need not be taken seriously; or unabashedly decrying him as a fanatical extremist with whom one must not be connected under any circumstances; a systematic campaign to stamp him as a radical and a threat to the community, as a self-inflated ignoramus, as a hard-core fascist agent, and, finally, as a criminal who must be locked up and deprived of his rights as a free citizen. The transmission routes for all this "information" are secured through suitable agents or networks of agitators. Falsified material is supplied by jailed artists, printers, photographic technicians, retouchers, etc.

Who is LaRouche really?

In the case of the disruptive factor which LaRouche represents, this operation has progressed to the point, that people around the world are now wondering: "Is this man a charlatan? Or, is he a particularly refined top East bloc agent, who is helping them bring the West into utmost confusion? Or, is he an unreconstructed, missionary neo-Nazi, whose outspoken exposition of the image of the Communist enemy is supposed to effect some great, global breakthrough? Or, is



At the hearings (clockwise, starting above): Lewis and Andrea du Pont Smith; Bolivian Gen. Lucio Añez; Juan Rebaza, chairman of Peru's state-owned fishing company, Pesca-Peru. Page 37, clockwise from left: Mario Parnther, representing the ruling party of Panama; Dr. John Seale, AIDS expert from Great Britain; Committee members Víctor Girauta y Armada; and Dr. Frederick Wills, former foreign minister of Guyana; Mrs. Elizabeth Rose, who was harassed for supporting LaRouche.



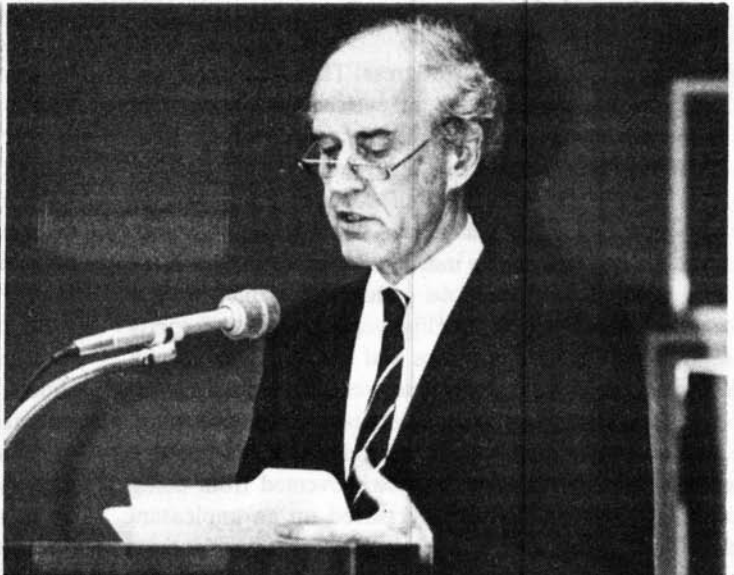
he one of those wide-eyed bringers of miracles, who descends from the clouds as a super-guru, while some of his followers dishonestly make his money?"

I have declared my readiness to testify as an expert witness before the independent commission to investigate the LaRouche case, because I am convinced that Mr. LaRouche is neither a charlatan, nor an agent of influence, and certainly not a neo-Nazi or a fascist, or a crazy megalomaniac from the swamp of political sects. I can not see why he should be muzzled, and the basis for his work destroyed, without making available to him all the legal and constitutional means for the defense of his reputation. And in my view, that includes expert testimony from people in the intelligence field. For LaRouche's accomplishments and influence are politically founded on his ability to make daily use of his information and his public appearances, to help expose Soviet imperialism and to uncover East bloc intelligence services and their machinations in many parts of the globe.

There is an additional encumbrance, namely, that for outsiders it is incomprehensible how, against all tradition in the United States, which was the cradle of civil liberties well before the French Revolution, and is grounded on a codified constitution, it has come to pass that for many long months, Lyndon LaRouche has been massively besieged with law-

suits and, as is well known, through heavy financial penalties, largely deprived of his potential effectiveness. Today, in the most intensive phase of the 40-year conflict between East and West, this LaRouche-effect must be evaluated together with his own underlying motives, and with the man behind the words, because we must not permit anyone to be handed over without defenses to the flow of disinformation seeping out from KGB headquarters, while his naive contemporaries are already applauding Moscow's *perestroika* slogans as the Russians' contrite return to bourgeois virtue. We should seriously examine whether LaRouche's public intervention in favor of the values of the advanced culture of Western civilization following the Enlightenment period, for a mobilization of our potential and a renaissance of idealist philosophy and morality, for the SDI and against our loss of perception of the Soviet threat, against appeasement, against East bloc state terrorism, and against their infiltration networks, has made him into a first-order personal obstacle to the Soviets' final solution, on their way to the purported ultimate happiness of mankind.

It could also be especially important and essential in the commission's quest for the truth, and in its evaluation of the testimony, that I am not, nor have I ever been a member of any of the organizations founded by Lyndon LaRouche or



Philip Ulanowsky and Stuart Lewis

his wife Helga Zepp-LaRouche, and that no business or financial connections exist, or have ever existed, between myself and them. The examining commission can be assured, that I am completely independent in forming my personal judgments.

As for my professional competence and my justification in appearing as an expert, I supply the following personal data:

I will soon be 69 years old. For over 40 years, my professional life, and also my private life following the Second World War, have been occupied with the gathering, sifting, and evaluation of intelligence, and with applied scientific psychology. On the one side, I learned journalism from the bottom up, and worked for almost 10 years as editor-in-chief at a large German daily newspaper. On the other side, I was trained as a professional in secret military intelligence. I am familiar with the strategy, tactics, methodology, and the operative techniques and ins and outs of the world's intelligence services, particularly those in the Soviet sphere of power. Then, as a general, I was afforded the opportunity to take over the leadership of one of the world's most successful counterintelligence services of past times, the MAD of the German Bundeswehr, until my retirement. Following this, I ran a private school for educating leadership personnel to

deal with modern industrial security problems, primarily in heavy industry and in banking, and also took over a university lectureship as well as consulting work on the prevention and repulsion of espionage, sabotage, infiltration, subversion, terrorism, and extremist agitation.

My experience with LaRouche

In order to present, at least in psychogrammatic form, an animated, subtly nuanced picture of the historical personality of Lyndon LaRouche, and thus to describe the threat against this man because of what radiates from him, I would like to turn to my own experience with the man.

Already in the 1970s, LaRouche had distinguished himself beyond America's own borders, as an insightful analyst of economic, social, cultural, and natural political developments in our world—a person who, when he took a position on something, did not mince words, and who also denounced wretched circumstances, by naming the names of those he understood to be responsible. He attacked without any consideration of the discomforts he might bring upon himself, so that people counted on his early demise. Above all else, he had, and has, a fundamental suspicion of the oligarchies—the smallest circles of ruling cliques among those who wield power—as usurpers, and indeed, as people who were in the

highest degree a hindrance to progress. That was, and is true not only for totalitarianism and the entrenched despotism of the ruling Soviet apparatus, but also for certain monarchs in the West, for the institutions of international high finance, the World Bank, the International Monetary Fund, and for the self-proclaimed opinion-shapers of the Club of Rome, etc., etc. He had founded an independent private news agency, and from all over the globe gathered valuable, reliable information, just as official intelligence agencies do. Experts were amazed at his connections and his access to special information on terrorism, the drug scene, the intelligence services themselves, and on the details of developments in the East bloc countries and in the Middle East. No one in a free social order, of course, can be prevented from doing such things, but he had already stirred up an unpleasant ruckus. Shocked officials in the East started an investigation.

At an early point, LaRouche had already made a name for himself as an economist who not only had a mastery of physics and mathematics and a predilection for philosophy, but was also an advanced strategic thinker in the realm of Western culture, with an ethical-religious, and emphatically musical grounding. It was quite understandable that such a comprehensive and rude intervention did not win him any friends in the relevant circles. Many began to fear him as an "authority-basher." In the midst of the age of despondency and increasing confusion, when only the smallest number could maintain their mental clarity, completely isolated from the Establishment, as it was called at the time, and swimming completely against the current of a *Zeitgeist* intoxicated with détente, he succeeded in motivating many people anew to critically return to classical models.

And now there was plenty of reason to use the muzzle tactic. The 1980s brought LaRouche a substantial way forward along his laborious path toward convincing others, and toward a broader recognition of his ideas; but it also brought him ever more directly into his enemies' line of fire. Ever more comprehensive measures had to be taken to ensure his personal safety. This took a toll on his private life, but with stoic matter-of-factness and a modest living regime, he adjusted his daily life accordingly. His team of collaborators grew in number and especially in quality, in tandem with the growing demands of his broad-ranged involvement and his moorings within the party organizations of many different nations.

Alongside this came the intensive engagement of his German wife Helga Zepp-LaRouche in the successful founding of the so-called Schiller Institutes on the European and American continents—institutions which acted as centers of non-partisan cultural thought, focusing on the classical tradition of the poets, philosophers, moralists, artists, and scientists of Judeo-Christian civilization, and resolutely opposing the progressive loss of those values in these times of diminishing substance.

Lyndon LaRouche's constructive proposals for overcom-

ing economic stagnation, the foreign debt crisis, and the West's strategic weakness through bold countermeasures, and for deliberately striking out on unconventional pathways, also fell on partly fertile soil. Thus, for example, in 1983 President Reagan adopted the technical ideas and the strategic conception of the SDI from LaRouche, who in the meantime had emerged as an American presidential candidate. Following an informational visit by LaRouche to Latin America, some hopelessly overburdened South American nations followed LaRouche's recommendations on how they should react to the demands of the World Bank and the International Monetary Fund, and today are slowly recovering, though still on the brink of disaster. Likewise, in the meantime LaRouche's proposals for an active war against drugs and drug-smuggling were put into action in America. These proposals dealt not only with the destruction of the population because of the profit motive, but also the utilization of illegal sources of revenue for agentry and terrorist deployments.

In sum, I can say, that the American LaRouche has fought, and continues to visibly fight with extraordinary vigor, for us more threatened Europeans, against the Soviet empire's ambushing of the West, and against Europe's increasing readiness to give itself up to subjugation. Indeed, he has dedicated a good part of his life to arming himself with the necessary knowledge to achieve such a profile, which is so especially threatening to the Soviets. On this I can not provide any additional details, because I have no intention of writing his biography, nor have I asked him for such details during my personal contacts with him.

During my active service as head of military counterintelligence in the zone where both superpowers stand face to face, I had no occasion to pursue observations of the person of LaRouche and his associates, because the German army was not affected by his activities. Only later did I become interested in the man and his conceptual approach, his analyses, and the details of his proposed solutions to specific problems. Because his judgments were in broad agreement with my own definite knowledge, and because of the plausibility of many of LaRouche's actions, I considered it a correct thing for us to positively approach one another. Naturally, in keeping with my duties as a bearer of state secrets who is subject to the Federal Code of Discipline, I asked around to friendly intelligence services and in political circles, before I took up any direct contact with the LaRouches. The fact that I did take it up, and can speak publicly about it here, says enough, and will have to suffice.

I, as a free citizen, do not accept, as a valid criterion for judgment, the fear harbored by the leading parties in my country, that the voters may make incalculable shifts in their party allegiance (excepting the case of the neo-Nazis). A man who interprets the decoupling of Europe from the United States as a great tragedy, certainly does not seem to fit in with Soviet imperialism's current "neutralization" project; how-

ever, in my view, that man is telling the truth. The fact that LaRouche is said to have once leaned toward Trotskyism, is likewise not a valid criterion for me. Churchill's saying, that everyone has the right to make political mistakes, is a view which I share. I have sufficiently established the fact, that he is no Trotskyist: The Permanent Revolution, factory socialism, do not fit into his world-view; he rejects that theory's social-utopianism and anarchistic tendencies.

I am also certain, as I stated at the outset, that LaRouche is not a charlatan like many evangelists of all stripes. His great sensitivity to violations of law, along with his practical religiosity and his intellectual honesty, do not constitute a basis for criminal energies.

The oft-repeated accusation that he is a neo-Nazi and a fascist, I consider to be an irresponsible slander, and, as in many, often similar cases, a conscious assassination of character issuing from a definite direction. After the horrible experiences and crimes of National Socialism, hanging the Nazi label on a person is such an effective means of catapulting that person out of politics and destroying him. The fact that even forgeries are seen as a just means to achieve that result, can be demonstrated by the case of the second President of the Federal Republic of Germany, Dr. Heinrich Lübke. While working as an engineer, he was said to have constructed concentration camps for extermination of the Jews. The falsified material was leaked to a magazine. It destroyed him, amid abuse and mockery, by means of his resulting illness. No—LaRouche represents neither a totalitarian nationalism, nor does he harbor dreams of being a dictator, nor does he desire an authoritarian military form of government.

The charge of East bloc agency

Another accusation—possibly the most dangerous of all—is the claim that LaRouche is a top East bloc agent, and that he is therefore a first-rate master at deception. His mission is allegedly to use his SDI recommendations and his crushing polemics against all basic Western institutions, against the Alliance system and the West's spoiled and rotting civilization, along with his convincing anti-communist attitude and hate-images of Moscow, in order to give the East vital advantages during the period of coexistence and the disarmament charade. This would aid the deployment of the peace movement and cast suspicion on the false-front organizations. With the help of information provided by the East bloc, a credible fear-image would be created, which would result in speeding up the decoupling of Europe from the United States, strengthening Europe's readiness to capitulate, and seducing the West Germans into accepting the slogan, "Better red than dead."

I have had many dealings with variations of accusations of this type, especially since first-class agents of influence are actually able to accomplish masterful feats of credibility. The KGB, the GRU, the *Staatssicherheitsdienst* of the G.D.R., and the other helpers on the Soviet Union's western

borders, on up to the Politburo, feel no twinges of conscience when it comes to devilish deception operations which could help them to make a breakthrough in their striving for world power.

But now for my own results: His deployment as a top agent of influence could only be possible, if three prerequisites are met: 1) His grounding in religion would have to be feigned. This is definitely not the case. 2) At least substantial parts of his financing would have to come from Eastern sources. This is likewise definitely not the case. 3) Personal qualities as a faker with a double life, would have to be tailored onto his physique. This is absolutely not the case with the concrete person whose name is LaRouche.

To me, Lyndon LaRouche is a warm-hearted, intense, impatient, and strong-willed contemporary with an outstanding educational background. He is the prototypical missionary-inclined individual, and a representative of a kind of patronage (more widespread in the United States than in Europe), that can not look passively on, while his world is being destroyed. He is not an empty-headed babler who hurls accusations and agitates against the elite just to get publicity; rather, despite his gentle humor, he is a very serious person, who believes that by means of a reawakening of morality, well-considered ideas, exemplary sentiments, humane but industrious economic activity, and hard-nosed negotiating tactics toward the Soviets, we can prevent our own destruction. It would take me too far afield to review his programs here.

I can only confirm, that his claim that there is a conspiracy against peace, which he understands as a Soviet challenge to all of us in the West, and which he can not at this point recognize as a peaceful approach under Gorbachov, is, in my view, the correct estimation. It is not some sort of traumatic invention stemming from him and from people suffering from paranoia, it is not some pathological misperception of reality. Rather, viewed with the x-ray eyes of an expert in ideologies and a cautious skeptic on matters of peaceful disarmament, these are the same old sly offers to the further disadvantage of the West, and to the gain of greater freedom of action and crucial economic advantages for the Soviet Union, with its continued imperialist goals.

In summation, an evaluation of his person, ideas, words and deeds, his force of character, and the potential damage he can do to the Soviet bloc, shows that LaRouche is without doubt one of their very top targets in the West. The inhuman system over there, would, in his estimation, have every reason to eliminate him, to bind and gag him, to brand him as a permanent public misfit, depriving him of his ability to act—since it is he who has accused the Soviets of having as their strategic goal, the utter destabilization of the West's positions by means of progressively exhausting it until it gives up its will to resist. To that extent, the referenced events in the United States, the so-called "anti-LaRouche campaign," have very real motives behind them.

Shultz sealed his treason with a kiss

by Criton Zoakos

According to eyewitnesses at the State Department on the evening of Sept. 17, Secretary of State George Shultz exchanged a warm kiss with Soviet Foreign Minister Eduard Shevardnadze, to seal their "agreement in principle" to remove the American nuclear protection of Western Europe—under the guise of an Intermediate-range Nuclear Forces (INF) Treaty. The duration of the kiss exchanged between Shultz and Shevardnadze raised eyebrows among the Americans present on the scene, though their Russian colleagues, accustomed to such Slavic expressions of camaraderie, were unimpressed.

George Shultz's kiss of the Russian at Foggy Bottom, promises to become for the Reagan administration what the umbrella was for the Neville Chamberlain ministry of 1938—the visual symbol of treason, gutlessness, and capitulation. President Reagan himself, with strong support from the First Lady, Nancy Reagan, and her friend Dr. Armand Hammer, is fully committed to the agreement reached between Shultz and Shevardnadze. In fact, the two men, before announcing their purported breakthrough to the world, they paid a late-night, unscheduled visit to the White House, where they exchanged toasts with Mr. and Mrs. Reagan.

The following morning, a startled nation was treated to a massive dose of "peace in our time" propaganda by the Great Communicator's own Secretary of State, and was given the following news, in the form of a Shultz-Shevardnadze joint statement:

"The Secretary and the Foreign Minister reviewed the full spectrum of questions regarding nuclear, conventional and chemical weapons control. In particular, the two ministers, together with their advisers, conducted intensive negotiations on the question of intermediate-range and shorter-range missiles. This resulted in agreement in principle to conclude a treaty. The Geneva delegations of both sides have been instructed to work intensively to resolve the remaining

technical issues and promptly to complete a draft treaty text. The Secretary and the Foreign Minister agreed that a similarly intensive effort should be made to achieve a treaty on 50% reductions of strategic offensive arms within the framework of the Geneva Nuclear and Space Talks. . . . Secretary Shultz and Foreign Minister Shevardnadze agreed that an additional meeting is needed to review the results of the work in all these areas, including the efforts of the delegations in the Geneva Nuclear and Space Arms Talks. They agreed that this meeting would take place in Moscow in the second half of October.

"In order to sign a treaty on the intermediate-range and shorter-range missiles, and to cover the full range of issues in the relationship between the two countries, a summit between President Reagan and General Secretary Gorbachev will take place. The summit will be held in the fall of 1987, with the exact dates to be determined during the talks between the Secretary of State and the Foreign Minister in Moscow in October."

The details of what was agreed between Shultz and Shevardnadze have not been made public, nor is any aspect of the deal to be made public until after November. What is so far known with certainty, is that the United States agrees to abandon the nuclear defense of Western Europe, an agreement which so far is "in principle" only. It is not known to what extent Shultz attempted to compromise the Strategic Defense Initiative, the object of the Russians' real interest. From a little exchange that Shultz had with the press at his morning-after press conference at the White House, it appears that the SDI is in great jeopardy. Asked if he agreed with Shevardnadze on any restrictions of the SDI, Shultz replied:

"We have addressed the Soviet concern to have a more predictable situation. And in that regard, both sides have agreed on the concept of a non-withdrawal period [referring

to withdrawal from the 1972 ABM Treaty]. We haven't agreed on the length of time of that non-withdrawal period."

Shevardnadze, in a simultaneously held press conference, was more specific on his SDI discussions: "The SDI program, which is called the Star Wars program, is what it is, yes. But it is probably impossible to persuade the U.S. administration. And therefore, we insist on a minimum solution, on a minimum option, and that is that the ABM Treaty should be complied with strictly, should be strictly observed for a minimum of 10 years. . . . If the ABM Treaty is destroyed, then no agreement on strategic offensive weapons is possible. We have now defined, identified a position that we accept and that is the position that at least the ABM Treaty has to be preserved, has to be observed for 10 years in its classic interpretation."

Senate marches to Soviet beat

On the same day, the U.S. Senate, by a vote of 58 to 38, voted to agree with the Soviet foreign minister on the subject of restricting the SDI to within the so-called "narrow" interpretation of the ABM Treaty.

To all appearances, the United States has been sold out to the Soviet Union by none other than Ronald Reagan, the man who, in 1980, campaigned on a platform calling for the repudiation of the SALT treaties. Among strategic analysts and political observers, the remaining question is whether this capitulation will be carried out to the end. This will require two further steps. First, an actual treaty is yet to be signed, presumably in November of this year. Second, the 1988 presidential election would have to produce an administration committed to securing both the ratification and the enforcement of such a treaty.

Of all presidential candidates, only Democrat Lyndon LaRouche has unambiguously declared that he intends to nullify such a treaty on the very day of his inauguration. His Democratic rivals have been longstanding supporters of this treaty. The putative Republican front runner, Vice President Bush, announced his determination to implement the INF Treaty and also to move further with a Strategic and Space Arms Treaty.

Apart from LaRouche, the other opponents of the sell-out are the leading military commanders of the country, most vocal among them being Gen. Bernard Rogers and his successor in NATO, Gen. John Galvin. Defense Secretary Weinberger opposes the treaty, but, being a member of the Cabinet, he is not voicing his opposition publicly. The Soviet leadership is fully aware of the potential that the LaRouche campaign has for reversing their diplomatic triumph. The Sept. 18 issue of *Izvestia* wrote: "The history of Soviet-American relations teaches us that we should not fall into euphoria. Our policy is consistent, but the world of American politics is complicated and it is very difficult to predict it," admitting thereby that Moscow is not ruling out an election victory of the only opponent of the INF Treaty, Democrat Lyndon LaRouche.

Shevardnadze ducks question from EIR

by Nicholas F. Benton

WASHINGTON, D.C.—Over the course of a marathon two-hour press conference held in the Soviet embassy here Sept. 18 by Soviet Foreign Minister Eduard Shevardnadze to crow about his triumph in pulling off the zero-option INF "agreement in principle," there was only one question from the over 100 reporters that was the slightest bit critical of what Shevardnadze was saying. That came from this reporter.

Otherwise, the entire conference, which followed three days of talks between Shevardnadze and Shultz and their respective teams of negotiators, was a "love fest" between the U.S. press and Shevardnadze.

One reporter asked, "Is this the beginning of a new era of détente?" Shevardnadze, unable to repress the look of the cat who ate the canary throughout the briefing, said, "Yes, this is a substantive, material basis for that kind of period."

Another, quoting from a *New York Times* column by Tom Wicker that coincidentally appeared the same morning, "Do you want to go to a 'minimal sufficient defense' nuclear policy, creating a 150-kilometer corridor in Europe with no opposing forces in it?" "Yes," Shevardnadze beamed, "We are hopeful our agreement here will be an incentive toward that."

This reporter tried to interject some reality into the proceeding, and to test Shevardnadze in a way that would reveal his true motives.

Soviet Foreign Ministry spokesman Gennadi Gerasimov was in charge of calling on the press for its questions. He gave the first question to the CBS Moscow correspondent, but then could not avoid my hand, as I was sitting in the front row, and pointed to me next. I announced my name, and my magazine. Recognizing *EIR*, Shevardnadze interjected, his voice dripping with sarcasm, "It is clear that Comrade Gerasimov likes to call on his favorite reporters first!"

The faces of all four Soviets at the head table—Shevardnadze, Gerasimov, Deputy Foreign Minister Alexandr Bessmertnykh, and Soviet Ambassador to the United States Yuri Dubinin—went through visible contortions while I asked my question.

Shevardnadze had, during his opening remarks, said that his country had invited U.S. Secretary of Defense Caspar Weinberger to meet with his Soviet counterpart to negotiate

their differences on interpretations of the Anti-Ballistic Missile (ABM) treaty. The Soviets couched all references to their efforts to strangle the U.S. Strategic Defense Initiative (SDI) program in terms of "seeking to extend the 'traditional interpretation' of the ABM treaty for another 10 years."

So, I began by noting, "You say you have invited Weinberger to talk about the ABM treaty, but you have not answered the concern that Weinberger has repeatedly expressed about this: Namely, that you have not been willing to concede that you have been working on your own version of the SDI for 18 years, and that you have an operational anti-satellite system already in place.

"And in addition, what do you have to say to those in this country who are critical of the INF accord, saying that it will make Western Europe indefensible, not only because it will leave the Soviets with a massive conventional force advantage, but because you are developing a whole new array of exotic weapons even more lethal than nuclear weapons, such as electromagnetic pulse and radio frequency weapons?"

The fact that Shevardnadze refused to answer a single substantive part of that question should have been a clear signal to everyone there that all his talk of "love and peace" was a sham. He ignored all the references in the question to Soviet advanced military technology—their long-standing SDI program, their ASAT, and their exotic new weapons systems. Acknowledging the Soviets' aggressive programs in all these areas would have confirmed that when he said, during his opening remarks, that the INF accord would "begin to bring an end to the era of nuclear weapons," that he really meant that a new age of even more deadly weapons was replacing it.

He instead lied that Weinberger's "only real concern is about our radar at Krasnoyarsk."

He then expounded on the "openness" evidenced by the recent invitation by the Soviets for a U.S. congressional delegation to visit and examine the controversial radar (see *Feature*, and said he hoped the U.S. would now respond in kind, and allow a Soviet delegation to examine the U.S. radar at Thule, Greenland.

"At any rate, we are proposing that our two defense ministers now have a meeting to discuss these alleged violations and to remove any irritants on a continuation of the ABM treaty. I urge you to put some pressure on your Defense Department in this matter," he said to the assembled press.

As to the concern that Western Europe would be indefensible, he ignored the reference to the new weapons systems, and instead said only that "huge arsenals remain of nuclear and conventional weapons" which "guarantee the security" of Western Europe. He said that it was the job of future negotiations to reduce the remaining weapons to the "lowest possible level."

Based on the deluge of euphoric questions which followed from other reporters, the serious evasions in Shevardnadze's response seemed to be lost on most everyone.

Swedish press links the FBI's hounding

There are direct links between the FBI's political persecution of 1988 Democratic presidential candidate Lyndon LaRouche and the Soviet government, according to a five-part series appearing in the leading Swedish daily newspaper, *Svenska Dagbladet*. The Department of Justice's prosecutor of LaRouche, Boston Assistant U.S. Attorney John Markham, has avowed plausibly that his office directly authorized FBI collaboration with Soviet intelligence networks operating inside the Swedish foreign ministry's intelligence service, the Section for the Special Collection of Information (SSI).

According to Swedish sources, former Prime Minister Olof Palme was killed as part of the same Iranian gun-running operations in which Alexander Haig, "Bud" McFarlane, Admiral Poindexter, Oliver North, Roy Godson, and the FBI's Oliver "Buck" Revell were so deeply involved. This weapons-trafficking to Khomeini's terrorist regime was done in close cooperation with the governments of Israel and the Soviet Union, with billions of dollars of profits shared all around over the years 1979 to the present.

Immediately after Palme's assassination, on Feb. 28, 1986, Soviet intelligence, working together with the U.S. Anti-Defamation League (ADL), fingered Democrat Lyndon LaRouche as the author of the assassination. Now, it is exposed that this operation targeting LaRouche was coordinated by a Soviet national working inside the Swedish foreign intelligence service, Joel Haukka.

The Swedish legislative inquiry into the Haukka case, is concerned chiefly with the fact that Haukka used the targeting of LaRouche as a way of covering up for Palme's assassins. Every indication is, that it was Moscow's assets and partners in Iran weapons-trafficking who killed Palme.

From the U.S. side, the important fact is that Haukka was long known to the CIA and FBI foreign counterintelligence as a Soviet agent. Yet, it was the FBI foreign counterintelligence section, and the Boston and Alexandria U.S. Attorneys' offices, which cooperated directly with Haukka's Soviet ring, as part of the grand jury targeting of LaRouche et al. in Boston and Alexandria.

What brings the Palme assassination's connection to Ir-

Moscow to of LaRouche

angate up front now, is the exposure of the Italy-centered shipment of sea mines to Khomeini, the details of which are reported in this issue of *EIR*. It involves Soviet collaboration with Oliver North et al. in supplying weapons to the Central America Contras, and Soviet cooperation in European and Israeli weapons shipments into Iran. It leads up to the doorstep of such U.S. accomplices as NSC consultant Roy Godson and Godson's high-level social democratic cronies in both the United States and Europe.

The highest levels of intelligence within the Western Alliance put the point in these terms.

Toward the close of World War II, Moscow foresaw that the United States would be the chief Soviet adversary over the decades to come. Soviet intelligence set up what was to become a massive English-language spetsnaz (Soviet "special forces") operation against the United States, and began the process of penetrating U.S. postwar intelligence at the highest levels, as Moscow had already penetrated British intelligence at the highest levels already during the 1920s.

Moscow played upon all strings. Soviet agents became "right wingers," largely through social-democratic conduits. Financial connections, including Lenin's agent, Armand Hammer, were exploited. Credulous U.S. military and intelligence strata, which viewed Moscow as the U.S.'s "gallant war-time ally," were corrupted cautiously, but systematically. As a result, Moscow has a large network of agents and other sorts of assets at the highest levels of many parts of the U.S. intelligence community, including the FBI's foreign counterintelligence section, and in other key positions inside the Department of Justice.

The importance of backtracking the FBI's collaboration with Soviet intelligence operations against LaRouche, in the Boston and Alexandria grand jury cases, is that this inquiry will inevitably expose a very important chunk of the total Soviet penetration of high levels of the U.S. intelligence services, including U.S. associates of Roy Godson.

How the FBI became involved

Although it was the Iranian arms-traffickers who wished to eliminate Olof Palme, for their own business reasons,

LaRouche was picked to be targeted as the "patsy" for the killing, with Moscow alleging, with ADL assistance, that LaRouche had directed the assassination of Palme on behalf of the U.S. Central Intelligence Agency! The FBI's foreign counterintelligence section, including Oliver North's accomplice, "Buck" Revell, and the social-democratic faction behind Roy Godson, knowingly assisted Moscow in this operation.

Now, the truth about this last operation against LaRouche has come out into the open in the leading Swedish press, and in an official inquiry by the Swedish legislature, as we report at some length in this *EIR* issue. The entire operation had been the subject of an earlier, 102-page special report issued by *EIR* on Oct. 1, 1986, entitled, *A classical KGB disinformation campaign: Who killed Olof Palme?*

Following the *EIR* exposé, the story had broken into the open on Nov. 12, 1986, in the Swedish publication *Expressen*. This identified a Nobel-Bofors explosives traffic to Iran, negotiated via Yugoslav channels. Nobel-Bofors is one of the largest Swedish weapons manufacturers. According to the interview with Karl Erik Schmitz, published in *Expressen*, Schmitz named his Israel connection to the Nobel-Bofors trafficking as the Brussels, Belgium firm, Distraco S.A., whose listed principals were Alexandre Gourary and Moshe Navon.

The Nobel-Bofors connection simmered in the European press until the recent exposure of the complex of Iran weapons-traffickers centered around the Italy firm of Valsella, in the Italian newspaper *La Repubblica* Sept. 7, 1987. The arrests in this Italian case led to exposure of wider involvements, including Nobel-Bofors and Hamburg-centered operations including the Lonrho firm of Britain's Tiny Rowlands.

In other words, the Irangate operations of "Bud" McFarlane, Admiral Poindexter, Oliver North et al., and the Palme-assassination operation against LaRouche, are all part of the same package.

What has emerged is that, acting upon publicly stated orders issued by Soviet intelligence on March 1, 1986, a unit inside Swedish intelligence, featuring Soviet agent Joel Haukka, entered into collaboration with Irwin Suall et al. of the U.S.-based ADL, and with assets inside the Reuters news agency, to target LaRouche publicly, internationally, as the intellectual author of the Palme assassination.

According to highest-level intelligence sources inside Sweden, Haukka has long been known as a Soviet asset. These sources include elements of Sweden's counterintelligence, and also intelligence organizations with longstanding friendly connections to the CIA and NATO intelligence.

The Haukka operation is the basis for the ADL and FBI operations against LaRouche, attempting to drag the Palme assassination allegations into the Boston and Alexandria grand-jury proceedings. Notably, Alexandria-based FBI agent Timothy Klund is designated by the U.S. Department of

Justice as a member of the FBI's counterintelligence section; Klund is integral to the Haukka connection into the Alexandria grand jury proceedings.

Not only has the U.S. government caused its collaboration with Haukka to be leaked widely to the international news media. The office of the Boston U.S. Attorney has given plausible avowal of its intimate collaboration with this Soviet-directed operation. This was done in witting effort to assist the Soviet government's defense against LaRouche's charges in a current Paris trial.

Find Soviet moles in Swedish intelligence

by Vivian Freyre Zoakos

In a series of five front-page exposés beginning Sept. 6, the Swedish newspaper *Svenska Dagbladet* published damning evidence on the extent of Soviet penetration of the Swedish military intelligence service, the SSI. The articles, authored by investigative journalist Sune Olafsson, detailed the career of one Joel Haukka, a Soviet national and SSI agent who was simultaneously a Soviet mole under the control of Major Toivo Voit of the Soviet intelligence service, the KGB.

Haukka's activities have revolved around investigating and penetrating right-wing and conservative groups and individuals inside Sweden. According to the information published by *Svenska Dagbladet*, which included even the text of Haukka's reports to the SSI, a principal focus of his investigations was the European Labor Party (EAP), Swedish co-thinkers of U.S. presidential candidate Lyndon H. LaRouche.

This focus on the EAP became especially pronounced following the Feb. 28, 1986 assassination of Swedish Prime Minister Olof Palme. As Haukka's reports to the SSI indicate, the KGB agent made it a practice to try and tie the EAP into every individual tagged as being connected in any way to the Palme hit. For example, in one intelligence report on the antiquarian bookshop Lyktan, Haukka typically concluded the text with the following memorandum: "Member of EAP? Check."

Olafsson's investigation into Haukka began three years ago, following an exposé written at that time by the Swedish magazine *Contra*. *Contra* had revealed that five members of the disbanded Swedish foreign intelligence service, the Intelligence Bureau, had been incorporated into the SSI. The

IB had been disbanded, and the SSI created to replace it, when it was learned in 1973 that the Bureau was tracking the political views of Swedes, although its mandate was strictly for the conduct of foreign intelligence.

One of the five IB men absorbed by the SSI has known Haukka since 1956, and has been a personal friend for the last 11 years. Haukka is his top agent, engaged in domestic spying on Swedes, nominally for this IB man.

His status as a KGB agent has been confirmed by East bloc defector Alex Militis, in an article last week in *NYA Wemlandstioningen*. It was Militis who revealed the name of Haukka's KGB controller, Major Voit. Militis reported, "The material he [Haukka] has forwarded to the SSI is of that kind that the KGB wants to leak in order to discredit anti-communist exile groups." Militis adds, referring to Haukka's role in misleading the Palme investigation onto the phony EAP track: "Why did the KGB want to use this material to mislead the investigation of Olof Palme? There are many questions in this context that require an answer."

Haukka's status as a mole has been known for years to the relevant Swedish intelligence networks. Back in January of 1985, a spokesman for Sweden's domestic intelligence service SAEPO, Alf Karlsson, said regarding Haukka, "We are unsure. Do not trust Haukka. He might be a double agent, possibly together with the Russians. . . . The most skilled double agent in Sweden."

The *Svenska Dagbladet* series has already provoked the convening of an extraordinary meeting of the Intelligence Committee of the Defense, whose purpose is to see that the SSI follows the law.

A parliamentary investigation is also under way, specifically for the purpose of delving further into one of *Svenska Dagbladet's* most scandalous revelations: the fact that Haukka maintains close contact with "a female secretary to one of Foreign Minister Sten Andersson's closest men." Sources contacted by *EIR* say that this individual is Pierre Schori, whom this magazine has throughout the years identified as a Soviet asset. Not surprisingly, Schori was among the close associates of convicted Norwegian KGB spy, Arne Treholt.

Four members of Parliament have launched an investigation into the connection between "the domestic spying and the foreign department," as *Svenska Dagbladet* reported Sept. 13. They are Carl Bildt, Ingemar Eliasson, Gunnar Bjoerck, and Karl Erik Olsson.

Of Schori's secretary, through whom Haukka maintained the foreign ministry connection, Haukka himself has said that she "functioned as a kind of informer upwards," passing KGB operations through her and into the Swedish foreign ministry.

Svenska Dagbladet also revealed Sept. 12 that it was Haukka and a "former employee at the foreign ministry" who followed the "right-wing extremist" Anders Larsson in the days before the murder of Palme, after Andersson wrote a threatening letter to Palme.

Italy's 'Irangate' targets influentials

by Umberto Pascali

Swedish police have formally requested that Italian magistrates provide them with all material pertaining to the links between Italian firms implicated in illegal weapons traffic to Iran, and Sweden's Nobel-Bofors arms firm. This documentation is directly relevant to the investigation into the murder of Prime Minister Olof Palme, wrote the Swedish correspondent of Italy's *Corriere della Sera* Sept. 14.

The Italian side of the "European Irangate" is implicating "citizens above suspicion," including some of Italy's wealthiest, in the huge guns-for-drugs traffic.

On Sept. 14, Ferdinando Borletti and his son, arrested 10 days earlier, were given provisional release. Borletti is the owner of 50% of Valsella Meccanotecnica, the weapons firm at the center of sales of sea-mines to Teheran. The other half of the firm is owned, through the subsidiary Gilardini, by Gianni Agnelli's Fiat, on whose board Borletti sits. Gilardini in turn controls 51% of Misar, an Italian firm that leads in the production of sea-mines like those now floating in the Gulf. The two top executives of Misar, Paolo Torricelli and Carlo Callieri, also enjoy high-level positions on Fiat's board.

On Sept. 12, Borletti was interrogated at length by the young prosecutor of Massa Carrara, Augusto Lama, who had issued 55 arrest warrants. That day was a day of terror for the financial and political Establishment.

After receiving threats from the mafia ("we will kidnap your wife"), Lama was the victim of an unprecedented public attack by the president of the Italian Bar Association, Grande-Stevens, who, speaking before the association, stated that Lama was capricious and thoughtless in arresting people, and asked: "Who will pay?" when it is discovered that Borletti is innocent.

Grande-Stevens, the son of a journalist in vogue during the Fascist period, and of the daughter of a high-level British intelligence official, is considered the leading Italian expert in "off-shore investments." He is also the legal adviser to Agnelli and sits on the board of several companies linked to Fiat.

His attack on the prosecutor was part a desperate Establishment attempt to bury what had been uncovered. "Either they had to free Borletti or they had to arrest Agnelli . . . and to arrest Agnelli is unthinkable. He can collapse Italy. He employs 600,000 people," said a well-informed observer. It seems that Borletti had let his friends know that, were he not freed, he would have started naming names.

Andreotti and the Swedish connection

These are worrisome times for Foreign Minister Giulio Andreotti, whose policy has been very favorable to Syria, Libya, Iran, and Gorbachov's Russia. Not only is Borletti close to Andreotti, but another firm deeply involved in the illegal supply of weapons to Teheran, Tirrena S.A., is even closer to the foreign minister. Tirrena's chairman, Vittorio Amadasi, is one of his closest friends.

The role of Tirrena in smuggling weapons to Iran came out in the investigations of Sweden's Nobel-Bofors firm, which used Italy and Yugoslavia to ship huge amounts of explosives to Iran. Tirrena received 5,300 tons of M-1 explosive powder for export to Iran, supplied by Bofors, the Belgian PRB, the Scottish Nobel, the French SNPE, and the Dutch Muiden-Chimie.

A signed confession to the Swedish police by the chief of the military explosives department at Bofors, Mats Lundberg, supplies details of a meeting that took place in Tirrena's offices in Rome on May 4, 1984. In attendance were Amadasi, his assistant, and the Bofors representative in Italy, Renato Golinelli. Lundberg confessed that they had discussed the 5,300 tons of explosives and the support of Minister Andreotti for the renewal of Tirrena's license to export to Iran.

The Valsella involvement in supplying mines to Iran dates back to 1981, when the firm received an order for 1 million mines from Teheran. Valsella asked Bofors to supply as much explosive as possible.

The order, however, was too big for even the Swedish giant to fill. Lundberg therefore requested the help of a very secretive entity, the European Association for the Study of Safety Problems (EASSP), created in Brussels in 1975 by the very firms that supplied the 5,300 tons of explosives to Tirrena. The firms created a sort of pool, so that Valsella and other Italian firms were never in need when it came to satisfying the multimillion-ton orders from Khomeini.

A central place in this arrangement was (and is) Syria. Prosecutor Lama has told the press that the Syrian secret services were key in the "triangulation" used to ship weapons to Iran. Valsella would export its mines to a small firm in Barcelona, Spain, Boviga, that would then export them to Syria. Finally, the merchandise would arrive in Iran.

On Sept. 17, Lama announced that the owner of Boviga, Luis Vila Relaz, works for Syrian intelligence. His name appears on one of the 55 arrest warrants. Interpol has been unable to locate him. Boviga's payments to Valsella were made through a bank in Zurich.

The Spanish angle becomes more interesting. The Syrian intelligence station chief there is Firaas al Assad, son of Rifaat and nephew of Syrian President Hafez al Assad. Firaas Assad, known as "Modor," is the organizer of the traffic in opium produced in Lebanon's Syrian-occupied Bekaa Valley, whose proceeds are used to pay for weapons and terrorist activities.

Developing sector nations demand a real U.N. anti-drug fight

by Mary McCourt

Something unique went on before and at the United Nations International Conference on Drug Abuse and Illicit Traffic held June 17-26 in Vienna: There was a real political fight inside the United Nations. Developing sector nations, led by Malaysia and some Ibero-American nations, are demanding that drug trafficking be fought as a crime against humanity, that the dope trade be ended, and that whatever measures necessary, including the death penalty for drug traffickers, be recommended to win the war on drugs. Such proposals were cut from final recommendations to the U.N. conference, but the entire context of U.N. debate on drugs has been changed from liberal prattle about "social problems" and "education" to the issues of national security and millions of lives.

Malaysian Prime Minister Dr. Mahathir Mohammad—the only prime minister to attend the conference—was elected president of the conference, with the support of India, among other nations. Dr. Mahathir, a medical doctor, has led Malaysia in its courageous, solitary, enforcement of its strong anti-drug-trafficking laws, which include the death penalty for traffickers, no matter what their national origin. Dr. Mahathir told an annual Commonwealth parliamentary conference in August, "Our laws are harsh, but we make no apology. Our youths are being destroyed by this scourge. We consider those who distribute drugs as their destroyers, their murderers. And it is as murderers they will be treated."

These laws are a matter of national survival for Malaysia, one of the many Asian and Ibero-American nations where drug consumption has soared since the beginning of the 1980s. As the U.S. drug market has reached the saturation point, and production increased in recent years, traffickers are now flooding impoverished Third World nations with cheap dope. The results are horrendous: In Pakistan, the number of heroin addicts rose from 5,000 in 1981 to 450,000 in 1986. Thai authorities report some 500,000 addicts. Malaysia, a nation of 15 million, has 450,000 addicts—as compared with 20,000 in the Netherlands, with a similar population level.

Prime Minister Mahathir raised another point that the

U.N. liberals have avoided—the vast financial resources of the dope traders. More than £300 billion—a figure close to the \$500 billion cited by the book *Dope, Inc.* as the international gross of the narcotics trade—is at the disposal of the drug dealers, Mahathir said. To combat them, the U.N. had barely a few hundred million dollars.

Dope a crime against humanity

Two proposals opened up the fight within the U.N. apparatus, and put it before the public. First, the Ibero-American nations took the initiative to bring their Quito and Lima declarations of 1984—which declared drug trafficking a Crime Against Humanity—to the U.N. General Assembly, where it was decided to work out a new U.N. Convention on illicit trafficking, to replace the 1961 Single Convention on Drugs, and the 1971 Convention on Psychotropic Substances.

Second, at Malaysia's initiative, the U.N. General Secretary ordered that the proceedings of the preparatory body for the June conference, and the final recommendations of the conference, be produced as "Recommendations Regarding a Comprehensive Multidisciplinary Outline of Future Activities Relevant to the Problem of Drug Abuse and Illicit Trafficking," (CMO), as a "final expression of the political will of the international community to combat drug abuse and illicit trafficking." The final document contains several important policy recommendations, including that traffickers' assets be forfeited, and that "suspect activity" by banks and financial institutions—including "unusually large" cash transactions, be reportable to drug law enforcement agencies. But far more interesting is the preliminary CMO, the result of a February conference at the U.N. headquarters in Vienna, where the battle lines were drawn.

One of the biggest issues was clearly the language of the documents. What compromises necessary to even get the CMO produced, were made very clear by the footnote on the front cover: Whenever the word "should" in the text "might be construed as indicating an obligation for a government to take a certain action," "could" or "may" will be substituted

in the final text, "to emphasize that no obligation is implied." The force of the Quito declaration made some people very nervous: One Swedish delegate's reaction was that "they contained some very strange formulations. They were not in conformity with U.N. language—it was very powerful language."

Such powerful language appeared in the first recommendation of the Feb. 12-18 preparatory conference document, which invites all nations to consider the measures proposed, because they will permit an "effective campaign" against drug abuse, illicit production, and trafficking "with a view to its total elimination." The conference chairman declared that since illicit drug trafficking was run by "veritable crime multinationals that often had greater resources than their victims, . . . a new international legal regime should be envisaged, which would provide people with more vigorous legal instruments with which to carry out their struggle." The fundamental objective of the preliminary conference, he said, was "to formulate an effective consensus instrument to combat drug trafficking, even if it meant that States had to change their legislation."

The current legal regime is totally ineffective, as Interpol Secretary-General Raymond Kendall, at a conference in Japan July 1-4, told Kyodo News Service. "The sums of money and the quantity of drugs involved are so enormous at present, that police crackdowns have no effect," Kendall said. For each arrest made, new groups of traffickers spring up every day, he said.

The U.N. report to the main committee is not such an effective instrument, because the critical recommendations to make it so were considerably weakened or even eliminated. The CMO chapter on "Control of Supply," a long-term U.N. topic of discussion with little more result than the notably ineffective drug crop substitution programs, such as that supported by the British in Pakistan, did call for aerial spraying (although with "environmentally safe" herbicides), and other high-technology anti-drug measures. But a forceful suggestion, that a U.N. body itself should enhance international cooperation on destroying drug supplies, by "organizing and executing international action to locate and eliminate illicit narcotic crops. Such an action may include *physical actions* by this United Nations body," was not accepted [emphasis added].

A lot more fireworks clearly went off in the discussion of the chapter on "Suppression of Illicit Trafficking," a whole new topic of discussion for the United Nations. The proposals made here are the proposals also being made by the Ibero-American nations in their call for a new Convention based on the Quito and Lima declarations, and some European delegates reported there were efforts to throw out the whole chapter. That failing, one delegation demanded that the war on drugs be called off, by a proposed addition—not adopted—citing some legal and social science "experts" that attempting to solve the drug problem by applying penal law

"has led to unintentional negative side effects," including "physical and social problems" for addicts and "has contributed to the endangerment of the civilized legal and enforcement system."

Death penalty proposed

Actually, most of the proposals that would give nations a genuinely "civilized" legal system—notably the death penalty for drug traffickers as part of an all-out shooting war on drugs—were eliminated from the final conference report in June, but the fact that such proposals were even made shows that the fight is on. The death penalty, "subject to the limitations of the constitution and law of the State concerned," severe restrictions on travel of anyone convicted of drug crimes, and the strongest proposals calling for forfeiture of drug trafficker's property were cut from the final recommendations. The proposal that governments should modify their laws to "ensure the seizure, freezing, and forfeiture of the objects knowingly used in trafficking and the proceeds therefrom," was adopted, but the addition, which would have made it stronger, "even if intermingled with other property acquired licitly," was dropped.

The most powerful anti-trafficking recommendation, actually adopted for the June conference, was one proposed by the British to follow up the strong legislation—especially against money laundering—that the British adopted Jan. 1. National authorities should ensure that any "suspect activity" by banks and other financial institutions be reported to drug enforcement agencies, the report states, and the movement or deposit of unusually large amounts of cash or negotiable instruments, unreported foreign accounts, and "large unexplained accumulations of wealth of obviously illicit origin should be liable to penalties if there is evidence of 'laundering' or concealment of funds connected with illicit drug trafficking."

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'Secret government' finds Panama stooge

by Peter Rush

Panama's first Vice President Roderick Esquivel returned to Panama Sept. 16 from a one-week jaunt to Canada and the United States, and called a press conference and went on radio to boast of his "informal, extra-official" meeting with the U.S. Undersecretary of State for Inter-American Affairs, Elliott Abrams. This is the same Elliott Abrams who lost all credibility with the U.S. Congress when he was caught brazenly lying in testimony before that body on his own role in the Iran-Contra scandal.

Esquivel was anxious to tell Panamanians of Abrams's "concern" over "Panama's insults to the United States [sic]," such as Panama's treatment of David Miller, the commercial attaché arrested while demonstrating with Panama's opposition. Esquivel then trumpeted, "We are a totally discredited country around the world. Our image abroad is that there are no guaranteed rights for anyone here."

The U.S. media have indeed done a thorough job over the last months of painting Panama as an outlaw nation. But Ibero-America has not bought this Soviet-style disinformation campaign.

Noriega welcomed in Mexico

Even as Esquivel was dropping his "bombshells," in Mexico, Gen. Manuel Noriega, the chief target of hatred by Panama's Opposition and the U.S. State Department, received the highest medal of honor the Mexican military can award, and was warmly acclaimed by the leaders of the military establishments of 20 Ibero-American nations. Noriega was in Mexico for the celebration of the 177th anniversary of Mexico's independence. In the award ceremony, Noriega was praised for his important role in the Contadora Group, the countries trying to bring about a peaceful solution to the Central American crisis.

Noriega, the head of the Panamanian Defense Forces, is known for insisting that the militaries of the region have a key role to play in the peace process.

Contrary to Esquivel's retail version of the U.S. government's slander of Panama, Panama has the strong support of the rest of the continent against the hamhanded efforts to destabilize the Panamanian government being run by the so-called "Project Democracy" apparatus in the United States, together with the "Bankers' Revolution" Opposition in Pan-

ama. Every nation of Ibero-America backed Panama in the vote in the Organization of American States last June against the blatant intervention into the internal affairs of Panama represented by the U.S. Senate resolution demanding the overthrow of the government of Panama. Nor has Ibero-America forgotten U.S. betrayal of hemispheric solidarity and the Monroe Doctrine, when the U.S. backed Great Britain against Argentina in the Malvinas War in 1982.

So what explains Mr. Esquivel's strange behavior? While in Ontario, Canada the previous week, Mr. Esquivel held meetings with representatives of the U.S. "secret government" at the founding meeting of the "Liberal International."

Specifically, he met with Democratic Party chairman Paul Kirk, and also with one Brian Atwood, executive director of the National Democratic Institute for International Affairs (NDI), a think tank of the Democratic National Committee funded by the National Endowment for Democracy to carry out "sensitive" operations, that used to be carried out by the U.S. Central Intelligence Agency (CIA). Atwood invited Esquivel to the United States on his return, which was the occasion for his talk with Elliott Abrams.

The network that has the ear of the hapless Mr. Esquivel was exposed in *EIR*'s March 1987 Special Report, "Project Democracy: the 'parallel government' behind the Iran/Contra affair," as the crowd around Lt. Col. Oliver North and his associates, infamous for arming the Ayatollah Khomeini's terrorists. This network's link to the CIA was spelled out in a 1984 syndicated column by the former top CIA official of 30-years experience, Cord Meyer: "When this controversial CIA funding was permanently ended in 1967 by a series of leaks to the press, all efforts to find a way of openly providing official American help to non-governmental organizations abroad initially proved unsuccessful. . . . Now that Congress has found a way, through the National Endowment for Democracy (NED), of openly funding beleaguered democratic forces overseas, it has been wise to proceed cautiously at first, in view of the extreme sensitivity of such intervention."

The NED is one of the "mother" organizations of the web of foundations and groups spawned by the Oliver North network to back their Contra operations, and to intervene in developing countries in general. The NED network has been heavily involved with the Panamanian Opposition, egging it on to destabilize the government.

The NED is also actively trying to influence officials in other countries. In mid-September, the deputy director of the NDI under Atwood, Kenneth Wollack, met with Peruvian Vice President Luis Alberto Sánchez in Washington, and Sánchez was hosted by the NED itself at an event attended by top Democratic Party officials and former officials.

As for Esquivel's Ontario puppeteer, Brian Atwood, he went as an "observer" to the Philippines in 1986, invited by the same State Department officials who overthrew President Marcos in 1986, and who invited several Panamanian Oppositionists there in 1987.

Sri Lanka: Maoists, monks join hands

by Ramtanu Maitra

The historic agreement signed by Sri Lankan President Junius Richard Jayewardene and Indian Prime Minister Rajiv Gandhi on July 29, to bring an end to the four-year-old ethnic conflict between Sri Lankan Tamils and the majority Sinhala community, is now being sabotaged by a coalition of saffron-clad Buddhist fundamentalists and the Moscow-trained leader of the Janatha Vimukthi Peramuna (JVP)—People's Liberation Front.

A series of incidents over the past weeks, starting with riots which followed the signing of the agreement, trace the pattern of this menacing coalition. On July 31, a member of parliament, Jinadasa Wedasinghe, was shot to death in Ratnapura, in southern Sri Lanka, by assailants suspected to be JVP members. A number of JVP members have since been picked up by the police for subversive activities.

On Aug. 18, a hand grenade was thrown into the parliament building, while parliament was in session. President Jayewardene fortunately escaped the assassination attempt, but one member of the ruling United National Party (UNP) died. Sri Lankan Minister of National Security Lalith Athulathmudali, a pivotal figure in the agreement with India, and Prime Minister R. Premadasa were injured.

The spate of violence that has followed the signing of the agreement was not totally unexpected. In 1983, the Sri Lanka government had alleged that the JVP was involved in the Colombo riots which precipitated the next four years of internecine warfare. During this period, the Tamils organized themselves into a fighting army, while the Sinhala fanatics formed a coalition with the Buddhist monks and the JVP.

On May 10, 1987 President Jayewardene accused the JVP of plotting to assassinate the President and other Sri Lankan leaders. What is the JVP?

Sixteen years ago, in 1971, the group first shot into the limelight when this 10,000-strong underground Maoist group carried out a simultaneous assault on 92 police stations in different parts of the country, capturing 35 of them, and holding them for a short while. Thirty-seven policemen and 26 military personnel were killed. Mrs. Sirimavo Bandaranaike, then prime minister of Sri Lanka, sought India's help to put down the insurrection.

The JVP is led by one Rohana Wijeweera, a graduate of Moscow's Lumumba University. According to A.C. Alles, a judge in the Supreme Court of Sri Lanka, in his book *Insurgency 1971*, Wijeweera started out as a sympathizer of

Sri Lanka's pro-Beijing Communist Party, but later broke away. He then found support from South Yemen and Europe. To recruit followers, Wijeweera developed a five-lecture series devoted to attacking India as "expansionist" and the Tamils for "stealing the jobs of the sons of the soil."

The JVP was banned following the 1983 Colombo riot. Wijeweera and his cohort Vasudeva Nanayakkra of the Nava Sama Samaj Party (NSSP), went underground and began organizing in the southern part of Sri Lanka among the Buddhists and tea-garden laborers. In organizing the tea-garden laborers, who are Tamils of Indian origin, Wijeweera was helped by one faction among the Tamil militants, the Peoples Liberation of Tamil Eelam (PLOTE). PLOTE is led by Uma Maheswaran, a Marxist with ties to the Soviet Union and the Indian Communist parties.

By late in 1986 the JVP had clearly become a significant force. At the inauguration of the Buddhist fundamentalist-led Jatika Peramuna (National Front) on Aug. 9, 1986, at the Asgiriya temple in Kandy, a high-ranking leader of the JVP was reportedly present. JVP leader Palipam Chandananda Thero used the occasion to denounce the government for negotiating with the Tamils, who, according to Thero, are "terrorists" involved in killing Buddhist monks. Sri Lankan Freedom Party boss and former prime minister, Mrs. Bandaranaike, also attended the launching of the National Front.

Since then, the Buddhist fundamentalists have adopted an anti-India campaign that is an echo of the JVP line. Thero has warned on many occasions that Sri Lanka's problems cannot be solved so as to please India. He has also called for President Jayewardene's resignation and abandonment of talks with the Tamils.

Destabilization threat

Following the signing of the agreement in July, Thero delivered this ultimatum: "By agreeing to this . . . the Sri Lankan government has betrayed the Sinhalese people. We will oppose this package. It is wrong. Of course our opposition will be peaceful. But if the government refuses to change its mind, it could become violent. At that point even the Buddhist clergy will not be able to restrain the Sinhalese people."

This threat has not been taken lightly by the Sri Lankan government, which has reason to believe that the JVP members have put on the saffron robe of the Buddhist monks and are operating under the shelter of the temple. On Aug. 24 the government issued orders that all Buddhist monks will have to carry identification cards. The Sri Lankan Cultural Affairs Ministry is now in the process of compiling lists of the monks who will be given such cards.

Mrs. Bandaranaike's opportunism is another powerful factor in this destabilization threat. Eager to seize political advantage in the coming 1989 elections, she has positioned herself as a champion of the Sinhala cause, and stooped to cooperate with the same JVP which in 1971 tried to destroy her.

Behind the 'revival' of Bukharin, Trotsky

by Luba George

Much of the Western media has been in ecstasy lately, commenting on a Soviet media campaign launched under Gorbachov to "rehabilitate" Nikolai Bukharin and Leon Trotsky, Stalin's foes in the 1920s, Soviet power struggle. Moscow has indeed launched a cautious semi-rehabilitation of Bukharin, as a signal to the Western pro-New Yalta "Trust" interests. Bukharin represented the Western Trust component of the pre-Stalin old Bolshevik leadership. On the Trotsky question, the Western media have jumped the gun.

What is missed in the Western coverage, one suspects deliberately, is that side by side with a limited "rehabilitation," Gorbachov's media has, for example, in dealing with "subversion" by non-Russian nationalities, revived the purge and crackdown language of the Stalin era. Parallel with this, has been an ever-increasing play-up of Russian chauvinist themes, rivaling the Stalin era.

Rehabilitation: the facts

Bukharin has indeed been exonerated from having been termed an "enemy of the people" and a "criminal." But the Soviet TV coverage of Bukharin, so often cited in the West, has always stressed that Bukharin, in his policy fights with Lenin, had been wrong. Second, while there has been very significant Soviet coverage, such as *Pravda* of Aug. 9, supporting the *content* of Bukharin's "voluntary peasant cooperatives" approach to collectivization in 1928-29, in opposition to Stalin's forced collectivization policies, Bukharin himself is not named in the *Pravda* article.

Most important, both the "rehabilitation" push, and the debate raging in the Soviet press over the Stalin period, are an operation directly run by the KGB. This past summer's Bukharin wave was inaugurated by an article in the July 22 edition of the weekly *Literaturnaya Gazeta*, which printed a short one-act play by KGB mouthpiece Fyodor Burlatsky. The play deals with two brothers, Pyotr and Alexei, and takes place around 1929. The names Stalin and Bukharin are not mentioned, but Alexei, a professor at the Red Professors Institute, symbolizes Bukharin's "voluntary cooperatives" policy, while Pyotr is a Stalin hack sent in to purge the Institute. Alexei, of course, is the play's protagonist, but all

his attacks on forced collectivization, as well as his attacks on "the cult of one-person leadership," are based on citations from *Lenin*, not Bukharin.

The language of Stalin

The same Western correspondents in Moscow who researched every word and comma in the Soviet media concerning rehabilitation and "liberalization," were somehow all asleep at the switch on Sept. 11. That day, the Soviet press reprinted front-page, the speech given the day before by Viktor Chebrikov, boss of the KGB. Chebrikov was speaking on the occasion of the 110th birthday of Felix Dzerzhinsky, the founder and boss of the Cheka, the notorious Red Terror predecessor to the GPU, NKVD, and KGB. The speech was vintage Stalin.

Chebrikov attacked Trotsky and Trotskyism *five* times during the speech. One sample quote: "Bourgeois ideologists are once again shaking up their decrepit baggage for arguments for their insinuations often drawn from the arsenal of Trotskyism and other opportunist circles."

The main theme of the speech was that "Western intelligence services" are "trying to penetrate our society" and "undermine the achievements" of Gorbachov's *perestroika*. Western intelligence is behind the manifestations of nationalist opposition to Russian rule: "They [Western intelligence] are rendering assistance to and exerting negative influence on a certain number of Soviet people, who are afflicted with the virus of nationalism . . . as witnessed by the nationalist protests in Alma Ata . . . [by] the Crimean Tatars and by the provocative rallies of nationalists in the capitals of the Soviet Baltic Republics."

Chebrikov went on to again blame "Western intelligence" for being behind opposition to Gorbachov's *perestroika* among "certain parts" of the "artistic intelligentsia" and other circles. During the 1930s, Stalin had accused his enemies of being "agents of imperialist intelligence services."

As with Stalin, Gorbachov's resurrection of the "enemy agents" line is believed to be directly linked to an expanded party purge about to begin. Readers of *Pravda* did not have to wait long after Chebrikov's speech to find this out. Following Chebrikov's speech, *Pravda* ran an editorial denouncing "toadyism" and "demagoguery" in the ranks of the Party. It declared that the party must be cleansed of the "new demagogues" who are "especially dangerous . . . cleverly adapting to the changed conditions" under the *perestroika*. "They spout for their own purposes all the correct slogans."

On Sept. 14, *Pravda* published letters from "readers" under the headline, "And the People Will Speak the Truth" which included, among many others, the following letter by a World War II veteran: "The people and the party today are rightfully denouncing the Stalin Cult and all the tragic consequences connected with it . . . but . . . we cannot negate the good tradition and principles of the older generation" that helped defeat Fascism.

Book Review

Luca Pacioli, a man who deserves to become known to Americans

by Stephanie Ezrol

No Royal Road: Luca Pacioli and His Times

by R. Emmett Taylor

Ayer Company Publishers, Salem, New Hampshire (Reprint of 1942 edition, Arno Press collection, "Dimensions of Accounting Theory and Practice," 1980.)

445 pages, clothbound, \$32.00.

Fra Luca Pacioli is best known today as the close collaborator of Leonardo da Vinci and Piero della Francesca. R. Emmett Taylor wrote his book in 1942 in an effort to defend Pacioli's reputation from a variety of slanders including the irrelevant charge that he had plagiarized his work from his acknowledged teacher Piero and others.

This reviewer, having worked professionally in the field of accounting, was first drawn to Taylor's book on Pacioli because almost every modern textbook on accounting mentions in its introduction that the first treatise on double entry bookkeeping was written in 1494 by Luca Pacioli. The seemingly odd coincidence of Pacioli's specialties in art, geometry, military affairs, theology, and music, among others, aroused my curiosity and prompted an active investigation both into the book now under review, and the works of Pacioli.

The 1980 reprint of *No Royal Road* was published as a volume in the Arno Press collection, "Dimensions of Accounting Theory and Practice." Art aficionados are shocked and amazed at this classification of the life and times of Luca Pacioli. The only written work of Luca Pacioli available in the English language is a translation of the bookkeeping section of Pacioli's 1494 book, *Summa de Arithmetica. Geometria, Proportioni. et Proportionalità*.

Pacioli's instructions are essentially the same as formal bookkeeping procedures in use today.

Pacioli writes, "Accounts are nothing else than the expression in writing of the proper order of your affairs." This contrasts with the currently prevailing nominalist approach to accounting, in which artificial categories are estab-

lished, not to measure the real physical activity of a business, but to conform instead with false ideology underlying usurious tax law and investment banking practice.

Leonardo da Vinci and Pacioli

Pacioli came to Milan in 1496 to serve as a teacher of mathematics at the ducal court. He came to know Leonardo intimately, and they worked together on Pacioli's *De Divina Proportione*.

Leonard was during this same period creating his masterpiece, *The Last Supper*. This collaboration was interrupted by the French invasion of Italy. Pacioli and Leonardo left Milan together in 1499, and went to Mantua, and then to Venice, and finally to Florence. Taylor unfortunately gives us very little of the substance of the collaboration between Leonardo and Pacioli.

Lyndon LaRouche explained the importance of Pacioli's role as chief promoter of the five "Platonic solids," in a recent issue of *EIR*, (Vol. 14, No. 36, page 20ff.):

Leonardo da Vinci was brought to systematic study of Cusa's scientific work through Leonardo's Milan collaborator, Fra Luca Pacioli. . . . From the collaboration between Pacioli and Leonardo, nearly all of modern science was set into motion, together with several revolutions in painting and music.

The 'true' Euclid

In 1509, Pacioli published his own edition of the *Elements* of Euclid. The book appears to have been published in both Latin and Italian; however, the Italian edition has disappeared. While it is impossible for me to comment on the text of Pacioli's now-missing translation, the commentary on that Italian translation raises many interesting questions about the history of constructive geometry, and the corruption of what is known today as Euclid's *Elements*.

Pacioli dedicated his edition to Cardinal Francesco Soderini. He writes in the dedication, "At one time I was prevailed upon by the very insistent prayers of friends and es-

pecially your and my friends of whom the dearest to me is Leonardo da Vinci to publish the work. You will read with the wonted tranquillity of countenance a Euclid presented by me in the vernacular. As this work has been written for the use of us all and is fraught with the greatest usefulness for the human race, so may it be accessible to everyone, so that our country may through the instrumentality of language be enriched in these disciplines.”

Following this dedication is an epigram from Daniele Caetani of Cremona, “Sadly Euclid returned from Hades’ shades wan, misshapen, his face hidden by dust. Hospitality he asked many a person, in pitiful tones as he made his way through the public squares, thresholds of kings, and schools. He was received by no one except those who mistakenly thought they were acquainted with him but his glory but poorly shone for his being recognized. And for long he journeyed to the farthest shores of the world to see if any right hand might succor him in his wretchedness. Finally he discovered such a one as the happy fates brought in answer to his prayers for patrons. This is the brother (Paciolus) by whose means he is now radiant and beautiful and is restored just as he was in antiquity.”

Also published in the same edition is a letter from Daniele Caetani to Daniele Reniero, a patrician mathematician and humanist. Caetani notes, “However, although I am prevented from speaking in praise of Paciulus, nevertheless I cannot be silent, namely, that Euclid, whether in the press or in the hands of the translators was so confused, so mutilated, so absurdly done that whoever studied the subject either did not understand it or else introduced error from outside into Euclid itself. Now indeed where the lyncean eye of Lucas Paciulus has penetrated between the Symplegades and into the many swirling Charybdis of error, the road has been made even, the passage safe, the route unencumbered through the dark byways, and the true Euclid has been brought back accessible to everyone.”

Educating the citizens of a republic

Pacioli’s mission, as exemplified by all of his written works, was to make available to the artists, artisans, and engineers as well as the dukes and princes of the Italian city-states, the most advanced scientific knowledge and method.

Pacioli made models of the five regular Platonic solids which he distributed as gifts to dukes and princes. On at least three occasions, formal presentation of them as gifts had been made to illustrious persons.

Pacioli writes in the architecture section of the *Divina*, “The most beautiful forms of said material bodies I have with my own hands here in Milan arranged, colored and decorated . . . and arranged a set for my patron Galeazzo Sanseverino and as many more again in Florence for Our Most Excellent Gonfalonier Piero Soderini which are at present found in his palace.”

He wrote in a mixture of Latin and Italian, which accord-

ing to Taylor was necessary because the dead Latin language was incapable of communicating advanced scientific concepts. “For practical purposes the Italian had to be used because it was the only means by which technical and scientific ideas could be expressed and understood. At the end of 15th century science was greatly enriched, but was still in conflict with book learning. At Milan, applied science found a language.”

Pacioli was a professor of mathematics in Perugia, Florence, Pisa, and Bologna. Beyond his university lectures, Pacioli gave public lectures throughout Italy to audiences of churchmen, scholars, bankers, businessmen and ordinary citizens. Taylor’s scholarship, which took him to archives and libraries in Rome, Milan, Bologna, London, Geneva, and elsewhere, makes available to the 20th-century English-speaking reader knowledge of much of Pacioli’s previously unknown writings.

The following lecture, reprinted in its entirety by Taylor, is the only record now remaining of one of Pacioli’s public lectures. Given on Aug. 11, 1508 in Venice, the lecture was printed as introduction to Euclid’s fifth book. I believe it makes clear in a concise fashion the coherence between science, Augustinian theology, and beauty.

Pacioli tell his audience,

Of all arduous and difficult things, oh very reverend Lords, venerable Fathers, very eminent Doctors, distinguished Gentlemen, very intelligent students of whatsoever field of study, and you remaining very distinguished citizens, the most difficult is proportion. This is the quality which alone penetrates the inmost being of the most high and undivided Trinity, and is investigated very sagaciously by sacred theologians. . . . For there is nothing else in the upper universe and in the lower universe than the proportion necessarily among things, or the relation which is sought. They who are concerned with sacred literature never would have been able by tongue or pen to explain the procession of the Holy Ghost from the Father and the Son, due to the reciprocal love of them, except they had first been able to explain the relation between them, that is, of the Father to the Son and vice versa. This relation the Great Architect always held before His eyes in the arrangement of the celestial and terrestrial worlds since He spaced at most regular intervals the orbits and revolutions of the sun and moon, the stars, and all other planets. This was before His eyes when He was establishing the aether above, and was hanging the foundation of the earth, and weighing the streams of water, and giving its bounds to the sea, and imposing a law upon the waters that they might not surpass their borders. . . . In what way could mankind be carried away into love especially for the invisible, if he did not see a certain relation of the creature to the creator?

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Starving an economy

Venezuela appears prepared to sacrifice its currency, its economy, its national sovereignty, to the bankers' cause.

What does a nation with an expected annual income of \$9.4 billion do, if it must allocate \$5 billion to servicing its foreign debt, and \$8 billion for indispensable imports to maintain production and consumption, while sustaining operating reserves in the central bank, and assigning millions to keep its currency afloat?

A sovereign republic, which were not merely a colony for private financial empires, would defend the basis of its sovereignty, which is the productive potential of its citizens, their consumption levels and their capacity to create wealth. It would also defend its currency, which is the expression of the value of the citizens' labor.

"A handful of bankers is not going to die of malnutrition or dysentery if payment of their debt is delayed, as would indeed happen with thousands of our compatriots," said Peruvian President Alan García, during a visit to Venezuela last February. In effect, García was also elaborating the social doctrine of the Catholic Church, reiterated in numerous recent documents.

The other alternative is to force governments, through threat or blackmail (financial, commercial, political, whatever) to accept a drastic reduction in production and domestic consumption, via successive devaluations of their currencies, so as to meet debt payments. This is the primary goal of recommendations made by such "technical" instruments of the creditor community, as the World Bank and International Monetary Fund.

It is essential to understand these

alternatives to clarify what is currently occurring in Venezuela. In a central bank document, leaked to the press last June following a series of visits by "technicians" of the IMF and World Bank, the data on income and expenditures referred to at the beginning of this column were subjected to careful analysis. The conclusion: A debt moratorium or some other unilateral action like that of Peru or Brazil was not recommended. Further, it was concluded that the production and consumption of Venezuelans needed to be squeezed still further as a means of paying the debt. The carrot offered was abundant future credit.

Functioning as a virtual state within a state, the Venezuelan central bank and finance ministry are carrying out these recommendations step by step, to the detriment of other economic reactivation plans already under way and under the charge of other official agencies. For example, in June, the central bank decided to create a *mesa de dinero*, where interest rates are offered at 30-35%, instead of the usual 12%, in order to "capture currency" under the pretext of easing pressures on the foreign exchange market. The net effect is that the national banking system delivers itself over to a speculative orgy organized by the central bank itself, while drastically restricting credit for production and trade. Naturally, the hardest hit are the medium and small businessmen, who do not have access to their own banks, as do the major economic groups.

The illiquidity problem has reached the point at which business

associations like Conindustria, Consec Comercio, and Fedecámaras, whose directors generally share Finance Minister Azpúrua's policy viewpoint, were forced during the first week of September to demand a policy change on the part of the monetary authorities, urging a minimum increase in liquidity of 20%. In response, Minister Azpúrua has used the office of imports to shamelessly stall approval and delivery of preferential dollars to companies in urgent need of imported materials and replacement parts.

The president of the Venezuelan Industry Council, Jorge Chapellín, declared Sept. 8 that "between 28 and 30% of private sector imports, equal to \$2 billion, have had to be conducted through the free market, due to the government's lack of flexibility in making foreign exchange available, which in turn has caused the rise of the dollar with respect to the bolívar." The dollar went from 28 to 36 bolivars to the dollar in the first 15 days of September alone.

This situation has paralyzed construction and trade, and has driven numerous producers, unable to import at nearly triple the nominal value of their money, to the brink of bankruptcy. At the same time, strict measures taken in the border regions, presumably to halt the flow of contraband out of the country, have paralyzed 90% of trade in the region, causing enormous losses to border industry and commerce.

Unfortunately, the aggravated crisis notwithstanding, many Venezuelan businessmen and industrialists have yet to understand that the economic policies which are deliberately destroying national industry in order to reduce the demand for foreign exchange for imports, are precisely those recommended by the International Monetary Fund and creditor banks to facilitate debt repayment.

Fall of a Brazilian 'Rasputin'

Who is Rubens Ricupero, and why are Brazilian patriots breathing a sigh of relief at his imminent departure?

With his nomination as Brazil's ambassador to Geneva, it is widely expected among patriotic military and civilian circles that presidential adviser Rubens Ricupero will be forced to abandon control over the "palace guard" he has mounted around President José Sarney. That guard has surrounded the President with all manner of intrigues that have served to isolate and/or eliminate the best elements within the Sarney government, while bringing to the fore the advocates of a "bankers' socialism" for Brazil.

Although Ricupero's nomination was decided upon more than three months ago, the Brazilian Senate had been twice manipulated into blocking the nomination of current Geneva ambassador Pablo Nogueira Batista, as ambassador to the United Nations, which would have freed up the Geneva post for Ricupero's transfer.

What particularly stretched the patience of certain patriotic circles were the most recent manipulations by Ricupero to exclude from the President's historic announcement on Brazilian uranium enrichment any reference to the pioneering role of the Navy, by alleging that this would avoid any "suspicions" about the peaceful nature of the nuclear program.

This was the last straw, following a series of maneuvers by Ricupero to force the Brazilian democratization process into a mold designed by the U.S. State Department and the Socialist International.

It was in this context, for example, that "Rasputin" Ricupero plotted the

isolation of former Finance Minister Dilson Funaro, the architect of the Brazilian debt moratorium, both within and outside the country. It was also his intrigues within the presidential palace that won the nomination of banker Marcilio Marques Moreira as Brazilian ambassador to Washington, and later, the creation of a Debt Commission presided over by former Foreign Minister Saraiva Guerreiro, which never met in session and whose purpose was exclusively to weaken Funaro's domain.

Driven as much by personal ambition as by loyalty to his nation's enemies, Ricupero has also worked to undermine Foreign Minister Roberto Abreu Sodre, whom Ricupero considers an unwelcome "outsider" to the intrigues of the aristocracy that traditionally runs Itamaraty Palace. Ricupero had hoped for the foreign ministry post for himself.

Considered one of the great specialists in U.S. domestic politics, Ricupero launched his political career within Itamaraty thanks to the electoral victory of Jimmy Carter and the Trilateral Commission in 1976, for whom his preferences were clear. His readiness to adapt to the plans of the international oligarchy, led Ricupero to be strongly influenced by the Council on Foreign Relations's "Project 1980s," and by its successor under the Carter government, the malthusian "Global 2000" doctrine.

Since then, his political ascent has been marked by an increasingly intimate relationship with the circles of

the European and U.S. social democracy; with the Club of Rome, especially with Helio Jaguaribe (today, the *éminence grise* of the government of Rio de Janeiro); with the theology of liberation; and with the "nuclear appeasement" policies of the Pugwash Conferences, which have sought to violate Brazilian sovereignty by subjecting the nation's scientific and technological development to "supervision."

It was during this past decade, that the oligarchic circles of Ricupero and Jaguaribe planned out a form of "democratic transition" for Brazil, within the framework of "Project 1980s" and "Global 2000." This "transition" plan was joined and endorsed by the ambitious and unstable former governor of São Paulo, André Franco Montoro, and with him, a large group of malthusian environmentalists headed by the current dean of the University of São Paulo, José Goldemberg.

In his article "World Debt and the Social Democracy," (*EIR*, Vol. 14 No. 17), Lyndon H. LaRouche describes the ideology of this group:

"Not only do social-democrats function as covert arms and legs of certain financier interests in the developing sector; social-democratic ideology is fairly described as 'bankers' socialism. . . . The ideology of the leading social-democrats is explicitly pro-feudalist. That is, they are anti-industrialists . . . whose stock-in-trade is the argument that 'technological progress takes away jobs.' . . . Those among wealthy aristocratic circles, and American 'patricians,' who yearn for a return to feudal-like class society, find the social-democratic ideologues very useful."

Ricupero's fall could well mean the defeat of the Social Democrat's "transition plan," a defeat which would pave the way for genuine democracy.

International Intelligence

Non-nuclear cruise missile in the works

The U.S. Defense Department is developing a high-explosive, non-nuclear version of the cruise missile that will be capable of hitting within inches of its target, the *New York Times* reported Sept. 14, citing Pentagon and congressional sources. The range of the missile has been doubled, the officials also stressed, saying the Navy has used one fired from a submarine to hit a target 3,000 miles away.

The implications of these developments in cruise missile technology would include: 1) replacing medium-range nuclear missiles withdrawn from Europe under an Intermediate Nuclear Forces (INF) treaty; 2) use of precisely targeted cruise missiles instead of nuclear missiles in a European conflict; 3) reducing the need for aerial bombing; and 4) providing a new weapon against terrorists through the missile's ability to target single buildings.

The program will take 5 to 10 years to complete. However, in the Arabian Gulf, cruise missiles with conventional warheads have already been deployed by the United States aboard the battleship *Missouri* and the cruisers *Long Beach* and *Bunker Hill*, the *Times* asserts.

"Some officials," says the *Times*, speculate that "the first hostile use of cruise missiles would come in that region, if President Reagan ordered a strike against Iran. From the Arabian Sea, American cruise missiles could easily hit Iran as far north as Teheran."

Destabilization grows in Yugoslavia

Recent adverse developments with the Yugoslav economy have increased the threat of political destabilization of that Balkan country.

A financial scandal that led to Vice President Hamdija Pozderac's resignation, has revealed that the economy is on the verge of bankruptcy. The agro-industrial firm Agro-

komerc had issued promissory notes in local currency valued at roughly \$256 million—with no collateral—but a bank guaranteed them anyway. The institution that issued the guarantee, the Bank of Bihac, is now about to go under. Some 63 other banks are lining up to press their claims in court, some also facing bankruptcy in consequence of related losses. Agrokomerc's president is under arrest.

Vice President Pozderac, a Bosnian, resigned on Sept. 12, after his brother was linked to the Agrokomerc fraud. According to a Sept. 13 dispatch by the official Tanjug news agency, the Yugoslav Communist Party has expelled 42 members, and 28 of them are facing criminal proceedings—all over the same affair.

Compounding the destabilization of the country is terrorism in the Kosovo province by separatists of the Albanian-origin majority, being fueled by neighboring Albania and the Russian KGB. The terrorism there has led to an exodus of minority Serbs and Montenegrins. The Serbs are the majority Yugoslav population and dominate the army.

On Sept. 1, an ethnic Albanian conscript ran amok with automatic weapons in a military barracks in southern Serbia. Four non-Albanian soldiers died, and five others were wounded. The Belgrade funeral of one of the victims became the scene of a furious ethnic protest by more than 10,000 Serbs. According to government spokesmen, "some irrational behavior" occurred, referring to anti-Albanian slogans that were shouted.

The barracks killings have increased the potential for any new incident to provoke army intervention in Kosovo, an area with 55% unemployment.

Soviet provocations on northern flank

The Soviets have stepped up military provocations and "testing of wills" on NATO's northern flank. Two incidents in the air have occurred in three days, over the Baltic Sea and Barents Sea.

A Soviet jet fighter pursued a Swedish reconnaissance aircraft, coming within 60

feet of it, in international air space over the Baltic Sea, defense officials reported. The incident occurred Sept. 10.

Three days later, a Soviet SU-27 flanker fighter-bomber buzzed so close to a Norwegian patrol plane, an Orion P-3B, over the Barents Sea, that it damaged the right engine of the Norwegian craft, which had to make a forced landing.

Canada releases Sikh killers

Two Sikh terrorists were released from jail Sept. 16 in British Columbia, less than one month before Indian Prime Minister Rajiv Gandhi is scheduled to make a trip to the province for a British Commonwealth meeting.

The pretext for the release of the Sikhs was that evidence against them was obtained illegally.

Reportedly, the Canadian Security and Intelligence Service (CSIS) had lied to a court to secure wiretaps against a score of individuals suspected of involvement in a 1985 Air India crash that killed more than 400 people. Later, the wire-tap evidence was used to arrest nine Sikhs for an assassination plot against a visiting Indian government official. The two just released were among the nine involved in that plot. The remaining seven prisoners are expected to be released soon.

U.S. official caught spurring Panama riots

A U.S. embassy official was arrested while demonstrating with the "democratic opposition" in Panama the evening of Sept. 13. The U.S. embassy has already changed its story at least once in attempting an explanation.

U.S. embassy Commercial Attaché, David Miller was arrested wearing blue jeans and sneakers after the opposition had provoked police gunfire that killed one demonstrator. The local government council of the suburb in which the demonstration took

place, accused Miller of directly taking part in the demonstration, and even inciting it.

Afterward, U.S. Ambassador Arthur Davis personally went to the jail to try to spring Miller, and the embassy put out the story that Miller was on his way to the airport—in sneakers, blue jeans, and on foot! Later, Davis told a meeting of the opposition that Miller was attending the demonstration as an official observer.

Israelis support measures on AIDS

“The public is a little panicked, actually, I would say, the public is quite panicked.” This is the view of a leading AIDS expert working at Israel’s Al-Sam anti-drug center. Public concern that the AIDS pandemic could spread uncontrolled throughout the country’s tiny 4 million population, has gone a long way toward assuring that the Health Ministry’s recent introduction of screening enjoys popular support. Indeed, letters continue to pour into Israel’s dailies, from readers demanding more government action to expand testing.

At present, testing is compulsory for active military personnel, prisoners, and “those suspected of carrying a contagious disease,” e.g., prostitutes and intravenous drug-users. In the army, urine tests had already been introduced to identify drug users; last year 700 soldiers were sentenced for drug abuse. Now, as a result of a Supreme Court ruling denying “civil rights” arguments against testing, since any soldier may be exposed to drugs and to AIDS infection, they may be forced to submit to testing for both.

Military police to date have tested all those persons known to have taken drugs, to have been engaged in criminal activities, or to have been exposed to AIDS. In addition, all new recruits are tested. Since soldiers on active duty are asked to donate blood every six months to the national Red Cross, and all donations are tested for AIDS, the Israeli Defense Force (IDF) has de facto instituted regular screening.

Intravenous drug abusers, whose number is estimated to range between 12,000

and 20,000, are also being tested for AIDS. Since government authorities have registered heroin users and those in methadone programs, centralized data make it possible to identify, and test, persons considered members of this “fast-track” transmission group. The Health Ministry has a reading of results of urine tests, as centralized in the Sheba Medical Center.

AIDS-infected persons are not allowed to conduct activities which may endanger others. Thus, not only prostitutes are barred from communicating the disease, but also persons employed in food-handling, etc., if infected, are employed elsewhere.

Kremlin and State Dept. deal-making in Mideast

Reports indicate that the Middle East and Northern Africa are being “crisis managed” by the State Department and the Kremlin—in the Soviets’ favor.

On Sept. 12, Radio Moscow praised the Chad-Libya ceasefire, making no attacks on Chad. Usually, Soviet reports on the Libyan aggression against Chad, and its military reversals by the Chadians with U.S. and French support, are stridently pro-Libyan. The even-handed tone of the Radio Moscow broadcast would indicate that the ceasefire reflects an East-West deal.

Soviet radio also reported that OAU President Kenneth Kaunda of Zambia has announced that the OAU committee formed to attempt to settle the dispute will meet in the Zambian capital of Lusaka Sept. 24-25. Chester Crocker, the State Department’s “regional matters” negotiator with the Russians over the region, was recently in Zambia.

In the same vein, the *International Herald Tribune* has reported that both Washington and Moscow intervened to prevent Libya from delivering Soviet-made sea mines to Iran. The United States sent a strong warning to Libya, saying that if any U.S. ship would be hit by such mines in the Gulf, Libya would be considered responsible. The Soviets are also said to have pressured Libya not to go through with the deal.

Briefly

● **3 MILLION** Muslim workers have been “released” from their jobs in the Soviet Union, and shipped off to Siberia. Soviet officials say the “releases” were due to “redundancies” caused by “increases in productivity.” On the state railways, 280,000 workers were laid off, and in the oil industry, 70,000 workers were released—most of them in the poorer Islamic Central Asian regions, suffering from, according to Soviet officials, “a surplus of manpower,” due to “rapidly growing birth rates.” Most signed up for jobs in designated, manpower-short development centers in Siberia and the Far East.

● **CHRISTIAN DEMOCRATIC** voters, unhappy with the Kohl government’s economic policies, virtually boycotted two elections in the German states of Schleswig-Holstein, where turn-out for the ruling party was down 8.2%, and Bremen, down 5.4%. In the twin city-states of Bremen and Bremerhaven, the Christian Democratic vote fell from 33.3% in 1983 to a record low of 23.4% this year.

● **AMIRAM NIR**, one of four Israelis exposed for involvement in illegal U.S. weapons sales to Iran, was fired Sept. 15 by Prime Minister Yitzhak Shamir. Nir had been the prime minister’s adviser on terror.

● **THE ROMANIAN** news agency announced the appointments of two deputy prime ministers and the dismissal of three others, in a move described as “strengthening the management of economic sectors and ministries.” In August, the Soviet weekly *New Times* and youth paper *Komsomolskaya Pravda*, had sharply attacked Romania’s economic policy.

● **AIDS LEAFLETS** containing basic information about the disease are being delivered to every letterbox in Moscow, according to *Izvestia*.

John Paul II's mission to galvanize the U.S.A.

On Sept. 19, 1987, Pope John Paul II completed a 10-day pilgrimage of the United States whose effects, we believe, will be reverberating for many years to come. Most of the electronic and printed media, together with a vocal minority of American Heresy clergymen, engaged in a systematic effort to distort both the Pope's mission in the U.S.A., and its effect. We believe that these petty detractors will fail and be forgotten and that the Pope's heroic effort to galvanize and morally rally the American people during a period of deep crisis, will, eventually, bear fruit. In lieu of any other kind of coverage, we reprint, below, some excerpts from among his many, memorable messages to the nation and the people of the United States.—The Editor in Chief.

To America: Fulfill your destiny of service to the world!

Mr. President, dear Friends,
Dear People of America,

It is a great joy for me once again to be in your country, and I thank you for your warm welcome. I am deeply grateful to you all.

I express my special thanks to the President of the United States, who honors me by his presence here today. I thank the Bishops' Conference and all the individual Bishops who have invited me to their dioceses, and who have done so much to prepare for my visit.

My cordial greetings and good wishes go to all the people of this land. I thank you for opening your hearts to me and for supporting me by your prayers. I assure you of my own prayers.

To everyone I repeat on this occasion what I said on that memorable day in 1979 when I arrived in Boston: "On my part I come to you—America—with sentiments of friendship, reverence and esteem. I come as one who already knows you and loves you, as one who wishes you to fulfill completely your noble destiny of service to the world" (Oct. 1, 1979).

Today, like then, I come to proclaim the Gospel of Jesus Christ to all those who freely choose to listen to me; to tell again the story of God's love in the world; to spell out once more the message of human dignity, with its inalienable human rights and its inevitable human duties.

Like so many before me coming to America and to this very city of Miami, I come as a pilgrim: a pilgrim in the cause of justice and peace and human solidarity—striving to build up the one human family.

I come here as a pastor—the pastor of the Catholic Church, to speak and pray with the Catholic people. The theme of my visit, "Unity in the Work of Service," affords me the welcome opportunity to enter into ever deeper communion with them in our common service to the Lord. It also enables me to experience ever more keenly with them their hopes and joys, their anxieties and griefs.

I come as a friend—a friend of America and of all Americans: Catholics, Orthodox, Protestants, and Jews, people of every religion, and all men and women of good will. I come as a friend of the poor and the sick and the dying; those who are struggling with the problems of each day; those who are rising and falling and stumbling on the journey of life; those who are seeking and discovering, and those not yet finding, the deep meaning of "life, liberty and the pursuit of happi-

ness.”

And finally I come to join you as you celebrate the Bicentennial of that great document, the Constitution of the United States of America. I willingly join you in your prayer of thanksgiving to God for the providential way in which the Constitution has served the people of this nation for two centuries: for the union it has formed, the justice it has established, the tranquility and peace it has ensured, the general welfare it has promoted, and the blessings of liberty it has secured.

I join you also in asking God to inspire you—as Americans who have received so much in freedom and prosperity and human enrichment—to continue to share all this with so many brothers and sisters throughout the other countries of the world who are still waiting and hoping to live according to standards worthy of the children of God.

With great enthusiasm I look forward to being with you in the days ahead. Meanwhile, my prayer for all of you, dear people of America, is this:

“The Lord bless you and keep you! The Lord let his face shine upon you, and be gracious to you! The Lord look upon you kindly and give you peace”(Nm 6:24-26).

God bless America!

To the Bishops: 'Apart from me, you can do nothing'

. . . As I also wrote to you last year, I have endeavored to fulfill my role as Successor of Peter in a spirit of fraternal solidarity with you. I wish only to be of service to all the Bishops of the world, and—in obedience to my specific responsibility at the service of the Church's unity and universality—to confirm them in their own collegial ministry. I have always been greatly encouraged in this task by your fraternal support and your partnership in the Gospel, for which I express to you again my profound gratitude. It is of great importance to the Church that in the full power of the Church's communion we continue to proclaim together Jesus Christ and his Gospel. In this way we ourselves live fully, as Successors of the Apostles, the mystery of ecclesial communion. At the same time through our ministry we enable the faithful to enter ever more deeply into the Church's life of communion with the Most Holy Trinity.

5. Archbishop Quinn has spoken of the Church as a community that wishes to remain faithful to the moral teaching of our Lord Jesus Christ. To proclaim a body of moral teaching is in fact an inseparable part of the Church's mission in the world. From the beginning, the Church, under the guidance of the Holy Spirit, has striven to apply God's revelation in Christ to all the many aspects of our living in this world, knowing that we are called to “lead a life worthy of the Lord and pleasing to him in every way” (Col 1:10). It is sometimes reported that a large number of Catholics today do not adhere to the teaching of the Church on a number of questions,

notably sexual and conjugal morality, divorce and remarriage. Some are reported as not accepting the Church's clear position on abortion. It has also been noted that there is a tendency on the part of some Catholics to be selective in their adherence to the Church's moral teachings. It is sometimes claimed that dissent from the Magisterium is totally compatible with being a “good Catholic” and poses no obstacle to the reception of the Sacraments. This is a grave error that challenges the teaching office of the Bishops of the United States and elsewhere. I wish to encourage you in the love of Christ to address this situation courageously in your pastoral ministry, relying on the power of God's truth to attract assent and on the grace of the Holy Spirit which is given both to those who proclaim the message and to those to whom it is addressed.

We must also constantly recall that the teaching of Christ's Church—like Christ himself—is a “sign of contradiction.” It has never been easy to accept the Gospel teaching in its entirety, and it never will be. The Church is committed, both in faith and morals, to make her teaching as clear and understandable as possible, presenting it in all the attractiveness of divine truth. And yet the challenge of the Gospel remains inherent in the Christian message transmitted to each generation. Archbishop Quinn has made reference to a principle with extremely important consequences for every area of the Church's life: “. . . the revelation of God par excellence is found in the Cross of Christ, which makes God's folly wiser than human wisdom. Often human wisdom in a given age appears to have the last word. But the Cross brings a perspective that changes judgments radically.” Yes, dear Brothers, the Cross—in the very act of revealing mercy, compassion, and love—changes judgments radically.

6. A number of other general points may be made. First, the Church is a community of faith. To accept faith is to give assent to the word of God as transmitted by the Church's authentic Magisterium. Such assent constitutes the basic attitude of the believer, and is an act of the will as well as of the mind. It would be altogether out of place to try to model this act of religion on attitudes drawn from secular culture.

Within the ecclesial community, theological discussion takes place within the framework of faith. Dissent from Church doctrine remains what it is, dissent; as such it may not be proposed or received on an equal footing with the Church's authentic teaching.

Moreover, as Bishops we must be especially responsive to our role as authentic teachers of the faith when opinions at variance with the Church's teaching are proposed as a basis for pastoral practice. I wish to support you as you continue to engage in fruitful dialogue with theologians regarding the legitimate freedom of inquiry which is their right. You rightly give them sincere encouragement in their difficult task, and assure them how much the Church needs and deeply appreciates their dedicated and constructive work. They, on their

part, will recognize that the title Catholic theologian expresses a vocation and a responsibility at the service of the community of faith, and subject to the authority of the Pastors of the Church. In particular your dialogue will seek to show the inacceptability of dissent and confrontation as a policy and method in the area of Church teaching.

7. Speaking on your behalf, Archbishop Quinn has shown full awareness of the seriousness of the challenge facing your teaching ministry. He has spoken of the dual task of the conversion of the mind and the conversion of the heart. The way to the heart very often passes through the mind, and throughout the length and breadth of the Church there is need today for a new effort of evangelization and catechesis directed to the mind. Elsewhere I have mentioned the relationship between the Gospel and culture. Here I wish to underline the importance of the formation of the mind at every level of Catholic life.

Catholic children and young people need to be given an effective opportunity to learn the truths of the faith, in such a way that they become capable of formulating their Catholic identity in terms of doctrine and thought. Here the Catholic press can make a magnificent contribution to raising the general level of Catholic thought and culture. Seminaries, especially, have the responsibility of ensuring that future priests should acquire a high level of intellectual preparation and competence. Continuing education programs for priests, Religious and laity play an important part in stimulating a necessary and serious intellectual approach to the multitude of questions confronting faith in our contemporary world.

A crucial aspect of this "apostolate of the mind" concerns the duty and right of Bishops to be present in an effective way in Catholic colleges and universities and institutes of higher studies in order to safeguard and promote their Catholic character, especially in what affects the transmission of Catholic doctrine. It is a task which requires personal attention on the part of Bishops, since it is a specific responsibility stemming from their teaching office. It implies frequent contacts with teaching and administrative personnel, and calls for providing serious programs of pastoral care for students and others within the academic community. Much is already being done, and I take the opportunity to encourage you to seek ways of intensifying these apostolates.

One of the greatest services we Bishops can render to the Church is to consolidate present and future generations of Catholics in a sound and complete understanding of their faith. The ecclesial community will thus be wonderfully strengthened for all aspects of Christian moral living and for generous service. The intellectual approach that is needed, however, is one intimately linked to faith and prayer. Our people must be aware of their dependence on Christ's grace and on the great need to open themselves ever more to its action. Jesus himself wants us all to be convinced of his words: "Apart from me you can do nothing" (Jn 15:5) and

personal commitment to the demands of the Gospel.

11. In speaking of the laity, I feel a particular desire to support you in all you are doing on behalf of family life. Archbishop Weakland has mentioned "the large number of divorces and the breakup of so many families" as a special pastoral problem. I know that all of us feel great sadness and deep pastoral concern for all those whose lives are affected in this way.

As you will recall, on the occasion of your *ad Limina* visits, four years ago, I spoke at some length on the topic of marriage. Without repeating all that I said on that occasion, I wish to encourage you to continue in your many zealous and generous efforts to provide pastoral care to families. I also urge you, in the face of all the trends which threaten the stability of marriage, the dignity of human love, and the dignity of human life, as well as its transmission, never to lose confidence and courage. Through the grace given us as pastors we must endeavor to present as effectively as possible the whole teaching of the Church, including the prophetic message contained in *Humanae Vitae* and in *Familiaris Consortio*.

The faithful teaching of the intrinsic relationship between the unitive and procreative dimensions of the marriage act is of course only a part of our pastoral responsibility. With pastoral solicitude for couples, *Familiaris Consortio* pointed out that "the ecclesial community at the present time must take on the task of instilling conviction and offering Practical help to those who wish to live out their parenthood in a truly responsible way. . . . This implies a broader, more decisive and more systematic effort to make the natural methods of regulating fertility known, respected and applied" (No. 35).

On the occasion of the last *ad Limina* visits I stated: "Those couples who choose the natural methods perceive the profound difference—both anthropological and moral—between contraception and natural family planning. Yet they may experience difficulties; indeed they often go through a certain conversion in becoming committed to the use of the natural methods, and they stand in need of competent instruction, encouragement and pastoral counselling and support."

We must be sensitive to their struggles and have a feeling for the needs that they experience. We must encourage them to continue their efforts with generosity, confidence and hope. As Bishops we have the charisma and the pastoral responsibility to make our people aware of the unique influence that the grace of the sacrament of marriage has on every aspect of married life, including sexuality (cf. *Familiaris Consortio*, 33). The teaching of Christ's Church is not only light and strength for God's People, but it uplifts their hearts in gladness and hope.

Executive Intelligence Review's coverage of the Pope's messages to Americans, including those to the laity, to youth, and to representatives of other faiths, will continue next week.

Lyndon LaRouche hits the campaign trail in New Hampshire

On Sept. 13, Lyndon H. LaRouche, Jr. returned to his native state of New Hampshire to campaign for the 1988 Democratic presidential nomination. His return, following a several-month stay in Western Europe, comes at an extraordinary moment in history, as the President of the United States is proceeding toward an Intermediate-range Nuclear Forces (INF) agreement with the Soviet Union, which will leave the Western alliance indefensible. LaRouche vowed, in a press conference in Manchester, New Hampshire, to “rip up” that treaty when he becomes President, should it be signed by President Reagan and ratified by the Senate.

LaRouche’s campaigning is the more remarkable, in that his enemies never expected him to be there at all. On Sept. 21, the U.S. Justice Department will commence its long-awaited trial against LaRouche and associates, in a last-ditch effort to stop his political impact and prevent him from becoming President. Nearly one year ago, on Oct. 6, 1986, a massive raid against companies linked to LaRouche in Leesburg, Virginia, was intended to smash LaRouche’s political movement, with a knockout blow from which that movement would never recover. Instead, despite perhaps the most intensive attacks ever launched by a government faction against a U.S. political figure, LaRouche’s support, and the power of his ideas, are growing day by day.

We publish here excerpts from several of his speeches and press conferences in New Hampshire.

Why the economic crisis?

Opening remarks at a “town hall” meeting in Manchester on Sept. 13, attended by 160 supporters.

... Right now we’re in the beginning of the biggest financial crash in world history. How rapidly this crash will develop is difficult to say. But, if Mr. Greenspan—Alan Greenspan, the new chairman of the Fed—continues to do as he is doing, I’d say it would come on very soon; because the man is the ayatollah of the Federal Reserve System—the worst economist in the United States, I believe. . . .

Back at the end of the War, we had nearly two-thirds of

our people who were employed in producing something useful—goods, mainly manufacturing or other kinds of industries such as construction, or in farming—producing wealth, the kind of wealth on which human existence depends. About 60% or 52% was the figure then.

Today, we’re down to about 20% of the labor force producing. The United States used to export. The United States is no longer capable of providing for the needs of its own people. They tell you there are food surpluses in the United States. Well, that’s true only to the degree that people in the United States can’t afford to buy it. That is, per capita food production in the United States is less than it was at the end of the 1960s. Why? You eat less, because you can afford less. . . .

We no longer produce. We have food. Where do we get our food from? Well, we don’t get it from our own farmers. *We import it from the hungriest countries in the world.* We import food from Mexico, where there’s hunger. We import food from Brazil, where there’s hunger. We import food from Africa, where there’s starvation. We put our own farmers out of business, because it’s cheaper to take the food out of the mouths of starving people in Central and South America, and Africa, and elsewhere. This is called surplus. We no longer produce.

So, we are engaged in service industries. Now that’s something: unskilled labor, done by illiterates, for the lowest possible wages. You have a President that says to us that he’s created 8 million new jobs, during his administration. It’s a lie! What has happened is that people have lost jobs for which they got something like a normal income, and they’re now working at 40%, on the average, of the wages that they got when they had a proper job earlier. What are they doing now? They’re doing service jobs, unskilled forms of labor, selling hamburgers to each other at fast food stands. . . .

But all this costs. Even with these miserable jobs, somebody has to pay for it; it comes out of the economy. And you have 80% of the labor force either unemployed, or doing administrative, clerical, sales, service, and only 20% actual-

ly producing wealth. Not enough physical wealth: junk, and very high-priced junk, because it takes four people to look at one person working, and you have to pay for four. In the old days, it took one person to look at four people working. Nowadays, four people. My guess is, because of poor eyesight—I don't know. Maybe some of the things that people are smoking impair their powers of vision. . . .

And the foreign policy and strategic policy of the United States are now being based on the fact that the United States could not produce enough to defend itself. . . .

[Look at the Russian Empire, the Bolshevik Dynasty.] As a matter of fact, a lot of the so-called communist leaders of Russia today are members of the old aristocratic families which have ruled Moscow for a thousand years and longer. Like the fellow who's negotiating at Geneva, Vorontsov, the number three-man in the party apparatus. He's an aristocrat! The Soviet ambassador to Washington, Dubynin, is a Russian aristocrat of the Prokrovsky family. The first Russian foreign minister, Chicherin, was a Russian aristocrat, descendant of the Cicerini family of Venice, who went there in the 15th century. It's just an old bunch of Russian aristocrats doing the same things that the Muscovites have done over the past 500 years. They are out to conquer an empire.

Now, how does that stand up against what we, in the West, are supposed to have? If we take Japan into account, the so-called OECD, or industrialized Western nations, represent more than twice the population of the Russian Empire. We, of these nations, providing we're employed in proper jobs, we have on the average the ability to produce twice as much as the average Russian. In addition to these countries, where we're twice as strong; and we're potentially four times as strong, economically, because of our superior productivity—if we're employed and allowed to use our productivity. Because we have brains. Russians don't believe in brains, they believe in the *earth*. . . .

[LaRouche describes the further potentialities of Ibero-American nations, Africa, and India, showing how the United States and its friends—or potential friends—in fact control most of the world's productive potential.]

We went through something some years ago called the civil rights movement. And some people like Martin Luther King got the funny idea that the Constitution ought to be taken seriously, and the Declaration of Independence, and said that people, particularly since the Jim Crow decisions at the turn of the century, had been kept out of the mainstream of opportunity in this nation and had a right to get into it like everybody else—in education, in employment, and just plain living. And up in the middle of the 1960s we all thought that was pretty good. Then somebody murdered Dr. King.

We all, at that point, during the civil rights movement, accepted the proposition that the rights of the individual—including economic rights, the right to develop, the right to be educated, the right to seek better employment, the right to

improve one's condition in life, the right to play a meaningful part in developing society and the world, the right to be respected for the good that one contributes to life in the world, even if it's contributing a new child—these are fundamental rights! We believed in them.

We don't believe that anymore. Or, many of us do, but our government doesn't believe that, hasn't believed in it for 20 years. Our government says, "You're too educated; you need to be de-schooled. You're oppressed by being told to know something. Now, we'll give you the kind of teachers to insure that you don't learn anything." As a matter of fact, every day your child goes to school, he comes home a bit more stupid at the end of the day. That's the kind of teaching we've got. We have children who will get to the age of 25, with what is called "terminal degrees"—which has a certain meaning in this day and age: It means that you've reached bottom. . . .

We used to say that technological progress was good, that any problem that comes along, well, we'll put our science and technology to work, we'll figure something out, we'll make things better; it may not be perfect, but we'll keep making things better; we can attack every problem.

Go back now to health, for example. Back in the 1960s—when we still believed that Martin Luther King, when he addressed the Constitution, the Declaration of Independence, was addressing our conscience—we had a hospital system. Oh, it was terrible, full of all kinds of problems, typified by Bellevue in New York City. Terrible, run-down things, never done right; people underpaid, and all sorts of problems. But back in that day and age, 20 years ago, if somebody fell down in the street, and somebody called a police officer, somebody would pick that person out of the street, get an ambulance, and take him to some hospital as quickly as possible. And that person would probably live. Then, of course, there was the usual nonsense of who's going to pay for all this, but that came afterward. The first concern was to keep the person alive and give him the necessary treatment that he, as a human being, deserved. Then afterwards the nonsense came.

Now, we don't have that anymore. Over the past 20 years, they tore down a system of rather beaten-down, run-down, city, county, public and voluntary hospitals. *Now, if you're found on the street, you'll probably die while they try to find somebody to begin the paperwork*—which may not be until next Monday, and you're there Friday night, and you're just going to lie there and bleed, until somebody comes in on Monday.

We used to have a workable system. It was bad, it was full of flaws, people suffered, but compare what we had then with what we have today.

Today, many doctors around the world, increasing numbers of them, are saying: "Doctors, for years, have been saving lives—for generations. We've gone too far. We've got to reverse the trend. We've got to start killing people,

pulling the plug.”

Do you trust your night nurse with a pillow? It's a common occurrence. In the Netherlands, in Holland, murder of patients in hospitals by physicians is now epidemic. It's not a few isolated cases; it's a common occurrence, a common, daily occurrence.

Throughout the United States, in insidious ways, physicians are killing their patients. Hospitals, and hospital systems, and insurance systems are setting up procedures for killing patients. There are many ways to kill a patient, aren't there? Starve them; don't provide them care; stall them; manipulate the system. Just increase the death rate!

What happened to our morality? What happened to, basically, what 20 years ago we thought we could take for granted? What happened to the standard of morality that we would apply to ourselves, our own behavior, and the behavior of others, and the behavior of the government? It's gone! . . .

Take the person who's got AIDS. We now have between 5 and 10 million people infected with AIDS in the United States. What's that? That's a trillion dollars. How soon do we have to pay the trillion dollars? Over the next 10 years. A trillion dollars! And by then there'll be more people infected. We're talking about 2 or 3 trillion dollars for medical costs alone for AIDS—even presuming that 10 years from now we have a cure available. We're going to solve that problem. I would spend \$50 billion a year on research, if we had the people who could do it. We don't. We only have enough people and facilities to spend \$3 billion a year on research for a cure for AIDS. . . .

So, it's the job of people in the position of President, and so forth, to be the philosophers, the leaders, the people out front leading the charge to make things possible; to know what has to be done, and to do it. But the survival of this nation depends, in the first instance, on activating the potential of the majority of our individual citizens; making it possible for them to do what they are capable of doing. If they are remoralized and have confidence in attempting to do it once again, we can get back to a nation with a sense of the future.

And if, in the course of my campaigning—and I think we can either win the New Hampshire primary, or take a large chunk of it—in the course of the campaigning, if we can activate at least some of that sense of a different morality, the kind of morality we used to like—morality which rejects escapism. A morality which believes in the higher aspect of our nature, not the bestial aspect alone; which is not pessimistic—it doesn't say, “Well, the world's going to hell, I'm going to take care of myself”—getting away from that, and saying, “Look, I've got only one life, and each of you has only one life.”

I don't care what they tell you; you have only one life! One mortal life, and then you're gone—just the way I'm going to go pretty soon. How are you going to spend it?

What's going to come out of it? What, in the long reach of many generations, is your living going to mean? Will people say, “I wonder what that was all about?”—your life? Or, will they say that you brought up a child, or that you did something else which beautified and enriched humanity's prospects, and, that you enjoyed doing that? That you believed in the importance of doing that? And you did it well?

And you know that part of you, that capacity, even to love a child, which is the higher aspect of yourself. Are you able to live accordingly? Are you able to live courageously? Are you able to realize that there are some things so important that you would die for them? Rather than running like a rat, a pessimistic rat, to the next television entertainment—some silly soap opera, or some bunch of actors who are going to die of AIDS the next season—teaching you how to live.

Find that in yourself which makes you better. My job is to be the fighter and the leader who helps you, thus, to find the best within yourselves. I will lead; you are going to do, and you are going to govern this nation. This is a system of self-government we must restore. My function is to create the conditions under which the kind of self-government which this nation was intended to have is restored and becomes actualized. And it will become actualized if you, I think, understand the point I've just made, in your own terms of reference.

The New Hampshire campaign

The following is excerpted from LaRouche's discussion during the question and answer period at the town meeting in Manchester on Sept. 13.

. . . It's our plan to have 100 campaign organizers, functioning by the end of September, or at the beginning of October. It's our plan to have 1,000 campaign organizers in the field by the end of January. It's our plan to have an operating network of 5,000 to 6,000 in the state of New Hampshire. It is our plan that every member of the network, 5,000 to 6,000, represents 10 voters in the New Hampshire primary. Now, guess how many votes that means? . . .

That's my kind of politics! I never met most of these candidates, but that's my kind of politics! Representative government! And, my aim is not merely to get *me* elected—I really don't want the job. I just think I've got to do it, it's my moral duty to take the job. . . .

My job is to create in this country a movement, a movement which is really representative government. My job is to encourage people to run for office, who've got sense, which means that almost any citizen can easily replace any member of Congress. All you have to do is have devotion, sense, and commitment—that's all you need! . . .

We're going to change this nation in the next several months—in New Hampshire. Among these poor, frightened people in New Hampshire, who didn't think they had a chance. We're going to change the world. . . .

Court documents show CIA figures in conspiracy against LaRouche

On Monday afternoon, Sept. 14, Federal District Court Judge Robert Keeton unsealed documents in *The U.S. v. The LaRouche Campaign* case that detail a dozen-year history of involvement by Lyndon H. LaRouche, Jr. and a number of his associates, members of the National Caucus of Labor Committees (NCLC), in high-level U.S. national security projects. The principal document, a 27-page proffer submitted to the court on Aug. 21, 1987 in compliance with the Classified Information Procedures Act (CIPA), provided an outline of material that may emerge during the course of the trial regarding LaRouche's involvement in possibly still classified national security matters.

As the result of the government's response, after several weeks of Justice Department and Central Intelligence Agency file searches, that none of the material included in the proffer is currently classified, Judge Keeton placed the document and several accompanying documents into the open case file.

Among the areas covered in the now unsealed court papers are:

- The identification of Monroe N. Wenger, a senior official of the CIA's operations directorate and a reported associate of Duane Claridge, CIA Director of Counterterrorism programs, as a pivotal figure in the conspiracy against LaRouche and associates. Wenger was identified as presently assigned to the U.S. Army Corps of Engineers and to a ship that may be involved in covert operations for the U.S. government.
- The documenting of a Cointelpro-type national security investigation of LaRouche and some of his associates, already revealed in National Security Agency and FBI documents obtained under the Freedom of Information Act.
- LaRouche's personal role in conducting back-channel negotiations with the Soviet government on bilateral matters, including the Strategic Defense Initiative.
- LaRouche's involvement, beginning in the summer of 1977, in formulating a U.S. counterterrorism program in response to the pattern of Western European-centered international terrorism. At the time, the Central Intelligence Agency, through a "cutout" operative, Roy Frankhauser,

warned LaRouche of a possible Baader-Meinhof RAF assassination program against him due to his collaboration with West German banker Jürgen Ponto, in attempting to formulate a new international monetary system.

- The involvement of several LaRouche associates, all co-defendants in the Boston case, in a September 1986 effort to obtain the release of three American hostages in Beirut—through means other than weapons shipments to Teheran. This effort ran afoul of efforts then being directed by Lt. Col. Oliver North at the National Security Council.

As the result of the government's response to date to the CIPA filing by defense attorneys, a green light has been effectively given for presenting to the jury many previously nonpublic features of LaRouche's involvement in national security matters, and for showing how and why certain hostile elements inside U.S. intelligence sought to target LaRouche.

EIR is publishing the bulk of the CIPA submission in two parts, the second to appear in next week's issue.

Proffer pursuant to the Classified Information Procedures Act, Section 5, Title 18, United States Code, Appendix III

During 1974-75, Roy Frankhauser, claiming to be working on behalf of the CIA, established contact with the NCLC. In approximately June 1975, Frankhauser submitted to three days of intensive debriefings, during which time he provided details of his employment with the National Security Council on a special assignment to penetrate a Canada-based cell of the Palestinian terrorist Black September organization, and other aspects of his CIA career dating back to his involvement in the Bay of Pigs. Frankhauser said he served as the "babysitter" for Garcia-Kholy, one of the Brigade leaders who was to have a high government post in a post-Castro Cuba. Subsequently, NCLC researchers found a brief reference in *Pravda* citing a 1962 expulsion from the Soviet Union of one "R. Frankhauser" from a low-level post at the U.S. Embassy in Moscow on charges that he was spying.

1. Beginning in the first week of November 1976, within

hours of the 1976 general election, Frankhauser contacted Jeffrey Steinberg and Paul Goldstein and informed them that the CIA intended to dramatically upgrade the contact with LaRouche and the NCLC.

2. From that point on, Frankhauser, occasionally augmented by other CIA cutouts who were usually identified by code names only, maintained daily contact, usually via telephone. ("BLUE LIGHT" was the code name for a variety of agents of the Directorate of Operations who established telephonic contact with Steinberg and Goldstein. Steinberg's code name was "PURPLE HAZE" and Goldstein's designated code name was "HONEYWELL.")

3. Frankhauser's daily communications were of three levels. (a) Personal messages communicated from a particular group of top CIA officials ("THE SOURCE," "E" or "N"). These messages were often very operational in nature—i.e., proposing particular joint intelligence operations, some of which were code-named, or providing specific requests for information or detailed responses to inquiries by NCLC and LaRouche; (b) Duty Officer ("D.O.") daily reports, probably coming from the Office of Security, and covering all facets of current developments. On a regular basis, Frankhauser would receive new call numbers and codes permitting him access to the duty officer briefings. He maintained these access codes almost uninterrupted from 1977 through at least 1984 and probably beyond; and (c) "Shop talk" reflecting Frankhauser's informal discussions and off-the-record—i.e., unofficial—transmissions from Duty Officers and other Agency personnel with whom he maintained personal contacts.

4. In approximately June-July 1977, Attorney General of the United States Griffin Bell issued a report determining that the NCLC-ICLC were not under foreign control. "Foreign operations are run from New York . . . small cadre groups maintained abroad are financed from here and not vice versa. . . ." This report was in part the result of U.S. intelligence agency monitoring of bank transactions, overseas telecommunications, etc.

5. However, on July 8, 1977, Frankhauser reports that there is concern that the ICLC in Western Europe is penetrated by foreign agents, and that all travel by ICLC members is monitored and known to NATO intelligence.

6. On or about July 20, 1977, Frankhauser reports that a high-level CIA official, "E," succeeded in establishing the channel of contact with NCLC and LaRouche on the basis of the U.S. Labor Party's dealings with certain Republican Party circles, with favorable view expressed by then-CIA director George Bush, and due to LaRouche-NCLC recognized expertise in anti-terrorist intelligence.

7. In an undated communication from Frankhauser in approximately the last days of July 1977, LaRouche, then temporarily in Wiesbaden, FRG [West Germany], was informed of the potential threat of terrorist assassination by the

same Baader-Meinhof Gang circles who just assassinated West German banker Jürgen Ponto. "E's man said in the last year, four individuals who have met with Lyn [LaRouche] have been hit: an Italian was poisoned, a Frenchman was hit by an automobile, another was kidnapped, and a German assassinated. They said this speaks for itself in terms of potential operations against Lyn at this moment." By August 2, 1977, a follow-on communication by Frankhauser described LaRouche as "at the top of the list." An official security screen ("STEEL SHIELD") was put up around LaRouche and the Wiesbaden offices of the ICLC. On August 3, 1977, Frankhauser communicated the evaluation that "LaRouche may be being used as bait by BRD [West German] factions close to E." He explained that the "STEEL SHIELD" would be retained in place until the arrival of a two-level security assistance directed by Mitchell L. WerBell III: Larry Cooper used as "cause celebre" while the real security screen was directed by Col. Lew Millett, then directing counterinsurgency operations in El Salvador.

8. On August 3, 1977, Frankhauser informed NCLC channels that "CROCODILE" (referencing Soviet intelligence channels maintained by "E" networks in CIA) was assisting in Wiesbaden screen. Requested a "Lessons Learned" memo from LaRouche once alert status for assassination was down. LaRouche document "Basic Facts About Terrorism" in response. This initial back and forth activated a several month intensive communications regarding evaluation of origins of the current terrorist threat and formulation of an initial policy for neutralization of terrorist infrastructure.

9. During this same period (approximately August 7, 1977), Frankhauser reports that a renewed effort to slander NCLC and LaRouche as "KGB controlled" is being circulated within the intelligence community. He references intelligence data base being maintained on the NCLC using the corporate computer data bases of Xerox and Exxon. The implication is that the "KGB" allegation is being used as a cover for running financial warfare and psychological warfare against the group. Frankhauser also provides a detailed profile of "OPERATION FIST AND SWEEP," a domestic intelligence program.

10. In an undated INTELMEMO from Frankhauser sometime in August 1977, the first explicit reference appears to "E" passing LaRouche's written material into official Soviet government channels. This reference deals with the difficulties involved in assuring that certain LaRouche writings get into the proper hands in Moscow due to intense hostility from Georgi Arbatov of the US/Canada Institute.

11. In September 1977, Frankhauser provided first of a series of detailed briefings on the 1967 Israeli sinking of the *U.S.S. Liberty*, the role of Moshe Dayan, and the overall threat of a renewed instability in the Middle East leading to the bustup of OPEC. From this point forward, the Middle

East and Persian Gulf situations become an area of major policy and intelligence evaluations collaboration, similar to the official collaboration, already ongoing at this time, with respect to formulation of an effective anti-terrorism policy. One feature of this Middle East project is the systematic leaking into the press of the story of how Israel obtained the atomic bomb during the Johnson administration, with the full complicity of the governments of the United States, Great Britain, and West Germany. On October 24, 1977 (approximately), *Rolling Stone* magazine publishes a detailed version of this story, apparently leaked from CIA channels hoping to contain Israeli activities in the Eastern Mediterranean.

12. On December 19, 1977, LaRouche provides to "E" via Frankhauser, a copy of a proposed training manual for new CIA and FBI recruits, a "classified production on our side."

13. In an undated transmission through Frankhauser "from N" (approximately late December 1977), request is made for NCLC-ICLC to provide tapes or transcripts of all discussions held with representatives of Begin and Sadat "as soon as possible" to assist in updated evaluation of breaking developments in the Middle East. On January 10, 1978, "E" formally requested that LaRouche serve as diplomatic back channel for negotiations with Israeli and Egyptian governments. "Secret and quiet private initiatives" are required to counter efforts by the liberal press, especially the London *Times*, to create grave tensions between Israel and Egypt. Frankhauser reports that both Barbara Walters and Walter Cronkite will also play a "back channel" role in smoothing out this dangerous situation.

14. Also, on January 1, 1978, LaRouche transmits, via Steinberg and Goldstein, to Frankhauser that high-level French diplomatic sources have expressed concern regarding threats to the life of President Jimmy Carter during his pending visit to Paris. Response from "E/N" is immediate: "preventive action," no public acknowledgement of the threat, but enhanced security procedures due to the threat warning. Secret Service also responds at high level to NCLC reporting of the potential threat to the President.

15. February 1978, Frankhauser from "E" provides briefing on "ELBOW," the code name of a 25-year, still-ongoing British plan for assuring survival in the event of a nuclear war between the United States and the Soviet Union. This briefing reflects an already ongoing dialogue regarding reassessing the case of H. Kim Philby, in that "ELBOW" centers around separate secret negotiations between London and Moscow in which the British assure that they will never allow U.S. nuclear weapons housed in England to be used.

16. March 20, 1978, in response to the Israeli invasion of southern Lebanon, Frankhauser contacts Jeffrey Steinberg and Paul Goldstein on behalf of "E," proposing a combined effort to neutralize the intensive mobilization of the Israel Lobby inside the Congress and the media. Frankhauser re-

ports that a member of the U.S. Senate is about to introduce a bill that would cut off all military aid to Israel until such time as Israel withdraws all troops from Lebanon. 24 hours later, Sen. James Abourezk introduces such a bill. Subsequent messages from "E" transmitted by Frankhauser assess success of the joint mobilization: "Our total effort involved elements within State and the rest of the intelligence community. . . ." On March 23, 1978, Frankhauser reports that "E" is looking at Ezer Weitzman as a possible reasonable force inside the Israeli cabinet. References "top secret documents through intercepts" that show level of Israeli atrocities inside southern Lebanon. In evaluating the successful mobilization to counter Israel Lobby efforts, "E" requests LaRouche memorandum evaluating prospective view of Ezer Weitzman as a force to be supported inside Israel.

17. During the late spring 1978, Aldo Moro is kidnapped and eventually assassinated by Italian Red Brigades. In this context, LaRouche-NCLC renew already ongoing communications through Frankhauser regarding counter-terror program, relationship between terrorism and international drug trafficking.

18. November 16, 1979 Frankhauser warns that the FBI is conducting anti-LaRouche operations via agents inside the Communist Party USA aimed at blocking transmission of LaRouche material via "E" channel to Soviet "CROCO-DILE."

19. During late November 1979, in the context of emerging hostage negotiations with the Iranian government of Khomeini, Frankhauser proposes that LaRouche and *Executive Intelligence Review* refrain from continued strong attacks on the Muslim Brotherhood internationally due to "sensitive negotiations." Offer is made to trade this holding back for information on Paul Volcker, head of the Federal Reserve. During the same period of October 22, 1980 through late December, Frankhauser transmits a series of messages regarding imminent release of the hostages in Teheran. Following the November 1980 election of Ronald Reagan and George Bush, Frankhauser passed official "E" message regarding an operation that was successfully conducted to block the hostage release until after election day, thereby assuring that the Carter-Mondale forces would not capitalize on such events.

20. Within weeks of the election of Reagan-Bush, Frankhauser claimed he was personally visited in Reading, Pa. by James Baker III, on behalf of the transition team. Frankhauser solicited from NCLC-LaRouche a list of recommendations for nominees to key cabinet and sub-cabinet posts including CIA director. Baker, according to Frankhauser, submitted a list of names of individuals under consideration, including William Casey, and asked LaRouche's view on their qualifications. LaRouche and NCLC prepare extensive memorandum in response to this request and pass it in through Frankhauser.

21. July 10, 1981, Frankhauser reports that "E" personally collaborated with Ronald Reagan to structure containment of Menachem Begin. Referencing "inner-office White House memos" concerning the pressuring of Israel via threat of delay in delivery of F-16 jets as means of getting through the sale of AWACS to Saudi Arabia. Detailed description of the creation of U.S.-Israeli joint dummy companies in Egypt to control the delivery of equipment, including weapons, to Sadat, as specified under Camp David.

22. During summer 1981, Frankhauser also begins pro-

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viding details of illegal FBI operations directed against the International Brotherhood of Teamsters to limit IBT influence on the Reagan White House. Ultimately, NCLC receives FOIA material showing that such an FBI program extending through at least late 1981, is code named "PROB-EX."

23. July 22, 1981, Frankhauser transmits message from "E" regarding use of NCLC material alerting possible security stripping of President Reagan during his summit visit to Ottawa, Canada. In the first week of March 1981, Jeffrey Steinberg and Paul Goldstein transmitted via Frankhauser grave concern regarding potential threat to the life of President Reagan. Frankhauser reluctantly transmitted this information to official channels. After the Hinckley attempt on President Reagan's life, Frankhauser stated that he was immediately visited by director of the Secret Service Knight and thoroughly debriefed on his source of information.

24. On the same date, July 22, 1981, Frankhauser communicates an official request from "E" that NCLC, ICLC, and LaRouche initiate an overall upgrading of analysis and coverage of military-strategic matters relating to balance of forces between NATO-Warsaw Pact, etc. It is also officially requested that all channels of contact with Soviet and Soviet bloc journalists and other contacts in the USA be reopened.

25. This formally establishes the already-ongoing development of LaRouche as back channel for war avoidance into Moscow. This aspect of the CIA channel through Frankhauser

goes by a number of code-names which actually reflect larger intelligence community operations that subsume the LaRouche efforts. These code-names include: "METAL," "GOLD," "CROCODILE," "OPERATION HOLY COW," "ZHIVAGO" ("ZHIVAGO" was a code designation of a special project initiated during approximately 1985-86. According to Frankhauser, this was a joint CIA-NCLC effort in which funds were in part provided by entities with which the defendants are associated. From time to time, similar funds were provided on request for other such joint CIA-NCLC projects). Under these various project headings, LaRouche and other NCLC personnel involved in the back-channel effort are incorporated on "National Security" status list, according to frequent explanations by Frankhauser. Included features of this National Security status are that all international travels by LaRouche plus all major public events in the United States to be attended by LaRouche are placed under special screening. Frankhauser provides advanced security threat assessments reflecting access to government computer data base drawing information from all intelligence services plus INS, U.S. Customs, etc.

26. On July 28, 1981, first reference in Frankhauser communication from "E" regarding LaRouche proposal for beam weapons defense (ref. "lasers for peace"). In response, Frankhauser states that "any proposals from LaRouche will be given serious attention within the national security establishment and the White House." At the same time, Frankhauser passes official request that NCLC-linked publications defend CIA director William Casey against the media assault. Describing the defense of Casey as the "Alamo."

27. During this same approximate time frame, Frankhauser describes special project being conducted by "E," centered around securing the nomination of a particular associate to the post of Ambassador to the Philippines. Proposal is that NCLC designate an intelligence specialist to become expert on Pacific Rim affairs, and specifically Philippines economic situation. NCLC staffer will be placed on the staff of the new ambassador in Manila. Subsequently, Secretary of State Alexander Haig intervenes to block the nomination put forward by "E" via George Bush. Highly unusual for a CIA-designated ambassador to be rejected by a Secretary of State.

28. Earlier, John Gavin's nomination as ambassador to Mexico had been praised by Frankhauser and "E." They urged a direct LaRouche-Gavin meeting, given already well-known LaRouche friendship with Mexican President Lopez Portillo, and given Gavin's past use by CIA. In fact, a Gavin-LaRouche meeting did occur in New York City just days before Gavin reported to Mexico City to assume his ambassadorial post. During the transition period, through transition team channels, and through ICLC channels into the Mexican government, LaRouche policies had been heavily drawn upon in a pre-inauguration meeting between Lopez Portillo and incoming President Reagan.

Mental health scandals signal Harvard role in 'mind control' experiments

by Ira Liebowitz

A flurry of lawsuits this year prompted by the "suspicious or unexplained" deaths of approximately 10 inmates at the Bridgewater State Maximum Security Mental Hospital in Belton, Massachusetts, has challenged longstanding conditions of patient neglect in the mental health system of Gov. Michael Dukakis and his predecessors in Massachusetts.

The cases have focused attention on a network of forensic psychiatric institutions in Massachusetts, centered at Harvard Medical School, including a Harvard-run teaching-hospital called McLean Hospital in Belton, which runs Bridgewater, and a "Program on Psychiatry and the Law" at McLean that is run from Boston's Massachusetts Mental Hospital.

Studies have long ranked the Massachusetts system 42nd among all 50 states, but according to one attorney, the problem is not underfunding. There's something else systematically wrong that must account for notorious staffing and administration abuses. In addition to documented abuse and unexplained death, two of the lawsuits cite a practice of substituting psychotropic medication for meaningful therapy programs.

According to one intelligence specialist, Bridgewater has been suspected of running "mind control" experiments on its approximately 450 patients. This may even date back to the notorious intelligence community-funded MK-Ultra experiments in "mind control" in the late 1950s, which sought to create "Manchurian candidate" assassins with drugs and behavior modification. MK-Ultra also had a lot to do with launching drug use and cults in the youth ferment and Counterculture Project of the 1960s. According to Senate investigations by the "Kennedy" and "Church" Committees, which only concentrated on the earliest phases of the project, Dr. Richard Hyde of Harvard was one of the recipients of CIA funding grants for this research.

Genesis of a crisis

The Massachusetts Mental System was studied in 1979 by a Select State Senate Investigative Committee, which found that systematically, "seclusion and restraint practices [on patients], were often used illegally and with no justification." The committee investigation led to a reform bill which passed the legislature but was vetoed by then-Gov. Edward King. In 1984, Dukakis was reelected governor, in part on a

pledge to reform the mental health system.

Then something happened at Bridgewater. In 1985 a private company, Goldberg Associates of Salem, Mass., won the contract to run Bridgewater from McLean Hospital, and patient suicides and related "unexplained deaths" began to rise.

After six patients died in March-April 1986, the union representing corrections officers at the facility, AFSCME 503, decided to file class action grievances against the hospital for its systematic understaffing. This was done in November.

Civil liberties suit

In July 1986, attorneys McLeish and Landau, along with Marjorie Heins of the Massachusetts Civil Liberties Union, brought a class action suit before Superior Court Justice James J. Lynch, in behalf of Bridgewater inmates Shawn P. O'Sullivan and James McKellar, as well as O'Sullivan's mother, Maureen Hoyt of Hyannis, and all other inmates. It charged violation of state statutes and patients' constitutional rights, and a failure "to provide even minimally adequate care and treatment. The majority of patients receive psychotropic medication rather than any group or individual therapy or treatment program."

Defendants are Dukakis and the two cabinet officials who administer the hospital: Philip Johnston, Secretary of Human Services, and Michael Fair, the state Commissioner of Corrections. Also involved are State Attorney General Tim Shannon, medical directors (under Johnston), Dr. Mel Goodstein and Dr. Jorge Veliz, and the Correction Superintendent (under Fair), Charles W. Gaughan.

Bridgewater is a maximum security facility, and is run by the state prison system. Its 450 inmates divide into one-third who are criminally insane and are transferred from prisons, one-third who are charged with crimes but who require psychiatric evaluation of competency to stand trial, and one-third who are civilly committed mental patients who are considered violent. The hospital mixes the three categories of inmates. Gross violations, usually in the instances of deaths, involve prisoners confined naked in "seclusion rooms," of which there are 20.

A second suit against Bridgewater followed. Defendants

include former Massachusetts Attorney General Elliott Richardson, who was involved in a fight over Bridgewater in 1967.

Fred Wiseman, a Harvard lawyer turned filmmaker, had received support from Richardson, and then Bridgewater administrators Dr. Ames Robey, Dr. Ross, and others, to enter the facility and produce a documentary that, it was hoped, would prompt reform. After producing "Titicut Follies," suddenly, inexplicably, Richardson turned around in 1967 and brought suit before Superior Court where he got an order to suppress showing the film to anyone except psychiatrists.

The powerful film is banned to this day. The argument was, and is, that "rights to privacy" of these sad, brutalized victims would be violated by publicly showing the film!

A third suit has now also been brought by Department of Justice Civil Rights Division attorney Steven Schwartz, against Worcester Mental Hospital for failure to meet state standards, and its practice of "irresponsible dispersal of psychotropic drugs."

Somehow, a bootleg version of the "Titicut" film was obtained and excerpted Aug. 25 on a Ted Koppel "Nightline" special on Bridgewater, titled "Titicut Follies." Commentators included Elliott Richardson, Wiseman, the MCLU lawyers, a former patient, and a Dr. Thomas Gutheil of Harvard's "Program on Psychiatry and the Law," which helped, or helps handle legal matters for McLean Hospital and Bridgewater, and who argued for continued suppression of the film.

The devastating film shows inmates (as of 1967) walking about completely naked. Wiseman's attorney, Blair Perry, described some of it on the "Nightline" show, "You see guards abusing patients. You see one inmate who is slapped by a guard." The excerpt is shown. He goes on, "You see death—well not the actual death, but you see someone being fed with a tube down his throat, and as I recall, he died the same day." This portion is shown.

On the Koppel broadcast, the following exchange between Wiseman and Richardson occurred:

Richardson: "I thought it was a tough call, but I thought that on balance it was a bad thing to assume that the 'right to know,' [view the film], outweighed the rights of these individuals" [to privacy].

Wiseman replied: "The state then used the privacy argument as a way of suppressing the film. . . . They were upset by the criticism, thought their political careers would be damaged, particularly Elliott Richardson." Richardson, who went on to be the U.S. Attorney General under Richard Nixon, replied "That's nonsense."

The Harvard nexus

In part as a result of evidence in the lawsuits, a network of facilities linked to Bridgewater, but centered on Harvard Medical School, is coming under scrutiny. The possibility of

the MK-Ultra experiments having been continued, even to the present day, is also under scrutiny.

For example, it is known that the notorious Harvard professor turned LSD-guru of mass druggings, Timothy Leary, was linked to later phases as the broader "Counterculture's Rock-Drug Project" got under way. According to one student who studied under Leary, and opposed his druggings, by the middle to late 1960s, Leary was running drug-laced "group therapy" sessions at Concord Hospital for his Harvard students. These "groups" turned out many of the cadre for the counterculture operation.

The network includes:

- A Harvard Medical teaching-hospital in Belton, Mass., McLean Hospital, which hired and managed all staff at Bridgewater until 1985.

- Dr. John Clark of Harvard, who has held high staff positions at the spooky McLean Hospital since 1959. Clark currently runs an allegedly anti-cult and terrorism intelligence center, the American Family Foundation (AFF) in Lexington, Mass., which also involves Dr. Louis Jollyon West of UCLA (a recipient of MK-Ultra funding during the late 1950s), Dr. Margaret Singer of Berkeley University, and Father James LeBar of New York.

AFF purports to oppose mind-control practices of the cults spawned out of the "Counterculture Project." It is currently known to specialize in mercenary operations oriented to gaining court-awarded control of "family inheritances" on the basis of high-priced psychiatric testimony attesting "incompetence" of individuals who are allegedly in cults and who are heirs of prominent families. This is conducted in conjunction with AFF affiliates across the country, such as the Chicago-based "Cult Awareness Network."

The AFF's involvement in these "Man in the Iron Mask"-style operations, also suggests that this type of operation within the mental hospitals may also be part of the secret concealed within the "Titicut Follies" enigma.

Psychiatry and the law

The networks active in and around Harvard and Bridgewater have spread out across the country: Dr. Ames Robey, director of Bridgewater in 1967, went on to administer the state forensic psychiatric system in New Hampshire, and also ran the Michigan and Maine systems.

Another forensic director at McLean Hospital, and associate of Gutheil's Program on Psychiatry and the Law from 1978-80, was Dr. Park Elliott Dietz. Dietz was an expert witness in the trial of John Hinckley, who attempted to assassinate President Reagan.

An associate of John Norton Moore, a consultant to the Intelligence Oversight Board, Dietz now runs the Institute on Terrorism and the Law at the University of Virginia. He is also reported to be a top consultant on terrorism and suspected Manchurian candidates for the FBI's Behavioral Sciences Division at Quantico, Virginia.

National News

LaRouche: Bork and Biden are both wrong

Lyndon LaRouche described the Senate hearings on the nomination of Judge Robert Bork to the U.S. Supreme Court as "an abomination," in a press conference in New Hampshire on Sept. 15.

UPI's coverage of the press conference focused on the Bork issue, reporting that "LaRouche said neither Bork nor Senate Judiciary chairman Joseph Biden, D-Del., 'will ever understand the rights of individual persons.

" 'In this case you've got two guys fighting each other and neither is the right side. Bork is no good and the people who are attacking him are no good. . . . Bork should be attacked, but he should be attacked from the right standpoint. They [committee members] look for scandal.

" 'They try to find out if somebody has three sexes, you know . . . preferences for men, women, and Russians. They want that out there. But they don't go at the question of philosophy of law,' LaRouche said.

"While calling Biden a political opportunist, LaRouche said Bork's past legal opinions should not be the premier issue in the hearings.

" 'He [Bork] is indifferent to our constitutional principles of individual rights,' LaRouche said. 'I'm not concerned about decisions as much. I'm concerned . . . about philosophy and expressed philosophy and expressed philosophy of the Constitution. By the intent of the Constitution he is unqualified to be a federal judge.' "

Revell controlled many North operations

FBI Deputy Director Oliver "Buck" Revell was the actual controller of most of the "Cointelpro"-style operations against domestic political opponents of policies such as Contra aid, conducted under national security cover, in Lt. Col. Oliver North's name,

according to well-informed intelligence sources.

Typically, Revell would first place a target under criminal investigation by the FBI, on any pretext, for a period of 30 to 90 days. Revell would then approach North, inventing another pretext to justify a "foreign counterintelligence investigation" of the same target. This would provide the FBI with the authority to undertake extralegal activities under Executive Order 12333.

The purpose of running separate, but parallel, criminal and counterintelligence investigations, was to obscure the actual author of the operations—both inside and outside of government.

New documents released by the joint congressional committee investigating Irangate provide an apparent case in point. A memo from North to National Security Adviser Poindexter on July 17, 1986 reported on the operations of a dubious Jack Terrell, a former Contra mercenary who later became an anti-Contra activist. In the memo, North characterized Terrell as a "disinformation agent" and "possible paid Nicaraguan secret service" operative as a pretext for an investigation under foreign counterintelligence guidelines. The memo also absurdly characterized Terrell as being a "potential assassination threat to the President."

Then, the memo states that North had reviewed the case with, among others, Oliver Revell.

Irangate called 'far from over'

Irangate is far from over, the lead article of the Sept. 13 *Sunday Express* of London reports from Washington. Correspondent Charles Ashman states that Independent Counsel Lawrence Walsh will soon be handing down indictments against Oliver North, John Poindexter, Fawn Hall, and others.

Walsh is investigating the connection of imprisoned Israeli spy Jonathan Jay Pollard to the Iran-Contra deals, U.S. intelligence sources have told *EIR*. Among the questions under investigation is the relation of Pol-

lard's espionage to the operations of one of his mentors, Prof. Uri Ra'anan of the Fletcher School of Diplomacy. Ra'anan, an emigré Israeli, spent the summer with Roy Godson, a so-called Soviet disinformation specialist, and systematically interviewed all key Soviet intelligence defectors to the United States.

Investigators believe that the proven Godson link to the Iran deals overlaps that of Pollard's operations for Israel.

Two key figures in the scandal, Manucher Ghorbanifar and Albert Hakim, have appealed to a Geneva criminal court challenging the scope of Swiss legal cooperation with Walsh's investigation. The two arms merchants argued in a brief filed Sept. 14 that the Swiss government had blindly extended judicial help to American authorities, submitting a legal brief that also raised several technical points.

Vladimir Stemberger, the Geneva judge charged with collecting bank documents for the government, said he thought the local court would decide the case in a few days.

Board approves SDI early deployment plan

A plan for early deployment of first-generation weapons systems developed in the Strategic Defense Initiative program has been approved by the Defense Acquisition Board. The SDI Organization (SDIO) presented its plan for an initial ABM system before the Defense Acquisition Board last July, according to informed sources.

The program has now been officially upgraded from the "concept development" stage to the "demonstration/validation" stage.

The plan in part calls for deployment of approximately 3,000 space-based kinetic kill interceptors intended to specifically "neutralize" those Russian ICBMs capable of destroying U.S. missile silos (e.g., SS-18s, SS-19s), the force the Russians would use in a preemptive strike. This part of the system is planned to be effective against about half of these ICBMs. In addition, the program will deploy terminal defense systems

based on ground-based ERIS and HEDI interceptor systems.

The early-deployment SDI system is scheduled to go into production in fiscal year 1990, and to be deployed between fiscal years 1993 and 1995, the sources said. The SDIO expects the Europeans and Japanese to deploy terminal defense systems at the same time.

Bush is okay with the Soviets

An underling of the Soviet Union's chief specialist on the United States has visited George Bush's campaign headquarters, and said he liked what he saw.

The latest issue of the Soviet weekly *Literaturnaya Gazeta*, after asserting that most Americans like Mikhail Gorbachov and his policies, describes a visit to Bush campaign headquarters by a Soviet delegation including Anatoli Utkin of "American handler" Georgi Arbatov's USA-Canada Institute. The article says that "the key question seriously occupying Americans" is who will be the next President, but mentions only one candidate: George Bush.

Bush is very favorably described as someone who will continue Reagan's policy, but, "on his own terms." He is called "independent," "quite an independent person," a "World War II hero," and "modest."

Weinberger warns on Soviet space program

Defense Secretary Caspar Weinberger spoke to the Air Force Association Sept. 14 in Washington, D.C., concentrating on the U.S. and Soviet space programs:

"In recent weeks . . . our department has initiated a detailed assessment of Soviet and U.S. space activities, and we're contributing to a new national space policy that's being developed by the National Security Council. . . .

"I want to emphasize, that their program is far more active than ours, and has an unmistakable military operation. . . . They have an operational anti-satellite force, and an expansive research program, with potentially significant application to future military systems. They are also working, and have been for at least 18 years, to secure the very strategic defense system that they claim is such an obstacle to any agreements when we do it."

Council is lukewarm on space station plans

A 61-page report by the National Research Council of the National Academy of Sciences gives faint praise to NASA's space station proposal, calling it "reasonable" and "a good design," while lamenting the fact that "no one agrees on what would be the best uses of a space-station in the form envisioned," reported the *Washington Post* Sept. 15.

The NRC report said it would probably cost between \$25 and \$30 billion to build a "Block I" space station, and argued that NASA's plans for adding a Block II to enlarge the station's facilities should not be pursued until an agreed-upon purpose were found for the addition.

The NRC report also suggested that a new kind of conventional rocket should be developed by NASA that would be able to lift three times the payload of the space shuttle, saying it would be risky to depend on shuttles to launch the station's components.

The report also questioned NASA's ability to manage a project of such scope and recommended various fundamental changes in NASA's management structures. It emphasized that the program "will absorb much of NASA's energies for the next two decades," and cautioned that "the space station cannot be considered a 'one administration' program, nor can it be developed 'on the cheap.'"

The report was prepared by a committee of the NRC chaired by former deputy NASA administrator Robert C. Seamans, Jr., who is now at MIT.

Briefly

● **GEORGE BUSH** described his newly released autobiography, in an interview on NBC-TV's "Today" show Sept. 16. "It doesn't go into a lot of depth on issues," he said. But it tells "what my heartbeat is."

● **ADM. JAMES LYONS**, commander of the Pacific Fleet, is being forced out of his position, according to Pentagon sources quoted in the Sept. 16 *Washington Post*. One week earlier, the Defense Department announced that Lyons planned to retire Oct. 1. Lyons is said to have been highly critical of the Pentagon's handling of the Persian Gulf deployment.

● **PAT ROBERTSON** embarrassed George Bush by outpolling him by more than 400 votes and finishing first in a straw poll at a meeting of 3,800 Republicans in Ames, Iowa Sept. 12.

● **THE U.S. ATTORNEY** for New York, Rudolph Giuliani has hired Bruce Baird, the man who carried out the successful prosecution of New York's Colombo organized crime family, and put him in charge of a broadened investigation into top "junk bond" investment bankers Drexel Burnham Lambert, Michael Milken, Saul Steinberg, Kohlberg Kravis Roberts, and the Haft family.

● **MEXICANS** crossed the border in large numbers to see the Pope during his visit to Texas. To accommodate demand, the State Department granted waivers to church groups. Virtually every school bus in northern Mexican cities was quickly rented, and Mexicana Airlines added an extra DC-10 flight from Mexico City to San Antonio.

● **DOUGLAS MACARTHUR III** defended U.S. arms sales to Saudi Arabia in the *Christian Science Monitor* Sept. 16, against opposition from "the powerful Zionist lobby . . . the only U.S. lobby that unabashedly takes direction from a foreign power, Israel."

Editorial

'Peace in our time,' Chamberlain said

When, during 1938 in Munich, British Prime Minister Neville Chamberlain reached an agreement with German Chancellor Adolf Hitler, to surrender Czechoslovakia and other portions of Europe to "Herr Hitler's" sphere of influence, he went down in history as the archetypal fool who, in pursuit of an illusory peace, plunged the world into the Armageddon of World War II.

Britain's capitulation in Munich in 1938 was followed by the Hitler-Stalin Pact of 1939, and, in 1940, Britain was fighting "Herr Hitler," over London itself.

President Ronald Reagan has plunged headlong into the same folly. On Sept. 18, and again on Sept. 19, he proclaimed to the world that he fully intends to hold a summit meeting with General Secretary Mikhail Gorbachov, some time during November of this year, in Washington, during which he will sign an agreement to "eliminate intermediate range and shorter range nuclear missiles" from Europe. It is wrong to view this INF agreement, as merely an "arms control" agreement between the two nuclear superpowers. It is not an arms control agreement. It is a "spheres-of-influence" agreement, in which the Reagan administration agrees to assign Western Europe to the sphere of influence of the great Russian Empire of Mikhail Gorbachov.

If this agreement is signed in November, the populations of Germany, Italy, France, Spain, Great Britain, and the other nations of Western European civilization, will be gripped by the same hopelessness as the population of betrayed Czechoslovakia felt on the day the news of the 1938 Munich Pact was announced. This is bottom line military reality of the nuclear age: Without American nuclear weapons, Western Europe is defenseless against the overwhelming, combined might of Soviet nuclear and conventional forces.

If this agreement is signed by President Reagan, only one thing will prevent the Russian armies from marching into all the beautiful capitals of Europe: a voluntary surrender of these nations, and an internal takeover of Quisling regimes. This will happen during 1988, the year of the next American presidential elec-

tion. The industrial, technological, scientific, and economic potential of all of the European Community, greater, in aggregate, than that of the United States, will be placed in the service of the Russian imperial drive—during 1988.

Once this occurs, once the Russian imperialist strategists have succeeded in harnessing an abandoned and occupied Western Europe's productive potentials under the war mobilization, then, finally, the nation of the United States of America, for the first time since her founding, and for the first time since the Congress of Vienna of 1815, at which America's enemies pledged to destroy her, will be confronted with the concrete, practical, and sensuous choice of either capitulating, bending her knee to the Imperial Russian master, surrendering her sovereignty, or going to general war.

There are those who smugly and piously argue that surrender of sovereignty is preferable to war. They are the self-designated "men of peace." These peculiar men of peace are not preaching the virtues of their ideas to the heavily armed Russians, but only to the vulnerable and disarmed United States. These self-designated "men of peace," are counting Mikhail Gorbachov as one of their own. But, these very same "men of peace," Neville Chamberlain and the editors of the *New York Times*, during Munich in 1938 hailed Chancellor Hitler himself as a "man of peace," one of their own.

Nobody, no nation, during the Second World War, willingly preferred to give up its sovereignty in order to "live in peace." It will not happen now either. "But," these so-called men of peace tell us, "now, in the nuclear age, it is different, because war would mean total annihilation." They are wrong: Sovereignty to nations is what the soul is to human individuals. Without a soul, you are not alive as a person, and without sovereignty, you are not alive as a nation. Whoever heard of a person that would give up his or her soul in order to live?

Peace without sovereignty is an oxymoron. How much more blood must be shed for our Neville Chamberlains to learn this lesson?

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