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## From the Editor

The Soviet "withdrawal" from Afghanistan, which the United States is about sign onto as guarantor, is a monstrous fraud. So, too, is George Shultz's "peace plan" for the Middle East, in reality nothing but an excuse for setting up an international conference at which the two superpowers will sit down and carve up the world into what they call spheres of influence.

What that means, is the end of the nations of Turkey, Egypt, and Pakistan—the only countries which currently defend civilization in the part of the world Zbigniew Brzezinski called the Arc of Crisis.

That is the subject of this week's cover *Feature*, compiled through EIR's intelligence-gathering efforts worldwide, and written by Webster Tarpley, Konstantin George, and Thierry Lalevé.

The Western oligarchs who have set into motion this "New Yalta" monstrosity may believe that they will come off with some nice goodies in the process, and may be counting on the favors of the alleged "liberalizer" Mikhail Gorbachov, to smooth their way in the coming imperial era. Reality has some icy showers coming their way. These were portended when some 350 top American business figures were left stranded in mid-March, when they were on their way to Moscow expecting lush trade deals, and the Kremlin abruptly postponed the affair. I draw your attention particularly to the article on page 38, reporting on the "phase change" in Moscow which will further undermine these Western dreamers.

Meanwhile, the Soviet military leaders have made it known that they intend to use arms control to secure military advantage, and to squeeze Western Europe (see pages 44-45), while the United States is blithely cutting defense capabilities to shreds (see pages 50-53).

By the time this issue reaches you, Lyndon LaRouche will have made his third nationwide campaign telecast of 1988, on April 12. A news bulletin from his campaign tells us that in the program, entitled, "The Test of Fire," LaRouche asserts that President Reagan's planned trip to Moscow in May and other appeasement measures are only fueling the Moscow regime's "dedication to becoming the sole ruler of this planet." The U.S. can avoid war with the Soviet Union only by returning to the status of an economic giant. To our knowledge, LaRouche is the only presidential candidate who has a program to do just that.

*Nora Hamerman*

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## More speculative euphoria can't hide the reality

by Chris White

A new wave of speculative euphoria hit the markets in the first week of April. The result, a more than sixty point run-up on the Dow-Jones index Wednesday, April 6, which, for the first time triggered the market regulators' much-touted, but untested new "circuit-breakers." As the index rose to 50 points up, the electronic signals went out that things were shutting down for a "cooling off" period.

There isn't any basis for this expression of speculative euphoria, of course. This time, though, the craziness seems to be even worse than usual. What prompted the upsurge was a simple rumor. A rumor to the effect that not only were the finance ministers and central bankers of the Group of Seven industrial nations going to meet April 14 on the eve of the semi-annual meeting of the International Monetary Fund's Interim Committee, but that those august dignitaries were also to reaffirm their commitment to international currency stability. Saner heads within the financial community watching such developments were almost reduced to despair that a mere rumor, which even if true, would mean exactly nothing, could produce such a disproportionate result in terms of herd-like hysteria among the money managers.

Others think, perhaps, the euphoria simply fed the expectation that with that Group of Seven meeting fixed, and 10 days away, it can be safely assumed that there will be no dramatic upsets until after the spring meeting schedule of the ministers and their lackeys is over and done with. Euphoria, then, because of 10 more days to play with the future of the world, despite the consequences which such folly will bring.

The euphoria is being quietly fed by George Bush's de facto campaign manager, James Baker, the head of the U.S. Treasury Department. Baker told a group at Fordham University's business school Thursday, April 7, that he was "pleased" with the way the international currency agreement

concluded at the end of last year had worked. He repeated the litany of hopes and illusions of the Bush campaign. Namely, that there will be "no recession this year," and that the U.S. economy has proven to be "stronger than was thought" after the market plunge of October 1987. Baker had no official comment on the rumors going the rounds about upcoming future currency agreements.

### A U.S.-Japan accord?

Word has gone out that in fact some kind of agreement has been cooked up between the electoral campaign authorities at the Treasury Department and the Federal Reserve, who presently control U.S. monetary and financial policy, and the Japanese. On the U.S. side, the indications for such an agreement include the mooted of a new intervention range for the dollar-yen exchange rate. On the Japanese side, they include statements from the central bank and the finance ministry anticipating the reaffirmation of the end-of-year Group of Seven agreement.

Insiders in the United States and Japan believe that the substance of any such agreement would actually include a further significant decline in the dollar-yen rate. They point to three considerations, two of which are believed to be foremost in Baker's calculations, one of more importance to the Japanese. A further decline in the dollar-yen rate, it is believed, would be sufficient to permit the U.S. monetary authorities to maintain the relatively low internal interest rates which have prevailed since the October crash, and would offset the pressure for interest rates to increase, which has been building over the last weeks, as speculative bond and stock markets have begun to run out of steam, and the specter of renewed collapse has raised its head. Maintaining such low interest rates is key to the electoral trick of targeted credit

infusions into problematic financial situations, such as the Texas and Southwest banking collapse, which could pull everything down.

Such an approach, it is thought, would secondly increase the financial pressures now being exerted on the European Monetary System's deutschemark-pegged cross rate system, to the effect of blowing that system apart, on behalf of standing U.S. commitments to increase the influence of the Soviet Union within the European economies. This, too, being part of the "elect Bush" political package that has come together at the top. Joint financial and economic warfare against Europe, is part of the package which is subsumed under the doddering President's commitment to the summit and so-called peace process.

On the Japanese side, the considerations are somewhat different. Since the bulk of Japan's industrial raw materials and food purchases are international transactions conducted in dollars, all the Japanese have to do is sit tight. A declining dollar against the yen cheapens such primary goods purchases, cut by more than half over the past two and a half years, while continuing technologically vectored growth within the Japanese economy, with GNP expected to grow by more than 7% this year, offsets the increase in money terms of Japan's exports, especially into the United States, permitting apparent losses to be absorbed by the increased profitability of the system as a whole. All Japan has to do, unlike the Europeans, in the view of some, is sit back and wait, while the United States commits "hara-kiri" according to the rituals of prevailing economic incompetence and insanity.

There's only one thing wrong with these kinds of calculations. However good they look on paper they don't work. They don't work because they don't address the economic reality of the present process of ongoing financial collapse. The only kind of stability policy that would work under present accelerating crisis circumstances is of the sort proposed by presidential candidate and physical economist Lyndon H. LaRouche: Reorganize the monetary system, on the basis of a return to gold, via a gold reserve system, and through the issuance of gold-pegged Treasury notes into the banking system; provide the credit for production which permits the generation of wealth, in terms of tangible output, to be upgraded. Anything else, masquerading as stability policies, international agreements, or whatever, is simply going to make things worse.

This shows up two ways. For example, consumer debt excluding mortgages increased by more than \$5 billion during the month of February, another double-digit increase at annualized rates. Such credit may look good as so-called assets in the accounting columns of shaky banks, but the United States is not producing enough, and has not been producing enough for several years now, to back up double-digit rates of monthly increase in consumer debt. U.S. consumers are being financed to buy imported goods, which the foreign creditors of the country are supposed to finance through

purchases of U.S. government debt.

The continued growth of such debt tells the U.S. creditors that the United States is expecting them to keep on providing finance at the level of \$160-180 billion per annum and up. After all, for the Bush campaign committee which is running U.S. economic policy, choking off such credit, in an election year, is not among the best ways to win votes.

But Europeans, through such financial community spokesmen as Cr dit Suisse's Hans-J rg Rudloff, have been insisting for months, that U.S. creditors are not able, and will not, continue to pick up a tab, which, even if running at \$160-180 billion, can in effect be seen as the electoral expenses of the Bush campaign. Rudloff's views were repeated in the *Financial Times* of Thursday, April 7. To the surprise and dismay of U.S. money managers, no U.S. newspaper, outside this one, has yet seen fit to circulate or comment on the views of this particular policy shaper, which have now become so regular in the pages of Europe's financial press. Rudloff's latest contribution signals the coming end of the practice of securitizing U.S. mortgage and other financial obligations as a means of generating international funding for the U.S. banking system. "It is clear," he said, "that there was an element of excess in the scramble to securitization prior to the crash. The enthusiasms of the bull market encouraged illusions about the marketability of securities and distorted perceptions of value. The crash shattered many of those illusions. As a result, it has become clearer which innovations of the great bull market will endure, and which were part of the froth which bubbled over in October." A retrenchment in this brand of financing will curtail a significant chunk of the internal U.S. credit market, and pull down chunks of the banking system.

It doesn't bode well for the euphoria of the markets, or Baker's insistence that stability will be maintained. Rudloff's colleague, the new chairman of the Union Bank of Switzerland, added his two cents worth when he told the *Wall Street Journal*, Friday, April 8, "I don't know how many institutions [banks] will be left, maybe 12, maybe 20, but I am sure we'll be one."

He bluntly said, "October 19 had a positive side, the structural clean-up may eliminate a share of the competition. That's a chance for the strong to become stronger."

Such statements of intent contradict Baker's electoral mission. Nor is he likely, for the same reason, to heed the *Financial Times'* editorial strictures against those who fall for his "It's twelve o'clock, and all is well" refrain. Pointing out that while "cooperative calm" is the image to be projected by the Group of Seven, those who "scratch below the surface" might be "excused for mistaking it for careless negligence." "The problem is that the markets cannot be relied on to be so respectful of such intentions. There is a serious risk the markets will impose their own solutions." That risk gets greater every day that Baker and company continue to babble about "stability" and "surprising strength."

# U.S.-U.S.S.R. Trade Council: the best enemy money can buy

by Scott Thompson

On the eve of an April 11 visit to Moscow, Commerce Secretary C. William Verity, Jr. sought Cabinet approval for an initiative to stimulate trade with the Soviet Union. The plan calls for the U.S. and the U.S.S.R. at meetings of the Joint U.S.-U.S.S.R. Commercial Commission, to form high-level working groups to spur exchanges in five areas—food processing, energy, construction equipment, medical products, and the services sector.

Mr. Verity sought approval for this plan after two months of Cabinet debate. The plan is strongly supported by Commerce and State, but the Pentagon opposes it, because of its fear that an improved Soviet economy would mean a stronger military adversary. Still, the new Secretary of Defense Frank C. Carlucci has taken a “pragmatic” stand on East-West trade issues compared with the Pentagon’s previous chief, Caspar W. Weinberger, who objected to selling almost anything to Moscow on the historically correct grounds that this would enhance the Soviets’ military capability.

In addition to the meeting of the Joint Commercial Commission on April 11, five hundred top corporate executives were scheduled to flock to Moscow for a meeting of the U.S.-U.S.S.R. Trade and Economic Council (USTEC) of leading American businessmen and Soviet trade officials. The joint meetings of the Trade Council and the Commercial Commission aim to widen, through economic measures, the sort of appeasement of Moscow begun by the Reagan-Bush administration through the “Neville Chamberlain” INF treaty. Mikhail Gorbachov was scheduled to address the USTEC conference, which he hopes will be able to mobilize U.S. business for the military-economic build-up of the Soviet Union that is the essence of his policy of perestroika (restructuring).

Commerce Secretary C. William Verity, a past chairman and current honorary director of USTEC, is leading both delegations.

The USTEC conference has been twice postponed. Originally scheduled to occur before the last Reagan-Gorbachov summit, the conference was postponed a second time, when Gorbachov was dispatched to Yugoslavia in mid-March. But both the Soviets and the American businessmen who were to

attend the USTEC conference had great expectations. Informed U.S. intelligence sources project that plans have been laid to increase U.S. trade of critical technology and raw materials with the Soviet Union to the level of \$10 billion annually within the next few years: a level that exceeds trade figures under the height of Henry Kissinger’s détente policy with the Soviet Union during the 1970s. While Commerce officials are not as “optimistic,” they note that at present there are 50-60 U.S. firms involved in negotiations for joint ventures with the Soviet Union, following a change in Soviet law on Jan. 1, 1987 which, they believe, would permit a return to the economic arrangements of the “Trust-period” epitomized by Lenin and Bukharin’s New Economic Policy (NEP) of the 1920s.

While both USTEC and the Commerce Department under Verity stress the “non-strategic” aspects of this renewed trade bonanza with the Soviet Union, it is notable that some of the U.S. firms involved in joint ventures negotiations are ranking defense contractors—e.g., Dow Chemical, E.I. du Pont de Nemours, FMC Corporation, General Electric, and Rockwell. The Commerce Department, under Verity, has had a free hand in pushing trade between the United States and the U.S.S.R., and the meeting of the Joint Commercial Commission led by Verity is expected to remove further obstacles for the U.S. to increase exports of grains, chemicals, machinery, and equipment. While Commerce is clearly the lead agency in advancing trade in areas critical to the Soviet economy, the delegation of the Joint Commercial Commission headed by Verity also includes representatives from the Department of Agriculture, the State Department, and the White House’s National Security Council.

The Joint Commercial Commission was given a charter for action by a senescent President Reagan and General Secretary Gorbachov at their summit last December, in which they directed the U.S. and U.S.S.R. governments to find concrete proposals for expanding trade.

Congress has gotten into the act as well through the new Trade Bill, that recently was worked out in a trade-off between House and Senate versions. According to the latest



subconference version of the bill, everything will be decontrolled for export to the Soviet Union unless the United States is the sole producer of the product. White House negotiations to bring about multilateral embargoes on the trade of goods with the Soviet Union among Western allies, will be limited in duration by the new bill to a mere 18 months.

Since Japan and such European countries as Germany are already exporting critical defense-related high technology to the Soviet Union, this means that U.S. firms will also be free to do so. Many of the U.S. firms involved in joint venture negotiations with the Soviet Union have been waiting for just such a decontrol of U.S. technology, so that they could export whole plants and equipment to the Soviets.

### **'Trust' seeks return to NEP**

Joint ventures reminiscent of the New Economic Policy period of the 1920s remain the leading item being promoted by the corporate appeasers involved in USTEC. As Anthony Sutton documented in his three-volume study of the economic side of the "Trust" for the Hoover Institution, titled *Western Technology and the Soviet Economy*, the Soviet Union under existing Russian culture has only been able to survive as a growing world economic and military power, because Soviet industry has been re-tooled several times since the Bolshevik Revolution by Western firms. It was these same Western financial interests, acting through longstanding relationships dating back to the Venetian joint stock companies, best known as the "Trust," who made the Bolshevik palace coup possible in the first place by acting in concert with a faction of the Russian oligarchy associated with the Okhrana (secret police).

The symbology of Mikhail Gorbachov's attempts to once again re-tool Soviet industry for military hegemony through inputs from the West, is highlighted by the recent visit to the United States (February-March) of Gorbachov's top economic adviser Abel Aganbegyan, sponsored by Esalen Soviet-American Exchange, to meet with top U.S. corporate executives. Aganbegyan, who has come under increasing attack by Great Russian chauvinists like the Politburo's Yegor Ligachov, is an advocate of a restoration of the NEP and is believed responsible for the change in Soviet law in 1987 to permit joint ventures with the West.

Under the new joint venture law, foreign firms are permitted to own up to 49% of a Soviet enterprise, if certain guidelines are met. Instead of financing their part of the deal with critically short hard currency, the Soviets propose to provide the land and infrastructure for Western firms to provide the plant, equipment, and management techniques. The chairman of the board of directors has to be Soviet.

The greatest sticking point for U.S. firms that have lined up at the trough so far, is that profits can only be repatriated from export earnings of the joint venture firm. While the U.S. firms have been seeking a way to open the Soviet market, the Soviets are seeking ways both to unlock bottlenecks

in their economy and to produce products for hard currency export earnings on the world market. This means that U.S., European, or Japanese firms that build joint ventures in the Soviet Union will find themselves in competition with themselves for world markets.

Nevertheless, Armand Hammer's Occidental Petroleum announced with fanfares late last year, that it will join with ENI-Chem and Montedison of Italy and Japan's Marubeni, to sink \$3 billion (49% of the capital) into a joint venture called Tengiz Polymer, to build a huge petrochemical plant in the U.S.S.R.

Since the collapse of world oil prices, the Soviets have been able to earn only \$15 billion annually in hard currency, largely through the sale of gold to European banks. Credit for joint ventures is in short supply, although European banks, especially the Deutsche Bank and Landes Bank of Germany, have been willing to extend credits to the Soviet Union for this purpose. According to the Commerce Department, the main U.S. financial institutions lending credits to the Soviet Union for trade are: Citicorp, American Express, Bank of America, and Chase Manhattan Bank. American Express and Chase are both represented on the board of USTEC, and Chase has been operating in the Soviet Union since the original NEP period. Chase's David Rockefeller is a founder of USTEC in 1973 and USTEC's first director emeritus at present.

Despite their 100% ownership of six banks in Western Europe, the Soviets will be increasingly dependent upon Western banking partners like Chase for the expansion of trade that USTEC and the Joint Commercial Commission have planned. Similarly, the American International Group of USTEC board member Maurice "Hank" Greenberg, is planning further changes in Soviet law to permit it to provide insurance for the U.S. firms involved in joint venture negotiations.

### **What is USTEC?**

The consortium of the economic side of the Trust headquartered at 120 Broadway during the original NEP, is today centered with the 500 top firms that compose the U.S.-U.S.S.R. Trade and Economic Council, founded in June 1973 during Leonid Brezhnev's first trip to the United States. The story of USTEC's founding is told by Joseph Finder in his book *Red Carpet*. During the trip, a meeting with 50 top bankers and industrialists was arranged by then-Secretary of the Treasury George Shultz at Blair House. There, Brezhnev announced: "The Cold War is over. And I ask you, gentlemen, as I ask myself: Was that a good period? Did it serve the interests of the peoples? No, no, no, and again, no."

USTEC was the brainchild of Donald Kendall of Pepsico and David Rockefeller of Chase Manhattan Bank. President Nixon seized on the idea for the 1973 summit, based upon a memorandum from Kendall who had met several times with Brezhnev following his vodka-for-Pepsi deal. David Rock-

efeller had raised the possibility of such a trade council with the Soviets through his Dartmouth Conference, a junior version of the Trust's Pugwash Conference, which was created by Bertrand Russell. Late in 1972, Kendall and David Rockefeller conferred about the Trade Council idea as well. Also present at the meeting was Helmut Sonnenfeldt, whom Henry Kissinger had employed as a special emissary for détente dealings.

With Nixon's approval, Kendall came up with an initial U.S. board of 25, which was to have 25 Soviet counterparts added to complete the full board of directors. Included in the U.S. list were such figures as: David Rockefeller, whose Chase Manhattan Bank was the equivalent of the Export-Import Bank, granting major credits for the Soviet trade in the 1920s and 1930s; Reginald Jones of General Electric, which had been involved with the 120 Broadway complex led by the American International Corp. in the Soviet trade dating back to the original NEP period; C. William Verity, then of Armco Steel, whose then-executive vice president, James H. Giffen, is the current president of USTEC; and, Armand Hammer, an original Trust agent and friend of Vladimir Lenin and Feliks Dzerzhinsky, of Occidental Petroleum. Kendall was the first U.S. co-chairman of the Trade Council, and he also hand-selected his Soviet counterpart, Vladimir S. Alkhimov, with whom he had negotiated the Pepsi deal.

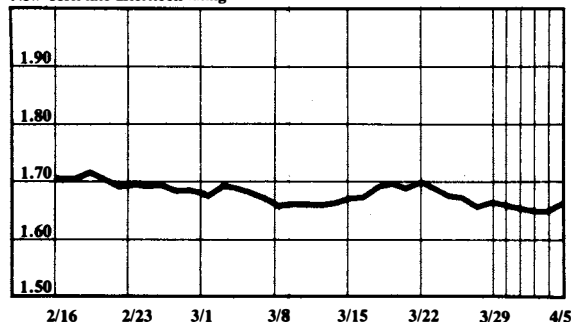
The Trade Council was inaugurated on Oct. 1, 1973 at a dinner in the Granovitaya Palata in the Kremlin. Earlier in the day, Treasury Secretary George Shultz met with Brezhnev to discuss the Nixon administration's strategy—which would prove unsuccessful—for squelching the Trade Reform Act of Sen. Henry Jackson. Shultz ended the day at a press conference to announce the launching of the Trade Council.

The current membership of USTEC is a "who's who" of the Fortune 500. Board members with terms expiring this year are: Lawrence A. Bossidy, vice chairman of the General Electric Co.; Edgar M. Bronfman, chairman of The Seagram Company, Ltd. and president of the World Jewish Congress; Maurice R. Greenberg, chairman of the American International Group; Richard E. Heckert, chairman of E.I. DuPont de Nemours & Co.; Thomas G. LaBrecque, president, Chase Manhattan Bank; Robert H. Malott, chairman, FMC Corp.; John J. Murphy, chairman, Dresser Industries, Inc.; John R. Petty, chairman, Marine Midland Bank; David Tendler, chairman, Tendler Beretz Associates, Inc. Board members with terms expiring in 1989 are: Gorbachov's pal Dwayne Andreas, chairman of Archer Daniels Midland; Trust agent Armand Hammer, chairman, Occidental Petroleum Corp.; Allen F. Jacobson, chairman, Minnesota Mining & Manufacturing Co.; Walter C. Klein, chairman, Bunge Corp.; Robert J. Lanigan, chairman, Owens-Illinois, Inc.; Whitney MacMillan, chairman, Cargill, Inc.; Richard J. Mahoney, chairman, Monsanto Co.; Ara Oztemel, chairman, Satra Corp.; James D. Robinson, chairman, American Express Co.; and, William P. Stirtz, chairman, Ralston-Purina Co.

## Currency Rates

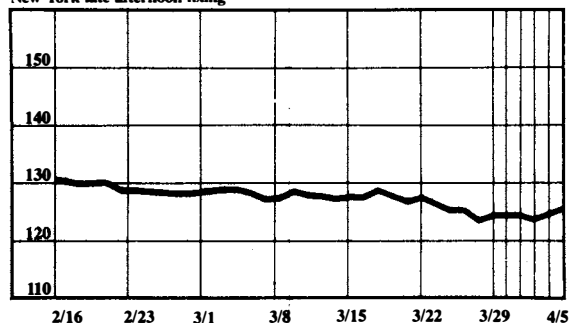
### The dollar in deutschmarks

New York late afternoon fixing



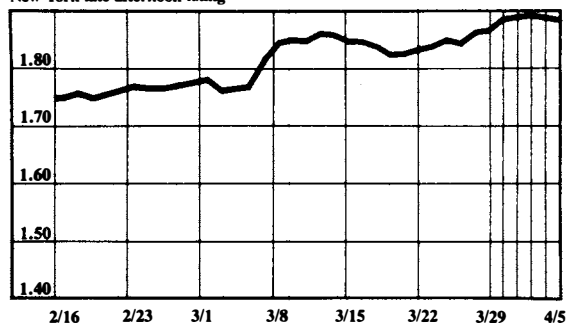
### The dollar in yen

New York late afternoon fixing



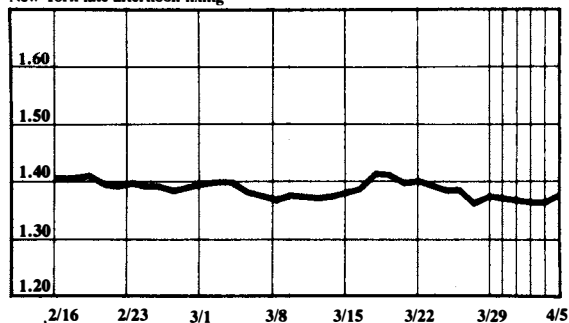
### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



# The Soviets will fish cheaply in the waters of Peru

by Mark Sonnenblick

Many Peruvians are unhappy with the deal about to be signed by the Alan García government granting the Soviet Union extensive fishing rights in Peru's Pacific Ocean territory. Some think the Soviets may be paying too little for the fish they net, clean, and freeze offshore. Others fear the military potentialities the Soviets are gaining from basing large fishing fleets off Peru and building heavy-duty dry docks and other repair facilities at the Peruvian navy's shipyards in the main port of Callao. In that deal, the Soviets will build a \$65 million dry dock and the Callao shipyards will build 80 fishing vessels, worth \$500 million, for the Soviets, who will "pay" for them by writing off unpayable Peruvian debts.

Among those speaking out is Juan Rebaza, president of the Peruvian state fishing company, Pesca-Perú. On March 23, Rebaza demanded the government provide "a public report on the scope of the protocol signed with the Soviet Union." "One should not look only to the Soviet Union," Rebaza declared. He urged that Spain, Britain, and the United States also be considered for fishing contracts, noting that García had frequently stated that other countries were interested.

The next day, Rebaza gave an interview to the weekly *Solidaridad Internacional*, excerpts of which follow. In it, he argued that, even though "it is a bit more difficult," the best alternative to deals with the Soviets and Cubans would be "agreements with the Latin American countries" to gradually construct a modern deep-sea food fishing fleet. Without that, Peru will continue to lack the fish it needs for its undernourished population, and will not be able to make effective its maritime sovereignty.

Fishing Minister Javier Labarthe responded to Rebaza's and similar challenges from Peruvian congressmen by briefing the congress March 27 on the fishing accords being signed with the Soviets, Cubans, and Poland. Congressmen protested that Peru was being cheated by the Soviets, who give only 17.5% of the fish they harvest in Peruvian waters as payment for fishing rights and all taxes. The minister answered, "The Soviet Union collaborates by providing a reconnaissance plane on a permanent basis to help our boats; it will loan us four multi-purpose boats for six months, and will also put at our

disposal on a permanent basis a research ship to evaluate our biomass."

What Peru needs most is deep-sea fishing for human consumption. What Peru has achieved is the world's largest production of fishmeal for animal consumption and fertilizer.

Rebaza fears that Pesca-Perú's fishmeal capabilities will now be destroyed once again, as they were in 1976, on direct orders from then Secretary of State Henry Kissinger, to prepare Peru for IMF tutelage. Pesca-Perú was further looted during the 1980-85 regime of "free enterpriser" F. Belaunde. Its recovery began only in 1986, after García put Rebaza, then the president of the Pesca-Perú union, in charge of the company.

Rebaza's accomplishments at Pesca-Perú were recognized last October by his election as president of the International Organization of Producers and Exporters of Fishmeal and by European awards for managerial excellence.

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## Interview: Juan Rebaza

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*Excerpts from Pesca-Perú president Juan Rebaza's March 24 interview with the weekly Solidaridad Internacional:*

**Q:** On fishing for human consumption, is Pesca-Perú still considering converting its [fishmeal] factories to use them for production for human consumption? . . .

**A:** Right now, Pesca-Perú is more focused on perfecting its fishmeal production, because during its years of paralysis, Chile got about 20 years ahead of us in the advancement of its technology. But that does not mean we have to wait 20 years to recover. I think that in one or two years, we could recoup the time lost; we want to perform our principal activity well. . . .

There is already a great effort to diversify production for human consumption. The government and the sector are always criticized for signing agreements with the Soviets and

the Cubans. Rather, what must be done is to bring the country to sign agreements with the Latin American countries. This is a bit more difficult, but we can do it, even by building two ships—I will pay for them—and with the same money, go ahead building two more, and go forward that way. . . .

At this moment, our problem is [lack of] ships. I do not think that the optimal thing is to sign the agreements [with the Soviets and others]. And, clearly, it could be argued that for the moment, we do not have boats and we need that support. That may be true, but the optimal thing is that we should have our own ships and we have to begin to work; if not, we will always have to depend on others. If we do not have ships which can go beyond the 200 miles [the territorial limit], how could we control, how could we know whether or not foreign flag boats are within the 200 miles?

**Q:** On March 20, the Panorama [TV] program contrasted the supposed “disastrous” Peruvian fishing policy with the success and rise of fishing in Chile, implying that this was due to bad management. . . .

**A:** In Peru, we have a private fishmeal industry and a state fishmeal industry. What I don’t like about the Panorama program, is that it tried to present a bad image of the public sector, without in the least touching the private fishmeal sector. I can demonstrate that Pesca-Perú uses 4.5 tons of fish to obtain a ton of fishmeal, while the private fishmeal sector uses 7 to 8 tons of fish to produce 1 ton of fishmeal, resulting in wasting more than 2 tons. . . .

It is true that in 1980, Chile took the lead in fishmeal production, because the populist [Belaunde] government [of Peru] encouraged the disappearance of Pesca-Perú, even decreeing a fishing ban in the southern zone, which let the sardines and anchovies go to that country and in that way make it into a power. In addition, assets were sold. There were Pesca-Perú ships sold to the private sector during the Morales Bermúdez administration [1975-80]. Some of the best ships we had in Pesca-Perú were transferred to the private sector, and then, after a few years, sold abroad.

In 1974, Pesca-Perú received 1,500 ships, of which 514 were sold in the year 1976, apparently destined for the fishermen. The real owners, however, were a group of private businessmen. In addition to this, what was known as the so-called “Peruvian-Chilean integration” in the year 1979 stimulated the export of the best ships to Chile. That is, Chile now not only had some factories but also ships which had at one time belonged to Pesca-Perú. In practice, Chile was equipped, destroying our capacities. . . .

In 1985, Pesca-Perú’s fishmeal production merely approached 100,000 metric tons. We have begun to reactivate the factories almost without investing anything. And, up to now, we have reopened 15 factories. We have a total of 36 factories [for fishmeal], but I think that it is not best for all 36 to function. Because, if our government has improving nutrition as an objective . . . fishmeal production has to be

rational. If I were, wrongly, to defend putting the 36 factories to work, even if we had the ships, that would mean a great amount of fish each year, which would imply depredation. And we can’t do that.

During last year, we produced 372,000 metric tons of fishmeal, which permits Pesca-Perú to take first place in fishmeal production in the world and earn a total of \$126 million in foreign exchange for the country. That is more than the \$95 million reached in 1986, and the \$45 million we obtained in 1985.

**Q:** Do you think there is a deliberate campaign against Pesca-Perú? Is it on the list of those companies which are going to be reprivatized?

**A:** What is certain is that some businessmen who for years have sought to make Pesca-Perú disappear have tried to take advantage of this. If we were a deficient company, nobody would pay attention. But, this is a company which generates a lot of foreign exchange for the country, one which is called upon, in effect, to give more support to EPSEP [state fish distributing company] in feeding the population. Pesca-Perú concerns itself with promoting the building of new ships and implementing our own maritime fleet, adequate to our reality.

Thus, they see Pesca-Perú as a problem. In the face of this, I could say there are some private companies which are totally deficient, which do not want to invest and which want the government to provide them with money or to hand over their factories to Pesca-Perú. That is, they put in nothing from their own pocket. We are not opposed to private participation, but they must be efficient and they have to show it.

Even, if we compare the prices fishmeal is sold at, we can see that while we sell at \$448 per metric ton, the private sector is selling for \$20 less. I don’t think we are more capable than private businessmen. I think some of them might be leaving dollars outside the country; that is my fear.

We hope that further along in the debate which is being stimulated, a number of irregularities will be investigated. When we took over Pesca-Perú’s management, we proved that previously its fishmeal sale prices had been lower than those of the private sector. That brought us the malignant idea that the former functionaries also left dollars outside the country. The fact that the workers themselves now run their company shows that with will and honesty, we can make our fishmeal worth its true value. . . .

Many of the businessmen who now participate in the private sector were Pesca-Perú functionaries. If we analyze, we will appreciate that these ex-functionaries now are owners of canneries, of factories which previously belonged to Pesca-Perú. How did they get ownership of these factories? That must be investigated. Perhaps they encouraged the sale and used intermediaries. Thus, we could see in whose hands the company’s management was: people who wanted it to disappear. . . .

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# Creating the infrastructure for a new European corporatism

by William Engdahl

Barely had the ink dried on the 12-nation European Community's blueprint for creating a single internal market, the "Single Europe Act: 1992," than EC President Jacques Delors began to elaborate on the political implications of what could be the most serious transformation of Western Europe since the collapse of the old Hapsburg Empire. On paper, the act eliminates all border controls on movement of people, goods, finance, and animals. Financial and tax laws will be "harmonized," as well. But Delors admits there's more.

On March 28, he told a Brussels correspondent for Italy's *Corriere della Sera* that his plan for 1992 includes simultaneous creation of a "true European government," independent of any sovereign national governments, including those of Germany, France, Italy, and Denmark. His supranational government would be a parody of the old Roman imperial rule over Europe in the early centuries of Christendom. Brussels would be the political capital. Each of the 12 member states would delegate cabinet ministers, with the European Parliament selecting a "President of Europe."

The proposal is explicit confirmation of *EIR's* warnings of what leading planners have in mind for Europe in the coming period. The architects shaping this transformation of Europe in 1992 intend this not simply to create an echo of the United States in economic terms, but as a prelude to creation of a supranational dictatorship in Western Europe, as the European economies are increasingly placed at the service of the Soviet Union.

## The central bank

The final component of this "pan-Europe" dictatorship will be a single, autonomous Central Bank of Europe. This is the centerpiece of the EC plan, although so far kept in the background as a matter of obscure technical debate. Such a central bank would impose top-down control over the money and credit and the investment policy of every nation in the EC. This new central bank is the brainchild of the Committee for a European Currency Union, set up 18 months ago by former French President Valéry Giscard d'Estaing and former German Chancellor Helmut Schmidt.

At the June 1988 EC ministerial summit in Hannover, the European Central Bank plan will become an official agenda item for the first time. The architect of the Schmidt-Giscard

scheme admits that it is modeled on the U.S. Federal Reserve model. Each European country in the EC would constitute a "region" within the autonomous European bank. But overall policy will be drawn up independent of any national political interference. The implications of this aspect of the 1992 "Perestroika West," as some in Europe are dubbing it, is an end of the institution of national sovereignty for this part of Western civilization. In a Jan. 9, 1988 editorial on the subject, Europe's leading banking weekly, London's *The Economist*, approvingly noted that such a European central bank "would impose tight constraints on national governments. There would be no such thing, for instance, as national monetary policy. . . . Each national inflation rate would be within its charge. . . . This means a big loss of national sovereignty."

The powers backing this supranational plan confirm that it is intended to be the modern form of the 1920s corporatist state (for example, Mussolini). Corporatism was the name given to the police-state alliance of government, trade unions, and industry to impose savage austerity on the Italian population in the depression of the late 1920s and 1930s. Corporatism was imposed on Italians through directives from Bank of England Governor Montagu Norman, New York Reserve Bank Governor Benjamin Strong, and the private J.P. Morgan & Co. Bank of New York, London, and Paris. The aim of their corporatism then was to create an "independent" Bank of Italy, run by the international bankers, in order to collect billions in debt owed to private British and American banks, while those same banks eliminated the credit for trade and industry by which Italy, Germany, France, and other European nations could easily have produced their way out of the crisis.

Just as Mussolini's fascist "corporatism" was the bankers' solution to the crisis in the late 1920s, today, a related network of international banking interests is backing the creation of a European Central Bank in order to dictate a far more efficient, computerized police-state austerity, appropriate to the scale of speculative debt of the 1980s. These are the backers of the Schmidt-Giscard committee. They include the director of West Germany's largest private bank, Wilfried Guth of Deutsche Bank; the former governor of the Bank of France, Renaud de la Genière of Banque Indosuez; Jelle

Zijlstra, former head of the International Monetary Fund and director of the Dutch insurance multinational National Netherlands, a key backer of the 1992 "European perestroika." Rinaldo Ossola of Trieste, Italy's Assicurazioni Generali completes the elite group comprising the Schmidt-Giscard committee.

Assicurazioni, one of the most secretive and powerful insurance giants in the world, includes on its board Camillo De Benedetti, cousin and business partner of the infamous raider, Carlo De Benedetti. It also numbers French presidential hopeful Raymond Barre, a leading European Trilateral, and Nate Samuels of New York's Jefferson Insurance and the grain-cartel firm Dreyfus, which runs all the Russian business of "red billionaire" Jean Baptiste Doumeng's grain trade firm, InterAgra.

It is most important to note the role of Assicurazioni Generali's Count Volpi di Misurata as the 1920s architect of Mussolini's fascist austerity and wage reduction policies. Volpi was both finance minister and Morgan bank agent. The same Assicurazioni is in the middle of the present effort to create a European-wide corporatist vehicle to impose savage reductions in living standards and employment under the banner of "making Europe competitive" in the 1990s.

The Committee for a European Currency Union has spawned a parallel lobby group of multinational European business executives who are creating the impression of powerful industrial backing for the supranational central bank, the so-called Association for a European Monetary Union. The association is headed by Philips chairman van der Klugt, Fiat's Gianni Agnelli, and France's Francis-Xavier Ortoli. The association's members are virtually the same as a third elite lobby known as the European Industrialists' Roundtable, which is run by Philips' director Wisse Dekker and Carlo De Benedetti.

### **'Kicking and screaming'**

The association and the roundtable are extremely influential policy voices inside the EC Brussels bureaucracy, shaping the supranational apparatus of 1992. An aide to Francis Lord Cockfield, EC commissioner responsible for the 1992 internal market process, admitted in recent discussion that these groups were at the center of things. One Brussels insider went even further: "The roundtable is very vocal and very visible. The EC listens to those who cry the loudest. Brussels is a paradise for such pressure groups. They are extremely well financed."

As we noted earlier, (see *EIR*, March 11), the 29 companies behind the roundtable, led by Philips, Volvo, Daimler-Benz, Nestle, Unilever, Olivetti, ASEA-Brown Boveri, Ferruzzi, Siemens, and Fiat, are the same employers who are pushing most actively for the elimination of decades-old institutions of social security, job protection, and trade union rights which have at least partially insulated European working people from the brutal effects of industrial cutbacks.

These companies' executives, the architects of "1992,"

argue that they must implement such austerity policies in order to be "prepared" for 1992. George Taucher, of the Lausanne, Switzerland industrial strategy think tank, IMEDE, stated that the greatest benefit of the 1992 reforms will go to aggressive companies like De Benedetti's, which grab the initiative in cross-national mergers and acquisitions: "These companies may drag the political forces, kicking and screaming, into the 21st century. Many manufacturers who join together will need to eliminate factory capacity. This restructuring, which has been nationally based in the past, will now become European-wide, resulting in winners and losers. There will be screams of rage and a lot of resistance."

### **A new European feudalism**

The common threads in the three "1992" lobby groups are European supranational banking and key Socialist International figures or institutions. As informed European insiders have noted, in order for governments to impose more severe austerity on their populations, the institutional role of the Socialist International is indispensable.

The reason for this is the traditional role of the European socialist parties as controllers of the well-organized European trade union organizations. Schmidt is the Socialist International spokesman for the 1992 European Central Bank plan. France's Socialist President Mitterrand is very much basing his re-election ambitions on pushing the 1992 process, including the central bank idea. Jacques Delors has been rumored to be a choice for premier in a Mitterrand government. Delors is a leading member of the Socialist International.

The top figures in the European Industrialists' Roundtable are also linked with the Socialist International. Nestle Corp., according to reliable French sources, enjoys strong covert trade ties with Moscow and Eastern Europe. It is one of the strongest policy influences on Mitterrand through the firm's Bettencourt family. Roundtable's Daimler-Benz chairman, Edzard Reuter, is a Socialist International member, placed in control of the important European auto and aerospace conglomerate through the personal intervention of Deutsche Bank chairman Alfred Herrhausen.

### **At Moscow's service**

If "1992" is realized as planned, Europe will once again become a fascist nightmare. But, if the architects of "1992" have their way, instead of serving the coffers of New York and London banks as in the 1930s, the new European corporatism will answer to a new master, in Moscow. Leading "1992" figure Carlo De Benedetti, in a recent French television appearance with his close friend, Giscard d'Estaing, called French Agriculture Minister François Guillaume's call for a Marshall Plan for Africa "rubbish." Instead, he called for a "Marshall Plan to the East," placing Western industrial capabilities at the disposal of the Soviet Union. Giscard endorsed the call, adding, "As Europeans, this would help us to transfer technologies and investments and to contribute to their development."

# Father Junipero Serra's historic role

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*The Rev. Noel Francis Moholy, OFM, STD, speaks on Serra and the papal encyclicals, Populorum Progressio and Sollicitudo Rei Socialis, to a Schiller Institute conference.*

*The following speech was delivered by Father Moholy on March 27 in Cologne, West Germany, at the Schiller Institute's conference on a New World Economic Order.*

The text that has been running through my mind during these deliberations is found in the Book of Psalms: "Unless the Lord build the house, they labor in vain who work; Unless the Lord guard the city, they watch in vain who tend the gates."

I imagine that your perusal of *Populorum Progressio* and of *Sollicitudo Rei Socialis* is quite akin to mine. So many conditions are presented, so many problems are accumulated, that you wonder how we can find a solution. You are perplexed, above all, when you point the question to yourself and say, "What can I do?"

I've been invited to show you what one man did, and the repercussions it had and still exerts on world history. Father Junipero Serra was a very happy Majorcan, professor of Sacred Theology, in the Balearic Islands off the coast of Spain. In the height of his fame at home, he suddenly decided to abandon all and to heed Christ's special invitation to go and preach the Gospel to those less blessed. And in the course of his activity in both Mexico and what is the territorial United States at present, he attained the height of sanctity. So much so, that the Sacred Congregation for the Causes of Saints is moving his cause, and John Paul II himself has approved the beatification, and from here I go to Rome to see if we can settle a date, which very likely may be Nov. 24, 1988, the 275th anniversary of his birth.

But in fulfilling his activity, he left an impact on Western history that illustrates the conflicts that have been emphasized here.

He was an unlikely candidate to perform such a task. In stature, he was five feet, two inches. Almost a midget. But his frame housed a strong heart. He was not a robust man. He was weak of health congenitally, and on top of that, in his very first journey to the New World, he made a pilgrimage on foot from Vera Cruz to Mexico City. In the course of that journey, his leg became infected, and for the rest of his life, it was a constant burden, but he never permitted it to become a hindrance.

In my dwelling with him now for some 35 to 40 years, the question I have asked myself most frequently is, "Why

did he ever stay in California?" They made his life all but unbearable, and he had three perfectly good and gentlemanly excuses to absent himself. He could have pleaded old age. He was 54 years old when he arrived in the area we now call the state of California. That was certainly not a young man in those days, and even in this day and age, we would hardly appoint a man of that age to be a pioneering missionary to enter a new territory. He could have pleaded that he had served his time. Missionaries in those days in Spain volunteered for a period of 10 years, and he had served 20 already in Mexico with distinction. He could have retired to Mexico or back to his native Majorca with dignity. He could have pleaded his poor health, and it certainly would have been considered valid.

But when he departed his homeland, which he loved dearly, he told his aging parents, "If you realized the dignity of the vocation upon which I am embarking, if you appreciate what the office of Apostolic Missionary is, you would urge me always to go forward, never to turn back. *Siempre adelante nunca atrás.*" That guided him for the rest of his life. He was a bulldog. Once he put his teeth to something, he clung to it. He would never say quit. He would never give up. In doing his duty as he saw it for God and his Church, he was performing a tremendous task and making a significant contribution and accomplishment for what we know as the Western world.

In 1769, when the California venture was launched, Spain was mistress of the largest empire in world history. She needed another few hundred miles as much as Russia needs another inch of territory. But California was the flank of her empire. She had laid claim to it 50 years after the discovery of America. In 1542 Juan Rodríguez Carrillo, standing under the Spanish flag, sailed along the coast of California, naming a few of the central points, and claiming it for the flag of Spain. But for some 200 years, it lay unattended. Spain had made a couple of exploratory sea voyages—nothing overland—and the coast of California was hardly touched. Suddenly, there appeared in Mexico the Inspector General from the King of Spain, Carlos III. Don José de Galvez was a Spaniard with vision and with all the information of the court of Spain. And to that court in Madrid had been coming reports from St. Petersburg that Russia was stalking across the top of the world and was looking for fur bases along the Pacific



slope.

Spain suddenly awakened and realized that her empire could be in jeopardy from this new enemy. It was bad enough to suffer from the piracy of the British, but now to have the Russian bear encroach could be serious. José de Galvez most likely had personal information, as well, because the ambassador in the court of St. Petersburg was his brother. He saw the opportunity to place his name in history by pushing for the colonization of California.

When he looked over the list of missionaries available to him, he selected Padre Junipero Serra despite the infirmities I mentioned, because he knew here he had a man who was a fighter and who would never give up. After they met personally in Baja California to lay the initial plans, he knew he had a winner. We look back now and acclaim this as a tremendous accomplishment, positively. But in the concrete, in the daily living, it was hard work, and it was difficult.

### Four expeditions

Four expeditions were launched. Two came overland from Baja California, two came by sea, and they were to rendezvous at the present city of San Diego. When José Galvez and Junipero Serra sat down and plotted the occupation, they took the old maps and on those maps, they had the port of San Diego identified and the Bay of Monterey. So they said, "We'll put a mission in each one of those two places and one in between, roughly half way." When they rendezvoused at San Diego, what was supposed to be a day of joy and happiness was one of sadness. For all but one had died on one of the ships, and the rest were lying on the shore sick of the curse of those days for mariners—sick of the scurvy. The military commandant of the expedition went on to rediscover the Bay of Monterey in northern California, and he left Serra in the south to establish the first mission at San Diego. This was in July of 1769. When Portola [the military commandant] returned at the end of the year, he discovered that the supply ship had failed to come into San Diego from lower California. He was terrified. He surveyed the situation, and saw how low the provisions were, and he said, "The only thing left to do is to return to Mexico." And Serra said, "No! If you all go back, I shall stay here." Then the little fighter proposed to the commandant, "Let us pray to St. Joseph, to whom we entrusted this expedition, and see if he can bring the supply ship in." For nine days, the colony prayed. On the ninth day, the feast of St. Joseph, March 19, 1770, Father Junipero Serra celebrated High Mass, he preached, and after the services, he went up on what we call Presidio Hill overlooking San Diego Bay, and there he prayed all day. Down below, the colonists were packing their things, because the next day they were to leave to return to Mexico. At three in the afternoon—we have the exact hour—they espied the sail of the *San Antonio* coming around the silver strand of San Diego, and immediately the climate changed, the atmosphere changed. California was saved—saved through the prayerful intervention of a little man known as



*The author, Rev. Noel Francis Moholy.*

its apostle, and the providential dispositions of a benign Creator who brought the vessel in.

During those first five years of occupation, the colony literally hung by a thread. At any time it could have been broken. It wouldn't have taken much for Spain to withdraw. But that is not taking into consideration the dynamo who was behind this. That little padre wouldn't give up. Here was the fulfillment of his life's dream, to be the first to penetrate a wilderness to bring the culture of Europe encasing the faith for which he'd give his life. He would not let it slip through his fingers. That dominated his whole life.

On the way up from Baja California to San Diego, he fell to the ground, unable to stand or to sit. When the military commandant came back and saw the condition of his leg—they feared it was cancerous—he said, "Padre, the only solution is to go back to Mission San Fernando, but you can't go on." And Serra said, "No! If I die on the road, I am going!" He called the veterinarian. He said, "What do you do when a mule has a bad leg." He said, "Father, I am not a physician. I am out here to take care of animals." Serra said, "What do you do to take care of a jackass?" He said, "I make a poultice." "Make a poultice and put it on my leg." Apparently it had a salutary effect, for the next morning he was able to stand for Mass and then to continue on to California.

Historians agree that had he given up, Spain would have given up, and California's history would have been changed. Now, that may seem just like a small country or land mass, but look at the implication for the empire. When Spain was speaking of the occupation of California, she was looking as far north as Alaska. During Serra's lifetime, a naval expedition sailed to Alaska and plotted spots where missions would likely be established. Serra wrote in one place, "There the

crosses stand. But there's no one to preach the Gospel to these poor people." When the Spaniards first beheld the wonder of San Francisco Bay, the largest landlocked harbor in the world, they went into ecstasy, and their writings describe it as a God-given wonder. One of the diarists said, "I think that all the ships of my king could be put in here. Wait a minute. I think that all the ships of the world could be housed in this harbor." When Serra beheld it, his reaction was, "If we are to go further, we'll have to take to boats." He envisioned missions as far north as Alaska, following his motto of "Always go forward, and never turn back."

Now, the significant event in American history is that the same Gospel and principles of civilization founded on the natural law and on God's revelation was being preached on the West Coast and on the East Coast. The way American history is usually written, and we had to learn it in school, was that we out in the West (I am a native of San Francisco) were sitting out there in teepees or something, waiting for the Easterners to come West and establish Congregational churches. Actually, the same idea—that man has his rights from the Creator—was being established on both coasts. It was going on during the same years. In the very year the Declaration of Independence was signed in Philadelphia, Serra was founding three missions, and doing the same thing they were doing on the East Coast, as far as the basic philosophy of life was concerned.

How did he go about it? Did he simply gather the natives and start reading a catechism to them, or something like that? No. They established a small colony, a basic habitation for the padres and soldiers. The Spanish method of colonization was a mere handful of soldiers penetrating the wilderness, and they relied on the padres to Christianize the Indians and thereby to win them simultaneously to Christ and to Spain. California was the most populous area of the United States in those days, as it is now. The estimates of the native population when Serra arrived is anything from a half million to a million inhabitants. They were attracted there because of the beautiful climate, and they didn't have to work. They are described by ethnologists and anthropologists, despite any aspersions on those sciences, as a "gathering and picking" people. They waited for the food to drop from the trees. They had a semblance of agriculture here or there, but nothing that we would call established farming.

### No forced conversions

Serra moved into that area and, it may be difficult for you to believe, but he was in California two years before he baptized his first Indian. One family did bring in an infant in San Diego and just as he was ready to pour the saving waters over the brow of the little tot, the family panicked and ran off with the baby. He forbade the soldiers to pursue them. He said, "No, they'll come back. They'll come to us." Similarly, as he moved up the coast, he was most careful. "First," he said, "We must secure the permission of these people. Go to

### Missions founded by Serra



their chief and ask for permission to build on their land. Explain what we are doing, that we come in peace. We come to bring them blessing." There was no enforced Christianization of any kind. I told you the population of California was estimated at anything from a half-million to a million. At the height of the mission period, only 30,000 were housed simultaneously in the missions. So there was no forced conversion. . . . In Serra's time, over 6,000 were baptized, and Serra personally brought over 5,000 of them to supernatural maturity in the Sacrament of Confirmation—to Christianize these people, to bring them the truth of the Gospel, and above all the riches of God's blessing in faith, hope, and charity, the supernatural life of the soul.

The soul is housed in a human body. And Serra was aghast when he first beheld them in the same mode of clothing they enjoyed in paradise without the fig leaves. He was hor-

rified that the males were running around like Adam. The females, he said, at least had the semblance of a skirt. So, literally, they had to start from scratch. They clothed these people, they fed them, they taught them agriculture, and at the height of the mission period they were instructing them in 53 trades. The idea of the mission system was to take the children of the family, house them at the mission—boys and girls in separate wings—and bring them together for religious services, for their meals, and then for their various occupations. The males would be taught agriculture and the 53 trades I mentioned. The girls and ladies would be taught weaving and other occupations and activities that appeal to the female sex, except to the modern feminists. As the children matured, and boy spotted girl and they got that glint in their eye, then they would come to the padre and asked to be married. The new couple would then be placed in a village adjacent to the mission, and there they would rear their children and bring them to the padres for further instruction and development.

This was the mode of occupation and the exemplification of *Populorum Progressio*. It is in anticipation of what both pontiffs had in mind—Paul VI and John Paul II—which illustrates the continuity of the Church's doctrine, and now, more maturely developed to fit our modern age. Padre Junipero Serra will be beatified, and eventually canonized, placed on the altars as our model, as our inspiration. He is amazingly relevant to our day and age. I can picture him, if he came back today, to be amazed at the size of our cities, at the so-called advance of our material accomplishments; he would be overwhelmed by the traffic on the freeways when it wasn't at a standstill, as it usually is in Los Angeles now. But I can see him rolling up his sleeves and saying, "Let's go to work." The year before he died, he was making his final tour of the missions where his faculty administering the Sacrament of Confirmation was of 10 years' duration. He was ready to expire that summer. So he decided to make a final tour of the missions, and the logical way to do that was to sail to San Diego, to avoid the overland trip, and then trek up overland on foot and on mule, visiting each mission and attending to the needs of the flock. When he looked at the map and realized the distance to be covered, he was aware of his weak leg, and conscious that he was not getting any younger, he wrote to Father Lausuen in San Diego and said, "I wish I could fly." So he would fit right at home in our new world, using what he had at hand.

But he would take us back to the same basic truths of which we are reminding ourselves here. To the same basic facts, the same basic realities the Holy Fathers are emphasizing, which goes back already to Christ. The point that Serra and I would remind you of right now is Christ's message: "Without me, you do nothing." We do more than remind you of what St. Paul says. We present to you Father Junipero Serra as exemplifying the reassurance, "I can do all things," but humbly, "in Him who strengthens me."

# Father Serra and *Populorum Progressio*

by Nicholas F. Benton

Pope John Paul II's expected beatification of Father Junipero Serra (1713-85), the founder of the California missions, is not merely in recognition of the achievements of a past era, but confirms directly the urgent task confronting the nations of our planet today to conquer hunger and tyranny, and establish a just, new world economic order as outlined by Pope Paul VI in his 1967 encyclical, *Populorum Progressio* (*On the Development of Peoples*).

Paul VI may well have been thinking of Father Serra when he wrote *Populorum Progressio*. There is no better model for the kind of just and compassionate, development-oriented relationship between developed and undeveloped nations, between north and south, which Paul VI called for in his encyclical, than Serra and his great enterprise for the development of California.

Paul VI wrote, "The Catholic church has never failed to promote the human progress of peoples in whom she planted the Christian faith. Together with churches, the missionaries saw to the building of hospitals, infirmaries, schools, and universities in the region. And when they taught the native population the ways of getting the greatest advantage from their natural resources, they thereby often protected them against the greediness of foreigners" (*Populorum Progressio*, Paragraph 12).

He added, "The point at issue is the establishment of a human society in which everyone, regardless of race, religion or nationality, can live a truly human life free from bondage imposed on men and the forces of nature not sufficiently mastered" (*Populorum Progressio*, Paragraph 47), and admonished that "all men of good will who are aware that peace cannot be attained except through the development of civilization and increased resources" to act, urging, among other things, that "journalists take pains to bring to our attention both the projects for mutual assistance and the deplorable spectacle of so many miseries from which men readily turn away that their peace may not be disturbed" (*Populorum Progressio*, Paragraph 83).

## The San Blas plan

Four steps were laid out in a meeting at San Blas, Mexico, in 1769, prior to the launching of Serra's mission. Planning to set foot on land no Spaniard had touched in almost 200 years, but confronted with the threat of Russian expansionism into the region, Father Serra and the military expedition

amassed by the governor serving Charles III of Spain to secure California, chose not merely to occupy the territory militarily, but to build religious and civil institutions that would provide for the long-term, self-sustained development of the population. The four-point San Blas plan foresaw:

- Establishment of military footholds at San Diego and Monterey.

- Construction of a network of missions, located along an overland route which became known as the *El Camino Real* (King's Highway) one day's walking distance apart. These missions were to serve as the centers of education for the Indians, in religion as well as music, geometry, astronomy, agronomy, and masonry. From these centers, the Indians learned how to build aqueducts, irrigate and cultivate crops, and domesticate animals. Some of the aqueducts are still in operation, and at some mission sites, artifacts such as violins, large song books for use by choirs, and telescopes are on display.

- Building of *presidios*, or fortifications, in order to sustain a permanent claim to the territory.

- Realization of the ultimate objective: the creation of a just and noble civil order, enlightened by the moral, religious, scientific, and technological principles emanating from the mission. This was to take the form of *pueblos*, or cities, with institutions of civil government and learning built around a plaza, or civic center. It was envisioned that such cities would ensure the sustained development of the people, including the optimal cultivation of the natural resources at their disposal, through continued emphasis on progress in scientific and technological knowledge.

Although he died before the vision was fully realized, and, ultimately, only two pueblos were established—in Los Angeles and Santa Clara—as a direct result of the plan, Father Serra salvaged the territory which includes today not only the most populous and prosperous state in the United States, but also vast regions of the North American continent that the Russians were actively coveting at the time of his intervention.

The same people who argue in the name of “cultural relativism” that famine and disease-ridden conditions in the Third World are justified as “the way such cultures do things,” have claimed that Father Serra's efforts abused the California Indians. This was refuted by an exhaustive investigation in the 1940s involving interviews with descendants of hundreds of Indians who were converted and educated by Serra. There was not a single account of a family history that recalled abuse. On the contrary, the histories recalled precious experiences of charity and mutual respect. Moreover, Father Serra, despite his poor health, traveled at one point to Mexico City to plead for more support in his efforts, and his pilgrimage included the proposal of a 32-point “Indian Bill of Rights” for protection of the Indians against exploitation, called the *Representación*, which Viceroy Bucareli adopted as state policy on March 13, 1773.

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## Public Health

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# Asian tiger mosquito threatens U.S. cities

by Debra Hanania Freeman

April traditionally marks the beginning of spring and the blooming of cherry blossoms in the nation's capital. Unfortunately, this April also marks the opening of the first full season in America of a breed of super-mosquito that began appearing in major urban centers late last summer. And, as that occurs, alarm is building rapidly among the scientists and public health planners faced with the task of trying to stop them.

Researchers involved in the study of this mosquito, *Aedes albopictus* or “Asian tiger,” say that it poses the worst mosquito-borne disease threat to American cities of all time. In an unusually candid public statement, George Craig, an *albopictus* expert and president of the American Mosquito Control Association, admitted, “In my 35 years in medical entomology, this is potentially the worst threat to public health I've seen.”

Dr. Chester G. Moore, a Centers for Disease Control research entomologist in Fort Collins, Colorado, not only agrees, but in a significant break with past CDC policy, has publicly decried the Reagan administration's failure to mount a federal effort to fight this threat. In a recent interview, he stated, “We have tended to handle real public health problems—such as AIDS—by fighting fires once they flare up rather than preventing the flare-up. It's hard to convince the policymakers you need the money. They say it may not be cost effective. But, these are political decisions, not scientific ones.”

Moore continued that if fires are what the policymakers require, fires are what they will get. The Asian tiger mosquito is in the United States to stay. “We will never get rid of it,” Moore said.

Why does this mosquito evoke such alarm?

### A disease carrier

Asian tiger mosquitoes are exceptionally efficient carriers of viral diseases including dengue virus. Newly arrived in Brazil, the Asian tiger ignited an epidemic of dengue fever that afflicted an estimated 350,000 people in Rio de Janeiro in 1986, an increase from just 6 in 1985.

Dengue, also known as "breakbone fever," causes severe headaches and joint, muscle, and eye pain. "It's like somebody has his fingers behind your eyes and he's trying to pull them out," said Moore, who one contracted the disease while traveling in the Caribbean. Although dengue itself is not usually fatal, survivors who contract the virus a second time frequently come down with dengue hemorrhagic fever, which causes skin eruptions and severe bleeding from the gums, intestines, and internal organs. It is fatal to about 15% of its victims. Except for foreign travelers, dengue has been virtually unknown in the United States for decades. However, the tiger mosquito threatens to change all that.

In 1986, thirty-three cases of dengue were reported to the CDC, up from eight the year before. Fourteen of the cases were in Texas, the first state where the mosquito appeared. In Baltimore, Maryland, where tiger mosquitoes were first found in August 1987, an unprecedented seven cases of dengue have already been found.

There are other threats from the tiger mosquito. Scientists worry that the tiger mosquito is much more efficient than the native tree hole mosquito at transmitting LaCrosse encephalitis, a disease already endemic to the Great Lakes states.

LaCrosse encephalitis is a viral inflammation of the brain with normally mild flu-like symptoms in adults. But in children, it frequently causes severe headaches, paralysis, seizures, permanent brain damage, and I.Q. loss.

There is also evidence to suggest that the tiger mosquito, under certain conditions, transmits AIDS.

## How the mosquito spreads

Asian tiger mosquitoes are said to have arrived in the United States in 1985 in a shipment of used tires sent to Houston from Japan. (There are, however, other theories as to how the mosquito got here.) The mosquitoes, which breed readily wherever there is at least a quarter-inch of water, quickly spread throughout the area, from Houston to New Orleans. By August 1987, tiger mosquitoes were spotted breeding as far north as Chicago, up and down the east coast, and in pockets throughout the Midwest and South. It is already a major problem in Texas and Louisiana.

The tiger tends to breed close to buildings rather than in the woods, it breeds in sun and shade and is resistant to all but the very coldest of temperatures. It bites day and night. It is an aggressive biter, and it is persistent. According to Moore, "The female will follow a person. If the person gets in a car, the female will get in with them."

It also has the unusual ability to transmit disease not only through its saliva, when it bites, but through its eggs, making its offspring infectious without having to bite an infected person first. Because the mosquito tends to resist all commonly used insecticides, eradication is vexing.

In a recent article in the *Chicago Tribune*, Craig recounted a chilling story:

"When we found *albopictus* in Evansville, Indiana, they

sprayed insecticides into the tire piles [where the mosquitoes were found breeding] for 11 days. There was so much insecticide that it had crystallized on the ground and would crunch under your feet as you walked. On the 12th day, they stopped spraying and just watched as the mosquitoes flew out of those tires."

Moore, of CDC, says the costs of eradicating the Asian tiger mosquito with insecticides would be "mind boggling." He insists the only control strategy is source reduction—getting rid of every possible container where they might breed. That means, he says, shredding all old tires, cleaning up all trash, eliminating any container that might allow still water to collect.

But in today's rapidly decaying urban centers, that would require the kind of effort that the current administration has been totally unwilling to even consider, and which state governments simply cannot afford.

## The case of Norfolk, Virginia

In fact, in most American cities, whatever previously existed in the way of even traditional mosquito control and eradication programs is in the process of being dismantled. The case of Norfolk, Virginia is exemplary.

Norfolk houses several large naval facilities, is on the Atlantic coast, and is just north of the Great Dismal Swamp. Well before the advent of the tiger mosquito, this area has always suffered severe mosquito infestation. As a result, Norfolk has one of the most aggressive mosquito control programs in the nation.

In the early days, these programs were designed and implemented by the U. S. military. More recently, mosquito control has been run by the municipal government with 55% of the allocated funds coming from the state government in Richmond.

Today, this area faces an immediate additional threat of tiger mosquito infestation (eggs were discovered throughout the area late last summer). Local officials have called for significant funding increases to stem this threat, while at the same time warning of potential outbreaks of encephalitis and dengue fever if early control measures were to be unsuccessful.

The state government, under the leadership of Gov. Gerald Baliles, has responded by cutting *all* funds for mosquito eradication and control out of the new budget, placing the entire burden on the municipalities affected.

Proposals by scientists to employ new technologies utilizing advanced scientific principles from an area variously known as "optical biophysics" or "bioelectromagnetics" (see *Science & Technology*) to control the pesticide-resistant Asian Tiger have, similarly, fallen on deaf ears. So, with no funds allocated, and no plan on the drawing board likely to stop them, the first crop of Asian tiger mosquitoes born in American cities this season are, at this very moment, hatching, laying new eggs, and biting.

### Government fights AIDS panic

*The Sarney administration has dedicated its efforts to fighting panic, while the AIDS contagion spreads.*

**I**t appears that medical authorities in Brazil charged with combating the AIDS virus are doing more to try to halt the panic that is seizing hold of the population, than to fight the disease itself, which is freely proliferating, under the protection of false statistics.

Until now, the official number of cases reported since 1982 is 2,766, but it is estimated that, due to the precarious public health system in the country, the under-notification of cases surpasses 50%, which would, in fact, raise the number of cases to more than 6,000, and the total number of carriers to more than 1 million. This means that 1 of every 140 Brazilians could be AIDS-infected.

What makes this public health picture even worse is the rate of expansion of the disease, which is the highest in the world, due both to lack of control of private blood banks and to the illegal trafficking in blood that proliferates in the country. Aggravating the crisis further is the government's inexplicable refusal to consider that different forms of virus transmission exist, especially by insect, in this tropical nation.

The statistics of the Health Ministry itself show that of the total number of AIDS cases in Brazil, 5.7% belong to the heterosexual population while 7.1% belong to an "undefined" category. Given that the number of heterosexual AIDS victims is much higher than in countries like the United States, Brazilian epidemiologists believe that these statistics demonstrate that contagion among the "traditional risk groups" is *decreasing* as the virus

spreads into the general population.

Already, in zones far from the major urban centers of the country, such as the Indian regions of center-west Brazil, the first AIDS cases are beginning to appear. According to the president of the state agency in charge of Indian affairs, Romeo Juca, the problem will become catastrophic if the virus begins to spread to the *garimpos* (laborers from the gold mines) who work without any health service and under conditions of widespread promiscuity.

The situation is complicated further by the fact that the campaign of the liberals—who defend homosexuals' "human rights" against "discrimination"—has infected a large number of private physicians who, despite the law, continue to refuse to report AIDS cases out of alleged fear of discrimination against their patients.

The true face of this majority group of liberals within the Brazilian medical profession was revealed by their demands for application of euthanasia to AIDS victims. The campaign was first unleashed by a group of Marxist theologians, to which belongs the Vatican-censured priest Leonardo Boff. One of his followers, AIDS-infected sociologist Herbert de Souza, has used the AIDS deaths of his two hemophiliac brothers to promote euthanasia through the media and the universities. Says de Souza, "AIDS victims should decide if they live or die."

Despite the enormous efforts of the medical authorities to deny the possibility of AIDS transmission by mosquitos and other insects, the popula-

tion understands that this is a possibility, above all in a country where entire populations live in swampy regions with temperatures above 40° centigrade during most of the year. The possibility of AIDS transmission by mosquito was, in fact, the central theme of the Second International Seminar on AIDS held in September 1987 in São Paulo. That seminar received extensive coverage in the national media, until the health authorities stepped in to halt further release of the results.

Exemplary of the population's healthy skepticism toward the government's cover-up campaigns is an incident that occurred in December 1987 in a town in the state of Espiritu Santo, north of Rio de Janeiro. In that town, the population went to the polls to choose a new mayor, and delivered a striking protest vote by stamping their ballots with the name: MOSQUITO. The new mayor was elected with 20,000 votes, "losing" to the MOSQUITO, which garnered 29,000 votes!

Two other noteworthy examples of how the Brazilian population views the AIDS problem took place in March of this year, in two towns in the interior of the country. The first, in the small city of Salto (100 km from São Paulo), where a physician released his own epidemiological projections which revealed that Salto was suffering two AIDS deaths, 8 confirmed AIDS cases, 14 suspected AIDS cases, and 2,000 carriers. The doctor reported, "If nothing is done to halt the spread of the disease, we will have 54,000 AIDS-infected in three years, which leads us to believe that in six years the entire population of Salto will have become contaminated." The panic unleashed by this report has created a consensus among the population that "everyone should take the test."

## Does HIV cause AIDS?

*Biologist Peter Duesberg's claims, though probably wrong, expose the lack of rigor in establishment approaches to the transmission issue.*

The question, "Does HIV cause AIDS?" was the topic of a four-page article in the News & Comment section of the March 25, 1988 issue of *Science* magazine, dealing with biologist Peter Duesberg, who has gained widespread attention for his claim that "AIDS is not caused by any microbe known to man, especially not the human immunodeficiency virus called HIV."

This contention, first widely publicized in the respected peer-reviewed journal *Cancer Research* in 1987, has caused a certain degree of consternation among the leading lights of AIDS research, such as Robert Gallo and Anthony Fauci. While there has been a good deal of name-calling from these, and other establishment scientists, as well as some serious questions about Duesberg's conclusions, he has never received a formal response to his article.

One of the most enraging things to the AIDS research establishment is that Duesberg is a member of the club. A member of the National Academy of Sciences, the 51-year-old professor did pioneering work in the field of viruses and cancer-causing genes in the 1970s.

The standard response is to dismiss Duesberg with the statement that "although Duesberg is a brilliant chemist, he is out of his depth when it comes to biology and the complex interplay of the human immune system, which is still very much of a black box." Finally, they contend that Duesberg is "asking for absolute proof in a field where an enormous amount of

circumstantial evidence is often enough to convict a microbe of being responsible for a specific disease."

Duesberg bases his contention that HIV is not virulent enough to cause AIDS on the large, and widely acknowledged gaps in our knowledge of how the virus operates within the body.

That such gaps exist is acknowledged by "mainstream" scientists such as Malcolm Martin, chief of the laboratory of molecular biology at the National Institute of Allergy and Infectious Disease, quoted in the article: "We don't know how the virus is transmitted. Is it free virus particles, or do you have to exchange cells? We don't know the initial targets. Are they lymphocytes or macrophages? We don't know where the virus is in the initial stage of infection or during the long period when a person is antibody-positive but still asymptomatic. These are all important issues, but just because we don't know all the answers doesn't mean that we can't extrapolate from pretty good data that keeps pointing toward HIV."

Duesberg actually presents two problems to the so-called "AIDS establishment." One is that he demonstrates the inadequacy of molecular biology, per se, to explain how HIV actually causes disease in a living host. This is not the first time he has skewered a molecular biological sacred cow. In a series of earlier writings, he launched a devastating critique of a number of overblown claims for the role of cancer genes in the production of actual cancers.

It is ironic that, while he is probably mistaken in his view that HIV is not a factor in the development of AIDS, his obvious qualifications enabled him to publish this contention in a peer-reviewed journal, the ultimate standard of truth in today's scientific community.

The second problem is that Duesberg's hypothesis has forced his opponents to defend their positions and admit the substantial shortcomings in their knowledge. Analysis of their arguments against Duesberg calls into question their categorical assertions about how HIV is, and is not, transmitted. This is because a great deal of the evidence is epidemiological and subject to varying interpretation.

The best epidemiological evidence for association of HIV infection with subsequent development of AIDS is based on studies of transfusion recipients. This is because it is possible to document the precise time, and route, of infection and correlate that with subsequent development of disease, both in the donor and the recipient.

When it comes to heterosexual transmission, the situation is cloudier. How does one distinguish between transmission by semen as opposed to saliva, especially since more virus is present in saliva? The fact that HIV infection is prevalent in prostitutes is interesting, but tuberculosis was and is also prevalent in this group.

Since the virus has been shown to cause primary lung disease and to be present in pulmonary secretions, one must be at least dubious of assertions of people who insist that it cannot be transmitted by aerosol.

What Duesberg has done is to apply the same rigor against the pathogenicity of HIV that its proponents have applied against so-called "casual transmission." Both are wrong.

## The silent run on Texas banks

*In Harris County (Houston), checking and savings deposits for the first quarter of 1988 are down a huge 6%.*

**T**here have been no long lines winding through empty streets, no frenzied mobs surging against locked doors, desperately demanding a return of their deposits. Yet, the silent runs against the banks of Texas in 1987-88 augur the coming of a depression as surely as did those more dramatic runs of 1931-32.

The drop in deposits in Texas banks in the last year has been massive. One bank, First Republic Bank Corp. of Dallas, admitted losses of more than \$2 billion in deposits from December 1987 to February 1988. This admission brought national attention to the problem, and forced the bank and the Federal Deposit Insurance Corp. (FDIC) to take action to slow the losses. The bank stopped releasing deposit figures, and the FDIC "loaned" it \$1 billion to try to stabilize the bank. There are rumors that it may cost the FDIC as much as \$5 to \$6 billion to save the bank, though FDIC chairman William Seidman continues to dispute these figures, saying it is "too soon" to estimate the probable cost.

Figures released the first week in April for Harris County (Houston) bank deposits for the first quarter of 1988, show that the total of checking and savings deposits was down 6% from the last quarter. For the year, beginning March 31, 1987, the decline was a whopping 18.2%, from \$34.29 billion to \$28.02 billion, a loss of over \$6 billion in deposits. The worst is ahead.

The most immediate cause of the flight out of Texas banks has been the collapse of Texas real estate. Begin-

ning in 1982, the major cities of Texas became centers of spectacular real estate speculation. One out of every two dollars loaned by major Houston banks from 1982 to 1987 was for real estate. The percentage of real estate loans in the loan portfolios for these banks has grown from under 20% to a range of 35-48%!

With office vacancy rates over 30%, and home foreclosures setting records, the banks have had drastic increases in their non-performing assets. This has forced a large-scale transfer of funds into loan-loss reserves, but this has not kept pace with the growth in non-performing assets. To hold the line, the write-offs of bad loans have been kept to a minimum.

This is no longer possible, as many of the loans are too far past due to hold on the books any longer. Thus, the full weight of the bursting of the real estate bubble is now beginning to hit Texas banks.

The latest to be hit are Texas American Bancshares (TAB) of Fort Worth and National Bancshares Corp. (NBC) of San Antonio, the sixth and eighth largest Texas bank companies by asset. Rumors about these banks were fed by a statement from an FDIC spokesman that the FDIC had granted open bank assistance to two "southwestern banks." On April 6, TAB chairman Joseph Grant denied these rumors as "absolutely erroneous." However, by April 7, it was revealed that these two banks are pursuing a merger, with FDIC assistance.

These two banks are perfect examples of the crisis. TAB, which owns 25 subsidiary banks, lost \$115 million

in 1986, and another \$78 million in 1987. Forty-eight percent of its total loans are for real estate; 12.3% of its total loan portfolio consists of bad loans and repossessed properties. NBC, with 12 banks, lost \$64 million in 1987, with problem assets totaling 13.5% of its loan portfolio.

The path pursued by the Reagan-Bush administration and the FDIC, under the direction of Bush crony (and Houstonian) James Baker III, has been to talk down the crisis while promoting mergers, takeovers, and opening the federal money spigots.

Mergers have had little positive effect, as demonstrated by the case of First Republic Bank (from two Dallas banks, Republic Bank and InterFirst). A merger with an out-of-state bank has also failed to help. Texas Commerce Bancshares, which merged with Chemical Bank of New York, is in serious trouble. Its flagship bank, Texas Commerce Bank-Houston, has had a deposit drop from \$7.39 billion on March 31, 1987, to \$6.7 billion on March 31, 1988.

Even more disastrous has been the attempt of a group headed by former First Chicago bank chairman Robert Abboud to pull off an FDIC-assisted takeover of First City Bancorp. Despite a pledge from the FDIC for \$970 million, Abboud's group has failed to convince First City debtholders to surrender their debt, for an offer of 35-45¢ on the dollar. Two deadlines have passed, with only 60% of the debt purchased. The deadline was extended until April 12, with the amount required for purchase lowered from 90% to 70%. Yet, as of this writing, it appears doubtful that they will succeed.

At this point, pep talks from James Baker and the soothing illusions of sixty-five months of the "Reagan recovery" cannot stem this tide. Nor will \$10-15 billion in bailouts preserve banking in Texas.



## Subversion in the farmbelt

*The "land stewardship" ideology is being used to divert attention from the farming collapse.*

Working to ease the transition into neo-feudal agriculture in the United States is a farmbelt-based conservation outfit, called the "Land Stewardship Project." Founded about six years ago, nominally to address the problem of soil erosion, the group is now attempting to shape farm protest actions so as to divert attention from the collapse of traditional, technology-based American family farms. The group celebrates primitive, "low-energy" farming.

In March of this year, protests by the Land Stewardship Project in Minnesota temporarily stopped the sale of a farm by the Farm Credit Services of St. Paul, on grounds that the potential buyer practiced undesirable soil management methods.

Millions of acres of farmland have been acquired through farm foreclosures by such creditors as the Farm Credit System—itself insolvent—the Farmers Home Administration, and insurance companies. Although soil erosion is a real problem, the issue facing the nation is to restore the foreclosed and save the financially troubled family farms, based on freezing or rescheduling of farm debts, and providing low interest production credits and parity-related pricing in order to expand food output.

However, the Land Stewardship front-group insists that soil conservation is the issue. It operates a protest effort called the Farmland Investor Accountability Project to this end.

The Land Stewardship Project is a "private" organization, at least 50%

funded by some of the major foundations of the Eastern Establishment. (Who else would you expect to organize "farmer protest?") Money comes from the Joyce, the Ford, and the Jessie Smith Noyes Foundations. Grants are also provided by various church groups, and Willie Nelson's Farm Aid, which funds farm-related activities approved by the major food cartel companies.

The main office is in Stillwater, Minnesota. Operatives of the project increased their activities after the waning of another Minnesota farm counterinsurgency effort, "Groundswell." Over the past couple of years, as various of the Groundswell operatives came down with AIDS or became advocates of hardcore kook counterculture, funding and publicity for the group was dropped.

The rhetoric and activities of the Land Stewardship Project have been aimed to present a more "mainstream" image, but the kook nature of the movement is still plenty evident. The project advocates "sustainable" agriculture—low-input, low-output farming methods. This parallels the thrust of the Greenie movement in Western Europe, which advocates free-range chickens, elimination of red meat production, banning of nitrogenous fertilizers, etc.

A featured speaker for the Project is Dick Thompson of Boone, Iowa, who is one of the national boosters of "regenerative agriculture." Thompson told farmers in Stewartville, Minnesota last fall that God told him to

stop poisoning the Earth and over-producing food. He said that regenerative agriculture "must begin in the heart before it can begin in the soil." He specified certain weed control and other techniques using minimal herbicides, but his main message was to get "spiritual" about farming.

This viewpoint has been heavily promoted nationally by the Conservation Foundation, the Washington, D.C.-based mother organization of dozens of regional conservation groups. Its efforts are directed to oppose technology and otherwise favor special-interest ownership of farmland (insurance companies, private estates, etc.).

Everything is done in the name of "stewardship" of natural resources, however. In the early 1980s, the Conservation Foundation published many books and articles on the theme that U.S. food exports, and food "over-production" were depleting the soil, which is irreplaceable. Thus is provided the academic rationalization for dispossession of farmers and reduction of U.S. output potential.

In March, the Land Stewardship Project itself put out a report saying that the land holdings of major insurance companies had grown by 55% in 12 southern Minnesota counties in only two years. The data, from courthouse records, showed that 18,789 acres are owned by the insurance companies. Representatives of the Family Farmland Stewardship Committee told the press they were seeking meetings with Travelers Insurance Co., John Hancock Mutual Life Insurance Co., and others to discuss soil conservation programs. The group said they wanted to avoid an "adversarial" relationship with the companies.

Indeed. Their concern is that, as former independent farmers become serfs on big-company land, they don't harm the soil.

# Business Briefs

## Austerity

### Argentina lifts price controls

The Argentine government of Socialist International figure Raúl Alfonsín, ever subservient to international bankers, has lifted price controls on 75% of all marketed goods, and plans further "liberalization" reforms, as agreed with the International Monetary Fund and the creditor banks.

The price controls were imposed in the fall of 1987, but have failed to stem inflation, which soared to an official 15% in March from 10.4% in February. Lifting the price controls, however, can only accelerate inflation.

The government plans to liberalize imports, exercise stringent monetary control, and eliminate indexation of public service fees and fares. It has promised not to impose any exchange controls.

Overall, the package will cause real wages to plummet. A Buenos Aires think tank, the Mediterranean Foundation, has reported that the real wages of Argentine workers in January of this year were already 30% below the levels of January 1984, when Alfonsín came into office.

The Argentine economy is now totally paralyzed. Postal workers have been on an extended strike. The railroads were struck for two days in early April. Public school teachers, from elementary to university level, have been on strike since mid-March. Their average monthly wage is \$77. Alfonsín, however, says that the country is in a "total crisis," and therefore, cannot afford wage increases.

At least five provinces are in a state of chaos, with strikes and rioting due to non-payment of salaries, shutdown of state banks, and other economic dislocations. In Tucuman, only policemen have been paid February wages; most other state workers are on strike. Health workers here have been on strike for a month.

The governor of Chacho, Danilo Baroni, has proposed a law to the state legislature declaring the province in a state of economic emergency.

The banking systems in many provinces

have virtually ceased operating, and several provinces that had stopped using the national currency, in favor of province-issued bonds, find them now also worthless.

## Agriculture

### Create 'Group of 30' for world food policy

At a two-day "World Food Conference" held in Brussels April 7-8, it was announced that a new organization, "The International Policy Council on Agriculture and Trade," would function "as the Group of 30 does in world finance, in the area of world food policy." The conference was financed and run by the Rockefeller Foundation and the multinational grain-cartel companies.

The new policy council is to be hand-picked by the authors of the 1985 Trilateral Commission policy-statement, "Market Oriented World Agriculture."

Speakers at the conference included U.S. Secretary of Agriculture Richard Lyng, who boasted that since 1985, the U.S. Agriculture Department has idled land acreage greater than the entire arable land of France and Spain combined, in its quest for "market oriented" agriculture.

The only signs of reality came when one African delegate noted, "If we in the world increased our annual wheat production by only 50%, we would eliminate hunger and malnutrition across the globe."

A Philippine delegate attacked the World Bank/International Monetary Fund policy of forcing Third World debtor countries to export "cash crops."

The conference was ostensibly designed to affirm a "consensus on economically realistic and politically feasible domestic and trade policy alternatives that could be adopted by governments." But attendees discovered that a "final communiqué" had been drafted before the conference began, with Third World delegates furious that no serious consideration of the emergency crisis in food supply in the developing countries was mentioned.

## Banking

### U.S. failures at record rate

Three more banks failed in the United States in the first week of April, bringing the total of U.S. bank failures in 1988 to 49.

The largest of the failed banks was the Capital Bank and Trust Co. of Baton Rouge, La. The bank had deposits of \$263 million and over \$300 million in assets. The Federal Deposit Insurance Corporation (FDIC) took over half of the assets, while another bank is slated to assume half, although it is not yet clear which bank will step in—if any.

Central National Bank of Dallas failed on April 7. It had combined assets and deposits of \$31 million.

On the same day, Home State Bank of Trent, Texas went belly-up, with a total of deposits and assets of \$11.7 million.

None of this has helped inject any sense of reality into Washington, however. Sources at the FDIC are making the curious claim that the recent spate of bankruptcies is not a serious problem. The FDIC will not run out of money, this source insisted, as the agency only uses its profits, not its capital, to pour funds into banks which are on the brink or which have gone under.

That bureaucratic rule overrides any financial threat, in the minds of FDIC officials.

"There is a ratio of profits to capital beyond which we cannot pass in our salvaging operations," the source insisted.

First Republic Bank of Dallas is the biggest problem the FDIC has had since the Continental Illinois bankruptcy in 1984, where FDIC had to pump in \$4.5 billion. So far, according to this source, they have only used \$1 billion in assistance transactions to First Republic Bank, although admittedly, the agency would have to pump in more before the whole operation is settled.

Still, the source did not believe that the total sum would reach the \$4-5 billion mark that some newspapers are speculating. The source did, however, report that FDIC is constantly receiving telephone calls from worried depositors who have received "exaggerated reports" of the situation.

# Briefly

## Labor

### Brazil plans to slash real wages

The Brazilian government will lower the real income of all government workers by 30% over the next two months, in order to satisfy the demands of the International Monetary Fund and international banks.

The government announced that the wages of all government employees, including all members of the armed forces, will be frozen for the next two months, while there will be no controls whatsoever on prices. Prices are now rising at about 20% a month, or 44% in two months.

The ministers from the military services had held out for several weeks in opposition to this brutal package, but were finally won over by Finance Minister Maílson da Nobrega, with the argument that the alternative was international isolation as during the debt moratorium the country declared in February 1986.

Nobrega specifically argued that this measure would give him credibility in negotiations with the IMF starting in mid-April in Washington.

The measure is supposed to cut the government budget deficit from 7% to 5.5% of GNP.

Widespread strikes and protests are expected, and thousands of central bank employees have already staged a protest, marching through downtown Rio de Janeiro and snarling rush-hour traffic.

## Trade War

### Japanese minister blasts U.S. Congress

Japan's trade minister has slammed U.S. congressmen as "ignorant" and "fascist" for supporting a trade bill that would punish Toshiba Corp. for a subsidiary's alleged illegal export of technology to the Soviet

Union.

"Certain members of the U. S. Congress are . . . ignorant of foreign diplomacy, politics, legislation, international morals, and the study of law," Hajime Tamura was quoted in *Asahi Shimbun*. "Being so trapped by emotion is fascist," he said.

Tamura also criticized another aspect of the trade bill, which would give the U.S. special trade representative the power to retaliate against American trading partners. "To give the decision of retaliation to the trade representative means that [Congress] distrusts the President," Tamura said.

## Asia

### Indians and Soviets intensifying ties

The fruits of an agreement signed between Indian Prime Minister Rajiv Gandhi and Soviet General Secretary Mikhail Gorbachov in July 1987 began to emerge this spring. The Integrated Long-Term Program on Cooperation in Science and Technology envisions cooperation in such thrust areas as biotechnology and immunology, materials science and technology, laser science and technology, catalysis, space research, synchrotron radiation technology, water prospecting, and computer science.

An Indo-Soviet metallurgy center was opened March 31 in Hyderabad. On hand for the ceremony was Soviet academician G. Marchuk, in New Delhi with a 14-member Soviet scientific delegation for the first meeting of the Indo-Soviet Joint Council for the implementation of the Gorbachov-Gandhi agreement.

According to the Indian side, 65-70 specific projects were clearly identified. Seventy Indian laboratories and research institutions will collaborate with about an equal number of Soviet institutions.

On April 1 it was announced in New Delhi that the Soviets and Indians are discussing building a space launch center in India. On April 2 the *Hindustan Times* reported that India will buy two 1,000 MWe nuclear power plants from Moscow.

● **THAI FARMERS** should grow marijuana for profit, said former Prime Minister Kukrit Pramoj April 2. Kukrit, who has ties to the Socialist International, said that "Thai farmers will be wealthier, which is an objective of Premier Prem, if they grow marijuana. . . . I have never been sure" that marijuana is a narcotic drug.

● **ITALIAN FINANCIER** Carlo de Benedetti is advocating a "Marshall plan for Moscow." De Benedetti appeared on French television March 29 to denounce French Agriculture Minister Guillaume's proposed "Marshall Plan for Africa" as "absurd." In its stead, he called on European governments to launch an ambitious "Marshall Plan to the East."

● **THE IMF** will revise its lending policies to adopt the Baker plan, says the April 8 *Wall Street Journal*. At its mid-April meeting in Washington, the Fund is expected to begin giving debtor countries three to four years to "reform" their economies instead of the present 18 months, and is also expected to approve the Treasury Secretary James Baker's debt-for-equity scheme.

● **ONE BILLION** people are homeless or live in slums, and the number will rise to 3 billion within 12 years if governments do not make fundamental changes in their approach to the problem, according to the official summary of the U.N. Commission on Human Settlements conference in New Delhi.

● **PRIME MINISTER** Margaret Thatcher is preparing to "rock the City of London" with a new probe of "dozens" of brokers, financiers, and tycoons stemming from the revelations of convicted insider trader Ivan Boesky in the United States, says London's *Daily Express*. The *Express* cites "highly placed Government sources."

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## Electromagnetic pulsed waves can kill locust swarms

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*Once locusts swarm, while they can still be attacked by chemicals, bioelectromagnetics is faster, cheaper, and ecologically superior. Warren J. Hamerman reports.*

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Imagine that as a one-mile square swarm of tens of millions of locusts, reaching several thousands of feet in elevation, comes over the horizon foraging everything in sight, teams of helicopters equipped with low-cost electromagnetic radiation generators move into position. When the flying swarm is only three miles away—perhaps over a low-foliage desert or crossing a river—the magnetrons on the helicopters emit specially-tuned microwave pulses several times per second, which sweep out and destroy a square mile of locusts in approximately two to three minutes.

“Zapping” flying locust swarms with pulsed radar is neither a dream nor science fiction but a scientific capability which has been proven feasible in the research laboratory, but which our government declined to scale up and develop last year and the year before.

Research on the scientific frontiers of biophysics has discovered an effective and low-cost means to eliminate large swarms of locusts with pulses of electromagnetic radiation. The fundamental science underlying the work touches upon an advanced area variously known as “optical biophysics” or “bioelectromagnetics” and involves a multi-disciplinary integration of discoveries in biology, physics, chemistry, and geometry.

During the summer of 1986, various scientists who were participating in a series of scientific seminar discussions in the United States and Western Europe hosted by this journal and an associated scientific foundation (the Fusion Energy Foundation), began a project at the request of several African nations to pursue the feasibility of utilizing advanced scientific principles to knock out large swarms of locusts. By employing electromagnetic methods at the frontiers of biophysics, the international scientific team which participated in the project succeeded in conducting a “Proof of Principle”

experiment in a biophysics laboratory in the United States and working out a feasible approach for taking the method into the field.

The “proof of principle” experiment demonstrated that electromagnetic pulsed waves could generate killing acoustical shockwaves in large swarms of locusts and other biological organisms.

We had great hopes and optimism that the successful laboratory results of a low-cost, pulsed electromagnetic system would be immediately scaled up and deployed in Africa. Therefore, with the aim of saving lives in Africa, throughout the fall of 1986, I and others associated with the project intensively “cross-fired” the results to various government, scientific, and military policy circles. After further discussions, we decided to press the proposal in formal terms, since we were convinced that the advanced scientific approach would help to prevent a biological holocaust.

On behalf of those scientists involved in the project, during late 1986 and the first half of 1987 we circulated a proposal through every relevant policy agency in the U.S. government, from scientific laboratories to the White House and Department of Agriculture to the Defense Advance Research Projects Agency (DARPA) and Defense Science Board (DSB). The proposal had wide circulation in private research universities, private industry and military research areas, as well as the cabinet departments of the government. It also was later reviewed at the highest scientific levels among other nations.

After initial universal scientific enthusiasm for the approach, encouragement and interest in the project was dashed and shut down by the U.S. government on budgetary grounds. During the course of the project, of course, it was apparent to certain agencies concerned with national security that the



FAO (Photo by Studios du Souissi, Rabat)

*Swarms of locusts invading Morocco, during a past epidemic. Locusts squashed by cars are immediately preyed on by the survivors.*

new physical principles employed could have applications beyond merely neutralizing vast locust swarms, and they initially seemed as excited as we.

Our focus, however, was not any military application, but immediately stopping the needless murder of hundreds of millions of Africans from the direct and indirect effects of the locust swarms. While there was much encouragement for our work, through the early months of 1987, the highest levels of policy determination abruptly turned off their interest and “disappeared” in the spring of 1987.

We were shocked to discover that the highest levels of scientific policy assessment in our nation were excited about the work and its military applications, knew that it could stop the slaughter of millions of Africans, but were unwilling to back the relatively low costs of the final phase of the work, even though Africa desperately needed the technology.

It is still not too late to revive this project, which can save millions of African lives and help to prevent the onset of an irreversible “biological holocaust.”

### **Scope of the project**

When it first became apparent that an uncontrolled locust problem of catastrophic proportions was developing, representatives of several African nations approached us to ask if there were any advanced scientific methods which could be utilized to eliminate vast locust swarms, even were the traditional opportunities of egg-spraying missed. A locust can eat two to three grams—two to three times its weight—each day. A one-mile square swarm of 150 million locusts, up to 5,000 feet in elevation, can go through 200 to 600 tons of vegetation daily. Once in the swarm stage, locusts can travel

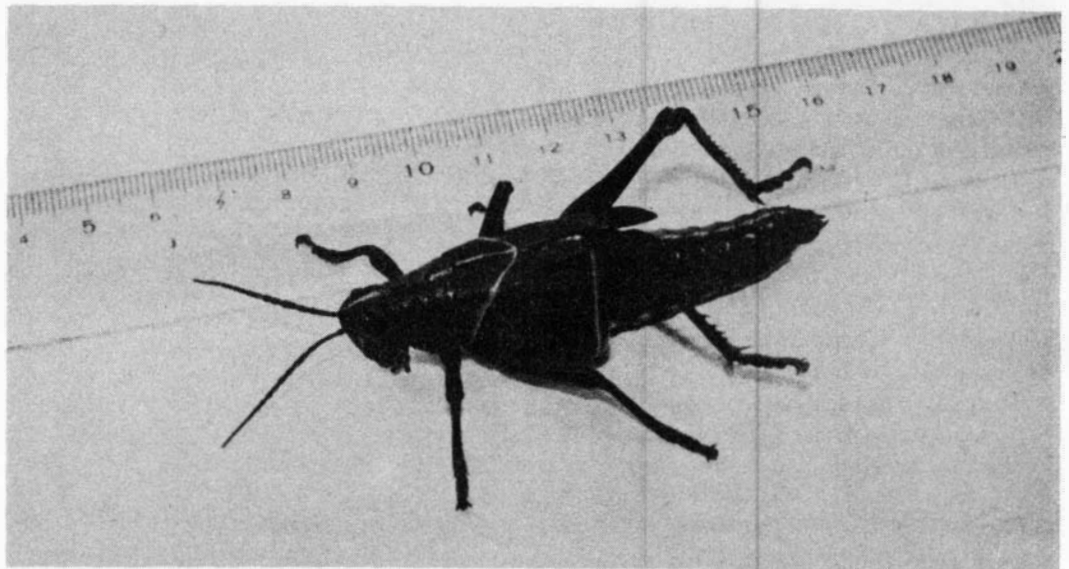
up to 3,000 miles per generation. They have a double set of wings, about 5 inches across, and they fly where the winds take them, averaging about 10 miles per hour. In one 1958 locust plague in Somalia alone, a swarm of 40 billion locusts ate 80,000 tons a day—enough corn to feed 400,000 people for one year!

Once locusts swarm, while they can still be attacked by chemicals, the advanced technology of bioelectromagnetics is faster, cheaper, and ecologically superior. Indeed, the advanced scientific principles of electromagnetics and biophysics were demonstrated to work beautifully in generating acoustical shockwaves in the organism.

The instrument used, a Japan Electric Company head inactivator, was intentionally “tuned” to the magnetic mode at the locus of the insect. The instrument was intentionally constructed for basic neurochemical research to rapidly inactivate mouse brains in very short times so that rapid turnover intermediates of brain metabolism could be studied in anatomically specific regions of the brain. Scientists using the device in basic research have caused a quantum leap in our knowledge of the way in which signals are transmitted in the brain. The instrument was originally developed in a research laboratory in the United States, but further commercial development proceeded in Japan because of the refusal by U.S. corporations to participate. It is now the acknowledged technique for neurochemical preparations.

The unique feature of the design of the machine is neither its maximum power nor its “tunability,” but the fact that it alters the ratio between the magnetic and electrical field strength. Normally the electrical to magnetic field strength is 377 to 1. In the experimental configuration it is much closer

*In the experiments Lubber grasshoppers were used because their biophysical characteristics and dimensions resemble those of their "cousins," the African locusts. The electromagnetic radiation's wavelength approximated the size of the grasshoppers.*



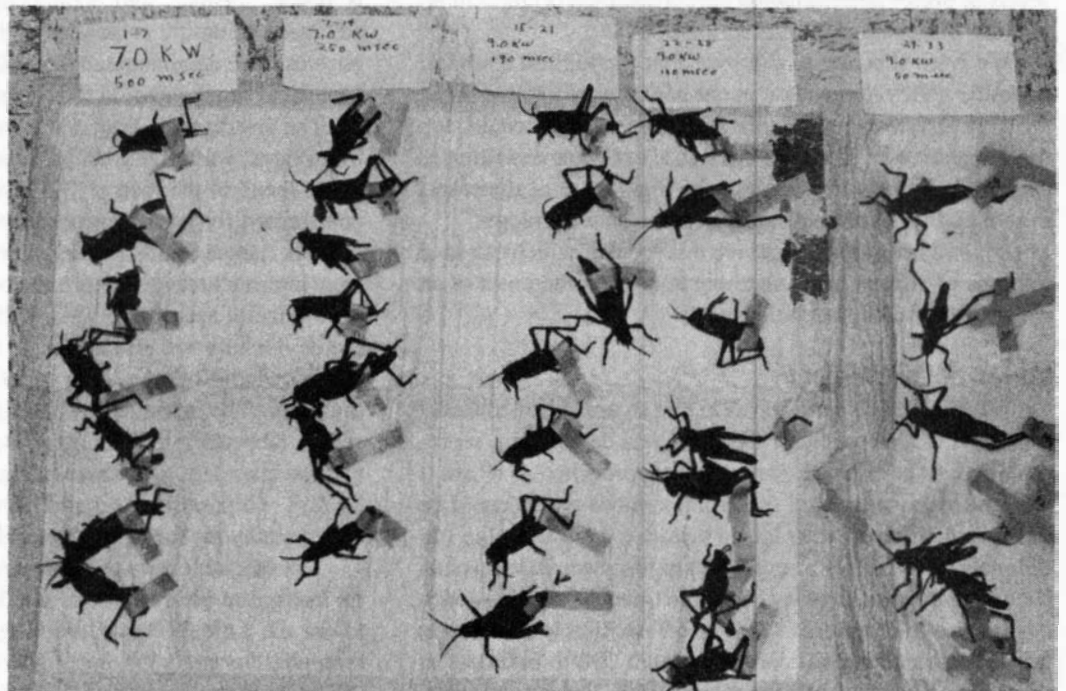
to 1 to 1. The magnetic field intensity creates special sorts of "eddy currents" in the organism such that the energy is intensified or focused at certain points.

In a series of experiments, insects were exposed in the "head inactivator" to specially "tuned" pulses of radiation whose wavelengths were approximately the length of the bug. The experiments were conducted with Lubber Grasshoppers obtained from a biological supply house; the grasshoppers are of the necessary size and have the appropriate dielectric constant to simulate their close cousins, the African

locusts.

In essence, the grasshoppers became receiving antenna which were tuned in on. Various combinations of power were tested and the time period of the pulse varied between a short 50 milliseconds to a long 500 milliseconds (half a second). Even at 50 milliseconds the bugs were woozy and "out of it." The threshold for rapid kill was at 100 milliseconds (one-tenth of a second). Temperature probes at the core of the dead bugs revealed a temperature rise from 26 to 48 degrees Centigrade.

*The photograph shows that the electromagnetic pulses with a wavelength approximating the length of the insect worked beautifully in knocking out the 33 grasshoppers used in the experiment. The various combinations of power (7.0 to 9.0 kW) and time periods (500 msec to 50 msec) are indicated at the top of each column. The number of bugs in each regime is also indicated at the head of each column. Even at 50 msec the grasshoppers were very out of it. The threshold for rapid kill was at 100 msec.*



## Non-thermal acoustical shockwaves

It was firmly established that the effect was due to the pulsed nature of the wave and not merely "cooking" or "heating." This principle was checked in a contrasting "control" experiment. Insect "controls" were put in a research microwave oven at 60°C which is the higher end of the pulse power. The oven reached 60° in 10 minutes. It took one hour and 55 minutes to kill the insects this way. In the first 20 minutes the insects were hyperactive.

Thus, what was critical about the "proof of principle" experiment was the *pulsed* nature of the power delivered. As the microwave oven control demonstrated, the effect was non-thermal. The electromagnetic pulses coupled into the physiologic frequencies. Temperature probes indicated that there was uneven heating in various parts of the bug.

The insect's exoskeleton, a very strong insulator (dielectric), can be polarized back and forth through wave-mixing. The surface area soaks up energy like a sponge, which facilitates the uneven absorption of energy in several focal points under the exoskeleton.

In field situations, of course, one needs a means to deliver the electromagnetic pulses other than by the head inactivator. One could use a 100 kilowatt continuous wave capacity magnetron, pulsed at 5-10 per second and mounted on helicopters. At three miles distance, the focal area would be approximately 4-5 meters. The weight of the special apparatus in the helicopter would mostly be the power generator, which would be between one and two tons. The major cost for the generator scales linearly with the kilowatt output size. At approximately \$1,000 per kilowatt, a 100 kilowatt device would cost only \$100,000.

Several helicopters—positioned in phased array—could sweep out one square mile in approximately 2-3 minutes from a distance of 2-3 miles. If the source of radiation were non-polarized, the helicopters would have to hit the swarm head-on. However, with a circularly polarized source, the bugs wouldn't have to be linearly lined up with the helicopters only in a head-on firing position.

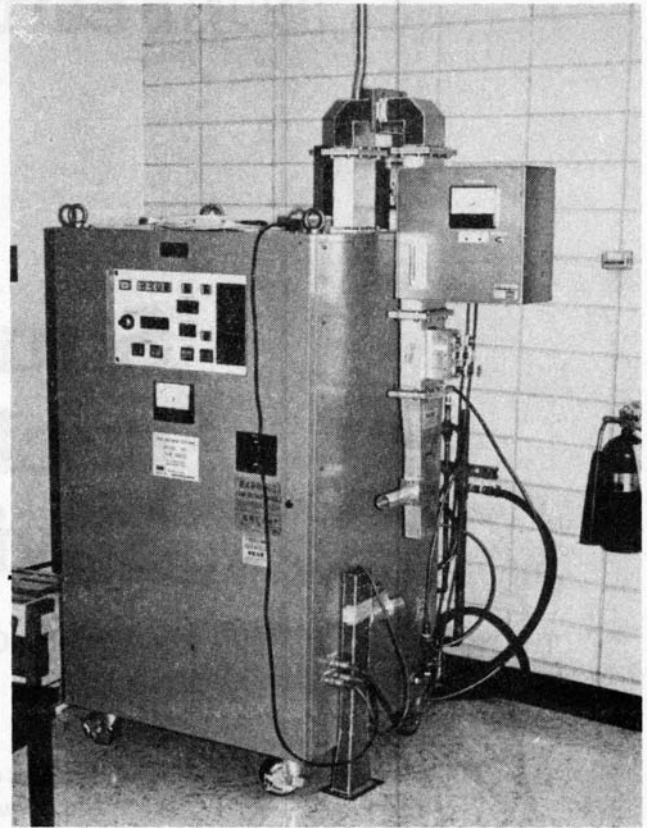
In the field situation, without control of the "wave guide" field structure inside the head inactivator, the coupling efficiency into the insects will drop unless a very specific use of several transmitting antennae is employed to produced maximum magnetic fields inside the swarms to increase the coupling efficiency.

There would be little or no effect on animals or people, since there would be no penetration through the skin which is a poor conductor at the frequency used against the locusts.

## Steam generation inside the locust

In the words of the senior biophysicist on the project:

"This work demonstrates that if electromagnetic energy sufficient to cause a temperature rise to around 50°C is applied to insects such as grasshoppers or locusts, irreversible damage resulting in death occurs. Energy absorbed is about



*In the "proof of principle" experiment the grasshoppers were placed inside the "head inactivator" pictured above. Such devices were developed by researchers who wished to rapidly inactivate the chemical processes going on in the brains of small research animals such as mice in order to study the metabolism of neurological reactions in anatomically specific areas of the brain. Some of the specific features of the instrument are described in the text.*

100 joules/gram in times less than a second. If this power is applied at a rate allowing cavitation—around 200 joules/gram in time less than 0.1 second, preferably in times approaching 0.1 msec or less—acoustic shockwave generation will occur and a nonlinear decrease in energy is required to produce death as a result (steam generation, if you will)."

In the "proof of principle" experiment, such energies could not be applied because of the limitations on peak pulse power of the 10 KW magnetron used, and because of the relatively low coupling of applied power to the insect. The frequency used was not near the resonant frequency of the insect.

We have hypothesized that it is more than feasible to couple into biologic or physiologic frequencies. Future experimental work could determine the species-specific and tissue-specific resonances which are most efficient. While the power is absorbed on a total surface area, it may be concentrated on specific focal points in the biological organism.

## Shultz 'peace packages' mean Soviet world rule

by Webster G. Tarpley

In the intentions of its protagonists, the Reagan-Gorbachov summit of last December ushered in an era of joint U.S.-U.S.S.R. global strategic condominium, including the drawing of new lines of demarcation on the globe to bound the spheres of influence of the two contracting superpowers, backed up by the commitment of the two parties to act jointly to impose imperialist discipline on any nations that might seek to assert their sovereignty and independence against the logic of this New Yalta.

Because the lines of demarcation in question were redrawn to the massive advantage of the U.S.S.R., implementing the U.S.-U.S.S.R. condominium makes mandatory the transfer to Soviet hegemony of vast areas of the globe. Now, four months after the infamous Washington summit, as sanctimonious hypocrites like Secretary of State George Shultz bray about peace settlements, the consigning of the Middle East and southwest Asia into the hands of Soviet imperialism is far advanced. The horrors of the New Yalta are unleashed on the world.

George Shultz and the Bohemian Grove power brokers are convinced that, because of the weakness of the dollar and of the U.S. economy, this country can no longer sustain a worldwide rivalry with the U.S.S.R. Shultz is therefore determined to play out the New Yalta, including endorsing any START accord that he can get before Reagan leaves office. Shultz plans to liquidate any bureaucrat who might try to slow things down by denouncing the saboteur to Nancy Reagan as a barrier to the President's winning the Nobel Peace Prize. In all this, Shultz is already acting as George Bush's foreign minister.

Shultz's task is to vacate strategic assets and deliver them to Moscow, wrecking the independence and sovereignty of as many nations as possible in the process. Armacost, Murphy, and the other mad dogs in striped pants from the State Department criss-cross the world as harbingers of balkanization, partition, tribalism, secession, buffer states, annexation, and satrapy—all in the service of Shevardnadze, Vorontsov, and Poliakov, their counterparts. The United States is teaming up with Moscow to wipe out the viable and potentially progressive states still surviving in the indicated regions—with allies like Pakistan, Turkey, and Egypt





*Israeli Prime Minister Yitzhak Shamir, right, at the State Department with George Shultz on March 15, 1988. The goal of Shultz's provocations is to tilt Israeli politics in the direction of a Sharon-Shamir dominance in place of the current Shamir-Peres arrangement.*

Smart Lewis

at the top of the list. These countries and others are to be propelled into a political and economic breakdown resembling the infinitely subdivided Holy Roman Empire of the Thirty Years' War.

Shultz's shuttle diplomacy in the Middle East must take its place as one of the most spectacular exercises in lying in modern times. On the surface, Shultz appears as a bumbler: In Israel, he praises King Hussein and attacks Shamir. In Jordan, he insists on television time to stress the primacy of Israeli security concerns, to anathematize the PLO, and to ridicule the idea of a Palestinian state on the West Bank of the Jordan River. As an affront to Egypt, he proposes to make the Gaza Strip an issue for talks with Jordan. After offending the Arabs by excluding Arafat, he meets with Palestinian Americans to feed Israeli hysteria. Talks with Assad of Syria go well because there is total disagreement on most substantive points.

More fundamental than Shultz the liar is Shultz the thug and agent-provocateur. The goal of the provocations is to tilt Israeli politics in the direction of a Sharon-Shamir dominance in place of the current Shamir-Peres arrangement. This is the script elaborated by Carter administration veteran William Quandt, now biding his time at Brookings and hoping for a post in a future Dukakis administration. A Sharon-Shamir "pacification" of the Palestinian problem might include the forced deportation of 1.5 million Arabs from the Occupied Territories. Or it might entail the mass murder of 25,000 educated Palestinians to decapitate this people. These were the alternatives that Henry Kissinger was recently overheard discussing. Either "final solution" to the Palestinian question would likely be accompanied by a general Middle East war. The Soviet Union is poised to exploit any and all of these developments to consolidate a Sharon regime in Israel as a Soviet strategic satrapy with regional as well as obvious

worldwide implications.

Otherwise, Shultz is in the Middle East to beat the drum for an international conference with Soviet participation. Such a conference would institutionalize the U.S.-U.S.S.R. condominium over the region at the expense of all Middle East states, just in time for the U.S. to depart the scene. Issues that such a conference might discuss could range from the eastern Mediterranean to the Gulf to Afghanistan—what Zbigniew Brzezinski used to call the Arc of Crisis. U.S. think tank academics offer soap opera explanations of Soviet motives in these proceedings; they say the Soviets want "involvement," "access," "participation," and "non-exclusion." In reality, the Middle East and other areas are to be reduced to the status of balkanized vassal states of Moscow, The Third Rome.

In Afghanistan, the perfidy of Shultz and Bush could not be more evident. By arrangement between the superpowers, the United States has cut off the most effective forms of military aid to the Afghan resistance. This crowns several years of systematic CIA support to the worst Islamic fundamentalist pro-Iranian butchers to be found in Peshawar. The U.S. has already acquiesced in the Soviet annexation of the Wakan corridor, whose maintenance was the object of the most strenuous British exertions in the past centuries. Now the U.S. will cover for the Soviet carving up of Afghanistan in a way designed to compromise the territorial integrity of neighboring Pakistan. And by playing the Pushtun card, and the Baluchi card, in the context of a tribal partition of the entire Indian subcontinent, the Soviets intend to realize their goal of unimpeded access to the world ocean.

More than 40 years after the first Yalta, Germany and Korea remain divided. Patriots the world over must prevent the ephemeral but lethal condominium of our time from rendering new victims.

# Afghan partition: Moscow-Teheran axis aims to undermine Turkey

by Konstantin George

An April 5 wire by the French news agency Agence France Presse cited Afghan exiles in Paris denouncing Washington and Moscow for having agreed to a partition of Afghanistan in the wake of a Soviet troop "withdrawal." The Afghan exiles reported the existence of a "live plan" to partition the country into a northern part, governed by Moscow and its Afghan puppet, Najibullah. The dividing line would be the Hindu Kush mountain range. South of that, the bulk of Afghanistan, the part that has been totally ravaged and heavily depopulated during eight-plus years of Russian occupation, would be turned over to the seven or more rival parties that comprise the Afghan resistance.

The exiles charged that the current plan reflects Soviet policy intentions all along. It is being carried out in full collusion with the Reagan administration. In this context, the exiles linked the near-simultaneous arrivals of Soviet Foreign Minister Eduard Shevardnadze in Kabul (April 3) and U.S. Defense Secretary Frank Carlucci in Delhi (April 4).

On all counts the exiles are correct. Dramatic and fast-moving developments in this direction are under way. Shevardnadze spent over three days in Kabul, April 3-6, working out the details with the Kabul regime of what will be called a withdrawal, but will in fact be a carefully staged regroupment of Soviet and Afghan forces into the north.

Then, on April 6, with no prior announcement or hint, the Soviet news agency TASS announced that General Secretary Mikhail Gorbachov had arrived in Tashkent, the capital of Soviet Uzbekistan, a republic bordering on Afghanistan. The first TASS statement gave no reason for the sudden, surprise visit, but the reason was obvious. A press conference was suddenly called April 6 at the Soviet Foreign Ministry. The speaker, Deputy Foreign Minister Vladimir Petrovsky, addressed the troop withdrawal question, and announced that the Afghan government "has agreed to such an arrangement," and Moscow and Kabul "are in full accord."

On April 7, Gorbachov himself announced that an agreement had been reached.

These developments climax the first phase of Moscow's new policy of by-passing the Afghanistan-Pakistan Geneva talks. The policy was first announced by the Soviet Foreign Ministry March 17, while Gorbachov was out of the country, on a five-day visit to Yugoslavia. That a superpower deal was coming was clear in March, when Washington and Moscow quietly began their own Afghanistan talks in Geneva,

between Robert Peck from the State Department and Kozyrev from the Foreign Ministry. The most explicit Soviet statement that a deal on Afghanistan will be concluded by the superpowers, and not via the Afghanistan-Pakistan Geneva talks, was contained in an April 5 Radio Moscow question-and-answer commentary on Shevardnadze's visit to Kabul.

**Q:** Is the Soviet Union counting on the complete failure of the Afghanistan-Pakistan talks?

**A:** That's precisely the essence of the Shevardnadze visit. The withdrawal of Soviet troops is a foregone conclusion. It will happen with or without U.S. guarantees.

## The U.S. sellout

The last quote from Radio Moscow is simply extending a courtesy to the Reagan administration. Enough "guarantees" have already been delivered.

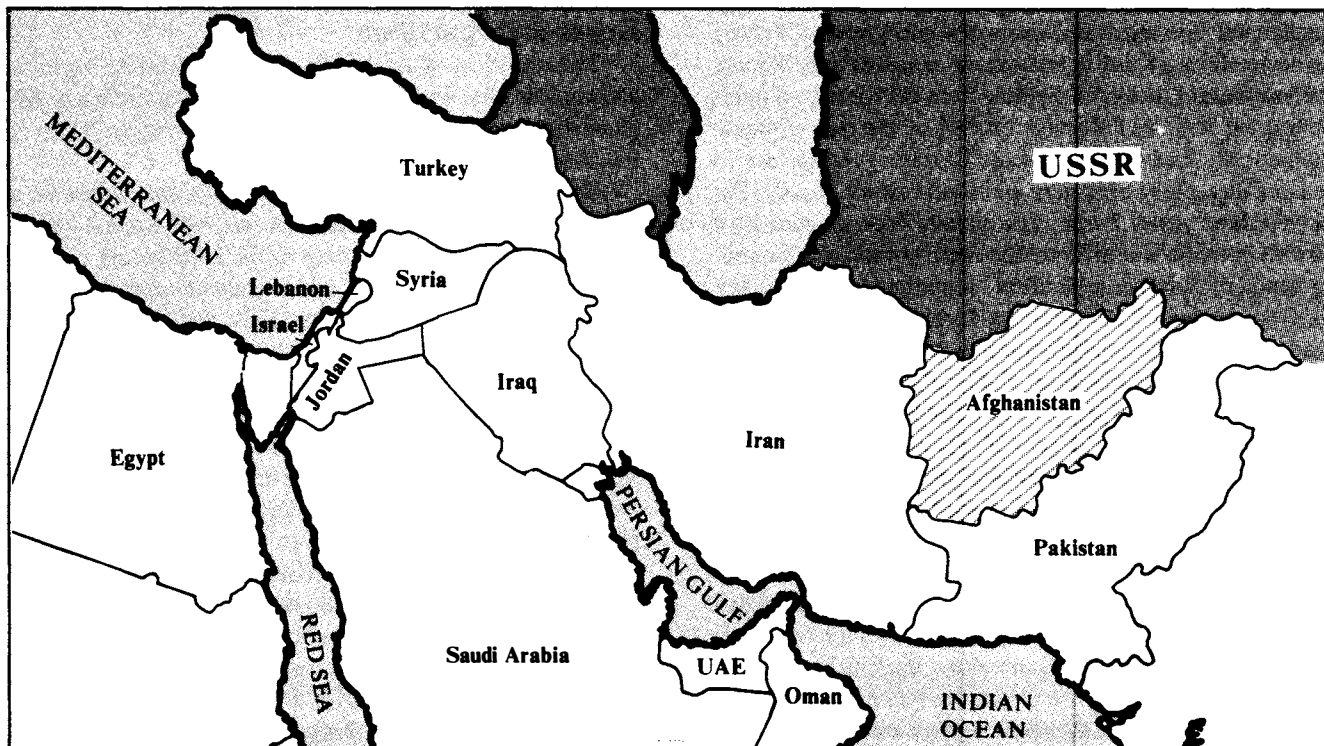
To start with, Moscow's ability to successfully partition Afghanistan has been guaranteed by the Reagan administration's halt of deliveries of effective military supplies to the Afghan resistance. The "deal" to this effect was worked out no later than November 1987, on the eve of the Reagan-Gorbachov December summit in Washington, the "Munich II" INF treaty sellout of Europe.

A press conference held April 4 in Peshawar, Pakistan, by the leader of one of the seven Afghan resistance parties, Mohammad Nabi Mohammadi, confirmed this. He disclosed that the resistance has received no American Stinger SAMs for "four or five months," i.e., since mid- to late-November 1987. Afghan resistance inquiries to the U.S. government as to why, were simply left unanswered. Finally, "three months ago," i.e., early January, the Pakistani government told the resistance that Washington had decided to stop supplying Stingers.

This means that the full strength of Soviet aircraft and helicopters can operate in the geographically compact north, where the Soviet regime will be established, with total security against any guerrilla resistance. In short, the establishment of a Soviet puppet regime between the Hindu Kush and the Soviet-Afghan border will be militarily tenable.

## The Gulf, the Indian Ocean, and Turkey

The Soviet objective in the Arab Near East, Persia, and the Indian Subcontinent, has been and remains domination and, geopolitically speaking, the attainment of Moscow's



**"REGIONAL MATTERS" IN WEST ASIA.** *The Soviet objective in the Arab Near East, Persia, and the Indian Subcontinent, has been and remains domination, and the attainment of Moscow's long-desired goal of warm water ports on the Indian Ocean and Persian Gulf. Moscow will use its axis partner, Iran, as a battering ram against the Arab countries and to destabilize NATO-member Turkey. The Afghan resistance groups will be manipulated into fighting each other and Pakistan.*

long-desired goal of "warm water ports" on the Indian Ocean and Persian Gulf. That was the essential geopolitical reason for the 1979 invasion and occupation of Afghanistan in the first place. Afghanistan was envisaged as a springboard for a further drive southward to the Indian Ocean.

The new policy of regrouping and partition, couched under the banner of "withdrawal," changes only the means by which this underlying policy will be executed in the coming months. To be precise, the old policy will be continued, employing a new axis of advance. Furthermore, the new policy will be much more efficient for the Soviets. Through the use of proxies in the interim, the entire region proximate to the southern Soviet Union, from Turkey to Pakistan, will be destabilized, through two simultaneous operations.

1) Moscow will use its axis partner, Iran, to pave the way for a Russian conquest of the region. The Iranian armies will serve not only as a battering ram against the Arab world, but set in motion a destabilization of Turkey.

2) The Afghan resistance organizations, based in the mostly Pathan "south" of to-be-divided Afghanistan, will be manipulated into focusing their energies on fighting each other and Pakistan.

### **The Moscow-Teheran axis**

In the autumn of 1987, Iran changed its strategy in the war against Iraq. Previously, the brunt of Iran's repeated

offensives in the war had occurred along the southern front in the Basra region. Then, in November 1987, a series of major offensives commenced, lasting to the present, in the Kurdish-inhabited region of northern Iraq. In addition to the heavy front-line fighting, with huge Iranian territorial gains in Iraq, an Iranian-sponsored Kurdish insurrection has seized large pieces of territory in mountainous northern Iraq, behind Iraqi lines. The series of offensives has produced a crisis in Iraq, whose hold on "Kurdistan" in the north is very shaky; the specter of Iraqi loss of the region is real.

The new war strategy might as well have been scripted in Moscow, whether it was or not. Teheran is playing Moscow's game, and a fair portion of its leadership, consciously so. Russia is now reaping the full benefits of over four decades of carefully built networks of agents, agents of influence, and assets inside Iran. The operation was begun during the Second World War, when Iran was partitioned between Russia and Britain, with Russia occupying the north, including Teheran. More assets were implanted during the 1945-46 tenure of the Soviet puppet regime in Iranian Azerbaijan, in four decades of channeling Tudeh (Iranian Communist Party) cadre into positions of power and influence, including a fair number of "made in Tashkent" red mullahs, especially after the overthrow of the Shah in 1978.

The Iranian and Kurdish irregulars' successes in northern Iraq have set off alarms in NATO-member Turkey. On two,

equally vital "life and death" national security counts, Turkey can never allow a Kurdish takeover of northern Iraq. Turkey receives most of its oil via pipeline from the Kirkuk oil fields in northern Iraq, and Kurdish control of the region would automatically lead to a large-scale Kurdish guerrilla war in the Kurdish regions of eastern and southeastern Turkey. For the past three years, Turkey has already been plagued by a Kurdish guerrilla war in its southeastern provinces. Marauding bands of Kurdish separatists, supported by Soviet ally Syria, have repeatedly crossed into Turkey via Syria and Iraq, massacring villagers and ambushing military patrols. Well over 1,000 persons have been killed to date.

Turkey is now caught in a bind. The Özal government in Ankara would like, if at all possible, to avoid having to send the Turkish Army into Iraqi Kurdistan; yet it knows that if the situation goes out of control, it must intervene militarily.

The critical status of the Gulf War caused Prime Minister Özal to undertake a mission to Baghdad at the beginning of April. On April 3, on his return to Ankara, Özal declared that Turkey had "no intention" of sending troops into northern Iraq, and that Turkey would not allow itself to be dragged into the Gulf War. These were accurate statements of intent, if one adds the qualifier, as long as Turkey absolutely doesn't have to.

Events may dictate another course, and Turkey is preparing itself for that contingency. On March 31, as Özal was preparing to depart for Baghdad, his government imposed a state-of-alert in the Kurdish provinces of eastern Turkey, and sent elite army units to provinces bordering on Iran, Iraq, and the Soviet Union. The alert was sparked by a renewal of Kurdish guerrilla war inside Turkey, which saw some of the bloodiest fighting since the Soviet-Syrian-sponsored insurrection began in 1985.

Ankara is well aware that suppressing the Kurdish threat to Turkey in northern Iraq will be no simple "surgical" action. To effectively destroy an estimated 50,000 armed Kurdish irregulars, who can depend on the sanctuary of Iranian territory, would require between 100,000 and 200,000 Turkish troops, with no guarantee of success. That could only be ensured by also moving against Iran. That would give Moscow a pretext to move into Iran and "protect" Iranian Azerbaijan, the Teheran region, and the Turkmen region of north-eastern Iran.

Whatever Turkey does militarily, Russia would vehemently protest the "NATO military intervention," etc., but behind the shrill "protests" would be a gleeful Kremlin, happy over Turkey's predicament. The Soviets would use Turkey's weakened military situation and the "imperialist intervention" charge as the pretext to relaunch a direct expansionist campaign against Turkey, a campaign dormant since 1947, when Russia demanded the secession of the Turkish provinces of Kars and Ardahan, bordering on Soviet Georgia and Armenia. The move against Turkey would occur in the context of not only the Near East destabilization, but also the post-INF weakening of Western defenses in general.

## Korea-style partition

The partition of Afghanistan would likewise begin to accomplish what eight years of Soviet troop presence in Afghanistan have not, the destabilization and fragmentation of Pakistan.

The outlines of a partition of Afghanistan would be a Soviet regime installed in the Turkmen, Uzbek, and Tadjik north, ethnically corresponding to the neighboring populations in Soviet Central Asia, and located between the Soviet border and the Hindu Kush Mountains, and an Afghan "Lebanon" in the south. The ethnically defined partition has a built-in "fall back" benefit for the Russians. Should, for any reason, the northern Afghanistan Soviet regime fall apart, the Russians can simply orchestrate a sudden chorus from "duly constituted bodies" of the "Turkmen, Uzbek, and Tadjik peoples," "asking" to be "united with their brother-peoples in the Soviet Union." In short, annexation.

The south, like Lebanon, would be characterized by rival guerrilla and tribal militias slaughtering each other.

The fratricidal warfare would not be confined to southern and eastern Afghanistan. The south consists of Pathan and Baluchi tribes, and borders on the Pathan-inhabited Northwest Frontier Province of Pakistan and Pakistani Baluchistan. Both regions have already been plagued by Soviet-sponsored separatist insurrections. These will get worse in the months ahead.

By partitioning Afghanistan, by making the non-Pathan north "off limits" to the Pathan majority of Afghanistan, it will be child's play for Russia to guide the redirection of Afghan nationalist energies into a Pathan-centered "Greater Afghanistan" project, aimed east and south—at Pakistan. This is no scenario. It is a live dynamic, unfolding at present.

Timed with Shevardnadze's stay in Kabul, the Soviet government cynically declared its support for Afghan territorial claims against Pakistan. On April 5, Soviet 1st Deputy Foreign Minister Yuli Vorontsov called in the Pakistani ambassador to Moscow, and announced that "one of the issues" that the Kabul government "wishes to settle" in Geneva is the "so-called Durand Line."

The Durand Line is the Afghan-Pakistan border drawn by Britain in 1883, and as Soviet profilers are fully aware, a line never recognized by any Afghan government, including the present Russian puppet-regime and, for that matter, all the parties in the Afghan resistance.

In fact, Moscow's declaration on the Durand Line was preceded by an even stronger statement issued by the Afghan resistance. At a March 29 press conference in Peshawar, Pakistan, Gulbuddin Hekmatyar, President of the Resistance's seven-party alliance, announced that a future resistance government in Afghanistan would demand a "merger of Afghanistan and Pakistan," and barring that, a "confederation."

The plan was first signalled by Soviet Politburo "king-maker" Yegor Ligachov, in a mid-December speech announcing a new policy whereby individual Soviet republics

and regions were assuming partnership-protector relations with individual provinces of Afghanistan, with the north of Afghanistan to receive the lion's share of increased assistance under this new program. Then, timed with the March 21-23 Shultz-Shevardnadze meeting in Washington, the puppet regime in Kabul announced the creation of a new cabinet post, "Minister for the Northern Provinces." On March 28, giving no reason, the Soviet news agency TASS announced a re-drawing of provincial boundaries in northern Afghanistan. The southern portion of two northern provinces, Balkh and Yavzyan, which run south from the Afghan-Soviet border, have been detached to form a new province called Sari Pul. Balkh province contains the town of Mazar-e-Sharif, which observers note is slated to become an Afghan "Pyongyang," i.e., the capital of a Soviet northern Afghanistan as Moscow pulls its forces out of the south.

Already, both Soviet and Afghan forces are being regrouped more and more into the north of the country. The Afghan resistance has reported that, beginning March 20, a squadron each of Soviet MiG-23 fighters and SU-17 fighter

bombers were flown in, while in the following days, hundreds of truckloads of Soviet military supplies began arriving in the north.

Keeping the north is essential for Moscow to capitalize on another part of Washington's "New Yalta" generosity. Moscow, geopolitically speaking, can afford the phony part-withdrawal from Afghanistan, because it has been agreed to in return for a free hand regarding Iran. The move out of Afghanistan is producing a military regroupment of another kind, aimed at having forces in place for future military opportunities directed at Iran and/or Turkey. The forces being "withdrawn" from Afghanistan will beef up Soviet invasion capabilities in the Turkestan Military District, opposite Iran, east of the Caspian Sea.

The unrest in the Soviet Transcaucasus, instigated by the KGB, has provided the pretext for a massive inflow of military forces into Armenia and Azerbaijan, both bordering on Iran, west of the Caspian Sea. When the Iranian card has been played for all it's worth, Russia will be in position to move in directly.

## Top Soviet expert sees partition of Afghanistan

The top Soviet expert on Afghanistan has declared that the country may be partitioned, once Soviet troops are withdrawn. Yuri Ganokovsky, who has worked for 35 years at the Oriental Institute of the Soviet Academy of Sciences, made this remarkable statement to a seminar at Johns Hopkins University in Washington, D.C. April 6.

Ganokovsky ascribed the movement for partition to tribal groups interested in abolishing existing borders with Pakistan. "Semi-independent regional regimes" may surface, said Ganokovsky; he argued there could be no single Islamic republic of Afghanistan, since it is a tribally-divided country. He talked of regional republics of Nouristan, Hazarachia or Pushtoon.

But the People's Democratic Party of Najibullah will remain in power in the remainder of the country, Ganokovsky insisted, for the following reasons:

1) There are now 180,000 members of the party, along with another 90,000 members of its youth group and 20,000 members of its women's group. Many of these have received training in the East bloc.

2) The new Afghani army has 160,000 soldiers and another 100,000 police; 75% of the officers of both are members of the PDP.

3) Twenty percent of the economically active population of Afghanistan now is employed by the state direct-

ly—over 400,000 people.

4) More and more guerrilla groups are approaching the Kabul government to sign non-aggression pacts.

5) The internal rivalries between the over 60 guerrilla groups have not abated.

6) Guerrilla action against the Kabul government has forced all the moderates out of the government, and handed it over to hard-line leftists.

7) A growing number of small businessmen are supporting the government because they are being allowed to visit the Soviet Union and sign trade agreements there.

Asked by *EIR*'s Nick Benton to comment on Soviet Foreign Minister Shevardnadze's speech of March 31 about the issue of the "artificial" border between Afghanistan and Pakistan, and whether the Soviets would encourage tribal invasions into Pakistan of groups that would eventually provide the Soviets with warm-water ports on the Indian Ocean, Ganokovsky detailed the history of the British-drawn border between Pakistan and Afghanistan, which, he pointed out, has "created many divided peoples." He added, "The Soviet Union has no wish to discuss the frontier between Afghanistan and Pakistan," thereby implying the Soviets will leave it up to the tribes to take care of that "problem" themselves.

Ganokovsky did not deny that the Soviets have a \$1,000 bounty for every Western journalist captured dead or alive in Afghanistan or near its border in Pakistan. When challenged by an anti-Soviet Afghani in the audience, Ganokovsky reminded him of the "benevolence" of the 100,000 Soviet troops there. "We live now in the end of the 20th century, where if it wanted to, a modern army could eliminate all life from the landscape of your country."

# Washington, Moscow play Syrian card

by Thierry Lalevée

Except for *EIR* and the April 3 *London Sunday Express*, no one seems to have noticed the March 19 visit of Col. Gen. Vladimir Pikalov to Damascus. The little-known General Pikalov, who rarely travels abroad, is the chief of the Chemical Warfare department of the Soviet Army, nominally attached to the ground forces. In January 1987, he was awarded the Order of Lenin for his leadership of the rescue teams at the Chernobyl nuclear disaster and for "other services," implying the role his units have played in Afghanistan.

Given that he traveled to Damascus to meet with Defense Minister Mustafa Tlas and the leadership of the Syrian army, with a large team of scientists, the visit was obviously of vital importance in the strategic balance in the region. Syria has been working on developing its chemical warfare capabilities for years, to equip its Scud-B missiles as well as the Soviet-manned SS-21.

Another "oversight" cropped up in the latest report of the U.S. State Department on international drug production and smuggling, published in early April: The chapter on Lebanon is replete with details, but never mentions Syria's well-known role, according to *Le Figaro* of April 5. Likewise, the State Department's early March report on international terrorism spotlighted Iran, but noted that Syria has been "less and less" involved. The report whitewashing Syria came out just a few days before George Shultz's visit to Damascus.

These benevolent oversights come in sharp contrast to the U.S. media coverage and declarations of the administration on issues concerning Israel, the Palestinians, and the Palestine Liberation Organization, and more recently, the flap over the Chinese sale of intermediate-range missiles to Saudi Arabia.

Such "oversights" betray policy decisions made in Washington, in agreement with Moscow, on how to share influence in the Middle East. It has to be made clear, first, that there is no "Shultz Peace Plan," and there is no peace plan whatsoever. What is encompassed in that over-used label is a combination of political aims, where electoral jockeying serves broader strategic deals with the Soviet Union. Ultimately,

the Kissinger-like shuttle diplomacy perpetrated by George Shultz is not based on the longstanding relationships between the United States and Israel, nor even Camp David partner Egypt, and much less Jordan, but on the covert convergences of interests between Washington and Damascus—blessed by Moscow.

In short, every long-term ally the United States has had in the Middle East will be stabbed in the back, in favor of an alliance with Syria, which, as *EIR* has documented, is the mother of world terrorism of all varieties, and the center through which Moscow creates and deploys Islamic terrorism against the West.

## Peace negotiations: a fake

Most of goals of the Shultz initiative were defined during last December's summit between Mikhail Gorbachov and Ronald Reagan. As the summit began, Washington and Moscow joined in warning Israel against retaliating against Syria for the Nov. 25 PFLP glider attacks, for which Damascus had claimed credit. The attack, which killed six Israeli soldiers, became one of the catalysts for the revolt in the Occupied Territories. The revolt handily created an internal crisis which could be managed from the outside. Hence, in December, while neither Washington nor Moscow had enough leverage on Israel and its Arab neighbors, especially Egypt and Jordan, to deliver anything, it was agreed in principle for the "Middle East issue" to be dealt with at the next summit.

Washington has been working on two complementary timetables. First, during this year of U.S. presidential elections and upcoming parliamentary elections in Israel, the pundits agree there can be no political breakthrough. American diplomatic deployments in the region are merely aimed at preventing a blow-up until next year. It is also believed that the new U.S. administration, even were it led by George Bush, would need a six months' trial period before launching any foreign policy initiatives.

Second is the more pressing timetable of Reagan's next summit or summits with Gorbachov. It was to satisfy the Soviets that Shultz launched his "Peace Plan" and began talking about an "international conference," avoiding any specifics about whether such a gathering would be binding, or a mere protocol exercise. For both Washington and Moscow, the issue is not content but framework. Moscow has no interest in finding a peace settlement to the Middle East conflict, but wants to be acknowledged as an equal partner with Washington, and the Reagan administration has long since agreed. However, Shultz and the administration cannot be seen capitulating immediately.

The policy toward Israel shows how little Washington wants a settlement; the United States refuses to support those Israeli and Arab leaders who advocate a "Marshall Plan" for the region. The Shultz plan makes no mention of economic needs. Moreover, while U.S. arms deals and defense packages are signed, economic pressures are undermining the

very security of countries such as Egypt. De facto, Washington finds itself allied in Israel, not with the Labor Party of Shimon Peres, but with the hardliners.

Prime Minister Yitzhak Shamir and his associates reject the Shultz plan because they see no reason to be subjected to a U.S.-Soviet condominium. Ultimately, their view that the Israeli-Arab and Israeli-Palestinian problem is a bilateral one, is correct, and should be welcomed by all those Arab nationalists who publicly demonstrate against "American imperialism," but discreetly negotiate for both Moscow and Washington to decide their fate.

Moscow's policy toward the Middle East conflict remains similar to its policy toward the Gulf: Keep all channels open, and as Washington discredits itself, turn more governments toward Moscow. Soviet regional power was expressed at the March 15-18 seminar of the "Arab Thought Forum" in Amman, Jordan, where Alexander Vasiliev of Moscow's Oriental Institute blasted the Arab countries for not having followed Soviet policy in 1948 when Moscow advocated the creation of two states in Palestine, one Israeli, one Palestinian. "It was the Arab regimes of the times" which rejected the creation of a Palestinian state, said Vasiliev. Could any Western politician dare to say that in Amman nowadays?

While the Shultz peace plan appears to be focused on Israel, the Occupied Territories, and the Palestinians, the real deals are being made in Damascus. Note that whenever Shultz goes to Damascus, there is no actual report on what was discussed, but all is described as "encouraging." What's encouraging? Has Damascus accepted direct talks with Israel? General Pikalov's visit underlines the fact that Syria's priority is to establish a new military balance with Israel, not peace negotiations. The Damascus regime also makes no secret of its annoyance at the events in the Territories, not because they create trouble for Israel, but because they are building up the credibility of a Palestinian movement, independent from Syria.

### **The Lebanon partition scenario**

The Washington-Damascus deal has only one subject—Lebanon, and the building of Greater Syria. It was Kissinger's policy to give Lebanon to Syria, and there has been continuity in American foreign policy. In the last two rounds of negotiations between Shultz and Assad, various concrete proposals have been promoted, to coincide with Lebanon's presidential elections this summer. Though no agreement has yet been made on Lebanon's next President, Washington is committed to use all of its powers to ensure a stable Lebanon as a Syrian dominion.

On April 5, President Assad is reported to have even mooted to Shultz an "Afghan solution" for Lebanon. Provided that the next Maronite President gives firm guarantees of recognizing Syrian political and military control over the country, Syria would be ready to withdraw from all or part of the country. It is, after all, economically cheaper and

politically more profitable to politically control a satrap than to maintain tens of thousands of troops abroad. Lebanon's northern part around Tripoli could become directly a Syrian province, the Christians would be alone to rule their business around part of Beirut; the central part of the country from the Bekaa on south would be controlled by the various Muslim militias.

In exchange, Syria's military power of intervention would be extended further south in case of need, up to the Litani River. Israel would withdraw its troops and leave the Southern Lebanon Army alone. What do the Americans get in exchange? Syria's help in releasing some hostages.

Above all, Washington receives a promise from Damascus and Moscow that the Palestinian movement will be brought under control. There won't be an "independent" Palestinian factor. At the Shultz-Shevardnadze meeting in Washington on March 22, Shevardnadze told Moscow's Arab friends that they should not reject the Shultz initiative but "give it a try," and told the PLO that they should accept a Jordano-Palestinian delegation. The proposal is ironic, since it comes at a time when Jordan's King Hussein, fearing that the events in the territories may spill over to Jordan, is just about to withdraw from the whole charade.

On the other side, the PLO has made it clear that it wants nothing to do with a Jordanian delegation, but wants an independent one. But it will have to abide by the bidding of Moscow, which made its proposal as a reward to Jordan's King Hussein for his pressures on Pakistan's Zia ul Haq, to accept the Soviet Afghanistan deal. Whether a joint Jordano-Palestinian delegation is ever formed is irrelevant. The message is that Moscow agrees with Washington and others (not the least, Damascus), that the PLO cannot be accepted independently. It can be played with, used as a bargaining card, but not negotiated with. The issue was acknowledged by Arafat's spokesman Bassam Abu Sharif in early February when he wrote that the events in the Territories were simply an "additional bargaining card for Moscow in its negotiations with Washington."

It is thus an elaborate exercise of crisis management that both Moscow and Washington are practicing to keep the situation under their own control, pushing their pawns one after the other. There is obviously the risk that at one point, one of the players may decide to stop playing the game, or that the events in the Territories will burst out of control.

That was what General Pikalov's visit was all about. When it comes to that point, both Washington and Moscow will agree on a limited confrontation between Israel and Syria. Chemical weapons may not be used at this time yet, but the threat is there, and may be used just to trigger the conflict. Such a war will lead to a U.S.-Soviet-imposed ceasefire, will push into the background the events of the Territories—hence the Palestinian question—and will strengthen Syria, in its drive for the leadership of the Arab world against Egypt.

## Soviet succession fight erupts into the open

by Konstantin George

The April 5 edition of the Soviet Communist Party paper *Pravda* published an editorial denouncing *Sovetskaya Rossiya*, the party newspaper of the Russian Republic, and in protocol terms, the second-ranking party newspaper, after *Pravda*, in the Soviet Union.

With this open attack by the Gorbachov group against an equally open attack from the group around Politburo member Yegor Ligachov, a threshold point has been reached in the Soviet factional wars around the succession to the leadership.

On March 13, the day before General Secretary Mikhail Gorbachov's departure for a week-long visit to Yugoslavia, *Sovetskaya Rossiya* carried a full-page declaration of war on the Gorbachov "period," and proclaimed, in effect, a post-Gorbachov Great Russian and Slavophile "period," as such violent swings in policy were characterized in the early decades of Soviet history. *Sovetskaya Rossiya's* broadside was couched as a "reader's letter" by a Leningrad chemistry professor, one Nina Andreyeva, titled, "I Cannot Forsake My Principles."

*Pravda* finally got around to replying, three weeks later, on April 5. "In essence," *Pravda* wrote, "two basic theses run like a red thread through its entire content: Why all this perestroika, and haven't we gone too far in questions of democratization and glasnost?" Perestroika, "restructuring," and glasnost, "openness," are well known as Gorbachov's watchwords.

Why the delay before *Pravda's* reply? Gorbachov had to wait until a week where he would be in, relatively speaking, the best position between now and the crucial All-Union Party Conference that begins on June 28. Gorbachov timed his counterattack with the only occasion when the Politburo's most powerful power broker after Yegor Ligachov, namely Lev Zaikov, boss of the military-industrial complex, was out

of Moscow on a four-day visit to Finland that began April 5.

The April 6 edition of the weekly *Moskovskiy Novosti* (*Moscow News* in its English edition) echoed *Pravda* in attacking the *Sovetskaya Rossiya* piece as "an attempt to form a platform for the resistance to perestroika." The Moscow weekly then identified the centers of resistance as 1) "the most conservative part of the [central party] apparatus," a thinly veiled reference to Yegor Ligachov, 2) "young people, who were educated and began their careers during the time when things stood still [the Brezhnev Period], and, most significantly, 3) "representatives of the armaments industry." The latter reference meant not only the aforementioned Lev Zaikov, but the promotion pattern of the past ten months that has heavily strengthened the military-industrial complex in the Communist Party's executive bodies, the Politburo and Secretariat.

Since May 30, 1987, Zaikov has had with him on the Politburo (as non-voting members, so far) Defense Minister and General of the Army, Dmitri Yazov; Yuri Maslyukov (since February 1988), until Feb. 6, deputy prime minister in charge of arms production, and now boss of the State Planning Committee (Gosplan). Zaikov brought onto the CC Secretariat on Feb. 18, Oleg Baklanov, who had been in charge of Soviet missile and hi-tech military production.

The need for *Pravda* to reply was also forced by the fact that the East German party leadership reprinted the *Sovetskaya Rossiya* article in full in the party paper, *Neues Deutschland*, April 2. As the lead editorial of the April 6 *Frankfurter Allgemeine Zeitung*, one of West Germany's leading dailies, noted: "The SED [communist party] leadership would never have allowed this broadside against perestroika were they not certain that they were with the stronger side." The Frankfurt newspaper added that the *Sovetskaya*



*Rossiya* piece marked the first time in 32 years that the epithet "class traitor" had been openly used in Moscow factional battles.

Gorbachov has launched such an unprecedented style of attack in order to set alarm bells ringing in the appeasement-minded capitals of the West, to have today's Neville Chamberlains march to his rescue with strategic concessions—a result that will benefit, of course, the entire Soviet leadership. West German Social Democrat Egon Bahr, in Moscow, after his four-hour meeting with Gorbachov on April 5, declared that a START agreement was all but ruled out for the May 29-June 2 Reagan-Gorbachov in Moscow. Bahr disclosed that Gorbachov "would like to hope for one. But he fears that, for political reasons, he dare not hope."

The theatrics were in evidence one day after the *Pravda* editorial, when, unannounced, Gorbachov flew to Tashkent, Soviet Central Asia, met with Afghan puppet Najibullah, and on April 7 announced that "the last obstacles have been removed," for the "early signing" of a settlement, adding their joint welcoming of the "readiness of the U.S.S.R. and the U.S.A. to guarantee the agreements." Once again, the "magic" of Gorbachov worked with the Western appeasement lobby. The sellout of Afghanistan and Pakistan has been finalized.

### 'Great Russian,' slavophile revival

The *Pravda* editorial was no less dramatic. Polemics were employed against *Sovetskaya Rossiya* that in the past were thrown against the Chinese and the Albanians. *Sovetskaya Rossiya* was accused of having published an article that "cannot be characterized otherwise, than as an ideological platform and manifesto of anti-perestroika forces," representing "a position . . . incompatible . . . with socialist morality," and "an attempt . . . to whitewash the past, to justify political deformations and crimes against socialism."

*Sovetskaya Rossiya* had in fact resurrected the old epithet of "cosmopolitanism," Stalin's code-word in the 1930s for the Bukharinite and Trotskyite "Trust" component of the Bolsheviks, a resurrection that *Pravda* dared not deal with. *Sovetskaya Rossiya* denounced "left-liberal socialists" who form an "open or concealed cosmopolitan tendency." These representatives of "militant cosmopolitanism" were charged with the crime of "tearing themselves away from socialism." Also attacked was the prevailing situation in Russia today where such crimes are treated as "a nearly harmless exchange of words, rather than treason against the [working] class, and against the nation by persons, who in their majority attended higher schools at the cost of the people" i.e., "cosmopolitan traitors and parasites."

Nina Andreyeva's letter in *Sovetskaya Rossiya* went out of its way to defend the new "Great Russian, slavophile period": "I'm convinced that through an underestimation of historical consciousness, not only is a pacifist softening of the will for defense arising, but also that efforts to undertake

even the smallest utterings of national pride by the Great Russians, are branded as Great Power chauvinism."

Nina Andreyeva selected quotes from Winston Churchill to praise Stalin's accomplishments: "Stalin's power was so great, that he had no equal among the leaders of all countries and all times. He took over the Russia of the ploughshare and left it in possession of the atomic bomb." *Sovetskaya Rossiya* blasted the proponents of reform policies as those who have "drifted into petit-bourgeois socialism," and supported "only by Menshevizing idealists."

That the Russian Republic party paper would be the one to throw down the gauntlet comes as no surprise. *EIR* in September 1987 had documented the role of *Sovetskaya Rossiya* in spearheading the opposition to Gorbachov. Beginning in March 1987, attacks were launched on the "excesses" of glasnost, and demands voiced throughout the spring to accentuate the "positive" in Soviet history. In April 1987, *Sovetskaya Rossiya* ran a major feature on the 1918 Brest-Litovsk Treaty, (reprinted in *Neues Deutschland*) praising Lenin, and Stalin as Lenin's main supporter for a separate peace with Germany, and denouncing the two wings of the "Trust," personified by Bukharin and Trotsky, in opposition to Lenin.

In that same week of March 1988, when Gorbachov was off in Yugoslavia, another dramatic signal in the form of a "reader's letter" appeared, this one in the March 17 *Sovetskaya Molodyozh*, the party youth paper in Latvia. The letter was drafted to appear extremely worried over the future of "glasnost" and "democratization," and concluded with the question: "What if something happens to M. Gorbachov, what then?"

### Phase change as in 1930s

According to a seasoned observer of the Soviet leadership, what is beginning to happen will be interpreted as a Stalinist revival, but it is not. It is actually a replay of the Stalin-Bukharin struggle of the 1920s and early 1930s, which was not a conflict of personalities. The first stage of Stalin's crushing of Bukharin was the first five-year plan. Russia continued to entertain "joint ventures" with Western financiers, but on a radically different basis from those set up under Nikolai Bukharin, which had been run by the international grain cartel, exactly like the "détente" process from 1972 to the present. Under Bukharin, Russia's economy was strangled by inflated prices for grain in the so-called "scissors crisis." Today the same crisis is hitting especially the East European colonies.

The second stage was the blood purges of 1934-38, slaughtering millions, especially those linked to Bukharin and the Anglo-Soviet "Trust."

The source stressed that the present fight does not flow from an identification with Stalinism, but the conditions will lead it to adopt a qualified defense of Stalinism. The people in the West who have appeased and trade everything away will be sitting with empty pockets politically.

# Golden Triangle dope flow on the rise

by Linda de Hoyos

On Feb. 12, Thai law enforcement authorities seized 1,280 kilograms of heroin in a ship in the port of Bangkok. The seizure is believed to be the biggest drug bust in history. The heroin shipment, all of it bound for New York, would have had a street value of \$2.1 billion. The amount of heroin seized has forced a revision of U.S. estimates of the amount of heroin and other drugs coming into the United States from Southeast Asia's Golden Triangle. The amount seized on Feb. 12—1.4 tons—exceeds the Drug Enforcement Administration's estimate of only 1.2 tons of heroin coming into the United States from the region in a single year! If we use the rule of thumb, that the amount of drugs seized by law enforcement agencies is one-tenth of the actual drug flowthrough, then the U.S. DEA had underestimated the Golden Triangle flow by more than 90%!

The Golden Triangle refers to the nexus of northern Thailand, northeast Burma, and Laos. Government programs have vastly reduced Thailand's production of opium, with Thailand now serving as a major transshipment point for drugs produced in Burma and Laos. It is estimated that the Golden Triangle will produce 1,400 tons of opium in 1988-89, according to Thai law enforcement officials. The decline in Thai opium growing has been more than made up for by a 200-ton increase in Burmese production in 1987 over 1986 estimates of 700 to 1,100 tons produced. In the early 1980s, opium production in Laos was estimated at 50 tons. The 1987 crop was estimated at 200 tons, but is likely far more.

## Opium, and very powerful marijuana

Opium is not the only product. In the last five years, marijuana has become an increasingly lucrative venture. Marijuana production is concentrated in northeastern Thailand and in Laos. Marijuana is also being grown in the Philippines in areas controlled by the New People's Army. Southeast Asian marijuana is not the same drug known in the Western countries, William O'Brien, president of the World Federation of Therapeutic Communities, told a conference in Bangkok earlier this year. "It's very powerful stuff. In the old days, the most powerful cannabis was called Vietnamese Red, and second was Acapulco Gold. What is being grown

currently in northeast Thailand in the plateau area is more powerful than Vietnamese Red. Now a generation that has been dealing with a benign substance in the United States is going to be hit by the real stuff."

The market for the increased Golden Triangle production is primarily the West, both Western Europe and the United States, with drugs still flowing through the drug superport of Amsterdam. However, the most massive expansion in drug consumption has been in Asia itself. In Thailand—a country of 60 million—300,000 people are believed to be heroin addicts—that is three-fifths of the number of people in the United States, a nation of 260 million! According to Australian police officials, in 1980, there were no heroin addicts in Pakistan, while now there are between 600,000 and 650,000. There are 20,000 addicts in Nepal; 35,000 in Sri Lanka; and 600,000 in India. Estimates for Malaysia are 100,000 heroin addicts.

The Asian countries have not hesitated to take strenuous law enforcement measures against the rise in consumption, which threatens the morale particularly of their youth. In Malaysia, the sentence for conviction of holding even a small amount of drugs is death by hanging. And in the last four years, 65 people, including two Australians, have been hanged for that crime. Singapore is now installing urine-testing machines at all entry points into the city-state, which will be used on all foreigners and Singaporeans suspected of drug use or showing signs of nervousness as they pass through customs.

In terms of enforcement, the Malaysian parliament March 24 passed a bill giving sweeping powers to the police to seize and confiscate property and profits believed to be the result of drug trafficking. The bill is aimed at drug syndicate financiers and money launderers who heretofore escaped prosecution since they never touched the drugs themselves. Similar legislation is under consideration in Thailand.

Malaysian Prime Minister Mahathir Mohammad is calling for governments to work jointly against drugs, including carrying out "hot pursuit" across international frontiers in a "total war" against drug traffickers. Citing the "increasing of drug barons," Mahathir told an East Asia and Pacific Regional Narcotics Conference in Kuala Lumpur March 15, "Drug abuse and illicit trafficking in drugs are among the greatest threats to mankind today. . . . The war against drugs has to be a total war."

## The Real Golden Triangle

Within Southeast Asia, Golden Triangle drug production is not under the control of governments. The Thai government's programs and law enforcement operations against the Chinese Kuomintang drug warlords in northern Thailand have brought production to a near standstill. In Burma, opium production is carried out by the separatist ethnic groupings at war with Rangoon, led by Chinese-Burmese warlord Khun Sa, head of the separatist Shan Army. The only exception is

Laos, where the government of Prime Minister Kaysone is known to subsidize drug production.

The real powers of the Golden Triangle drug nexus are not Laos, Burma, and Thailand, therefore, but the superpowers that oversee the international flow and financing of the drug trade in amicable accord—the People's Republic of China; the U.S.S.R.; and the United States.

Laos functions as Moscow's drug state in Southeast Asia, in the same way that the U.S.S.R. has been reaping the profits of the opium flow from Afghanistan. The financier overseer for the Soviets is the Moscow Narodny Bank, which is now increasing its trade in gold through Singapore, according to its own admissions, gold being a standard currency in the international drug trade. The Soviets are also believed to be the primary sponsor of the Burmese Communist Party, responsible for most of the opium production in Burma, although they in turn hand it over to Chinese-Burmese warlord Khun Sa for trafficking into the market. Khun Sa, meanwhile, has set up over 70 refineries in Laos, as his Shan operations were heavily hit by both Thailand and Burma.

The P.R.C., for its part, despite its "open door policy" toward the West and the U.S.-China rapprochement since 1972, remains as heavily involved in the dope trade as it was during the heyday of the Vietnam War, when turning American soldiers into heroin addicts was Chinese state policy. In the last two years, report knowledgeable sources, the Chinese have reorganized their drug operations, no longer relying on the Ch'ao Chou overseas Chinese as their financial conduits. The Ch'ao Chou, after years of such services, are no longer trusted by Beijing, since they have tended to pour their receipts into their home-base country instead of sending it back to the P.R.C. This is definitely the case with the Ch'ao Chou-owned Bangkok Bank, which was second only to the British-Chinese owned Hongkong and Shanghai Bank in its financing of Golden Triangle drugs. The P.R.C. is now relying upon gangs centered in Fu-chao, one of the main port cities in Fukien province, for conduiting drugs—still produced in Yunnan province—overseas for sale. The Fu-chao narcotics smuggling networks are reportedly closely tied to the Fukien Department of Public Security.

In the last six months, American financing of drug production in the "Golden Triangle" has also come to light. According to Thai law enforcement officials cited in the Bangkok press, Americans are financing marijuana production in Thailand, where the major marijuana producers are Vietnamese refugees settled in the northeast. According to the *Bangkok Nation* March 31, "The Americans come to Thailand, provide money, seeds, and fertilizer to Thai farmers, and induce them to grow marijuana." Modern agricultural techniques are used to ensure that the marijuana is of top quality. The Americans then buy the marijuana, pack it in waterproof wrapping, and ship it to the United States.

Other reports note that Americans are performing the same functions for marijuana growers in Laos.

## Project Democracy: The 'parallel government' behind the Iran-Contra affair

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# Shultz's Panama plots are floundering

by Gretchen Small

While Reagan administration officials debate whether the United States' international image can best be saved by kidnapping the commander of Panama's Defense Forces, invading Panama outright, or simply ordering all American businesses to leave the country, Committees in Defense of Panama are being set up, country by country in Ibero-America, to provide the infrastructure through which economic aid, and if necessary, military assistance, can be channeled into Panama.

The announcement April 7 that 210 Brazilian senators and deputies have founded a Committee of Solidarity and Defense of Panamanian Sovereignty (see *Documentation*), provides the most dramatic indication that support for Panama within the region is building, fast. The Committees are already organizing popular pressure, to force Ibero-American governments to act upon the commitment made "to consider [the government of Panama's] request for assistance" to withstand U.S. economic aggression, at the March 29 emergency session of SELA (Latin American Economic System).

The initial drive behind the mobilization to defend Panama, is the understanding that the principle of sovereignty itself is at stake. As *Excelsior's* respected political commentator, José L. Mejias, reminded his Mexican readers on April 3, Benjamin Franklin's old saying, "If we don't hang together, we will hang separately," summarizes the choice facing Ibero-America.

War has its own laws, however. What began as defensive unity, will soon pass over into discussion of the possibility of Ibero-America retaking the offensive on the international scene, raising the specter again of the "debt bomb" as the regional weapon of most efficacy to bring Washington back to its senses. The genie would then be out of the bottle.

Meanwhile, Soviet moles in Washington continue to pump out propaganda that only Moscow's clients back Panama's nationalists. The radical discrepancy between reality and the lie inundating Washington, that a U.S. invading force would be welcomed as liberators of Panama, only reaffirms *EIR's* insistence that Soviet strategists would like nothing better than to see the U.S. attempt to remove Gen. Manuel Noriega by force. Such an effort would be strategic disaster.

As April 1 came and went with General Noriega still commanding Panama's Defense Forces, despite a U.S. ultimatum that he leave by that date, U.S. policymakers have been forced to admit that they underestimated the character of the general, and exaggerated the strength of the opposition to the civilian-military alliance which Noriega leads. They have yet to figure out *why* they were so wrong, however, and so are proceeding to repeat the error on a larger scale.

Too accustomed to following the rules of the Establishment's game themselves, many in Washington assumed that General Noriega also played their game, and so, when the Establishment's orders came down, that he would simply step aside. They fail to understand, even now, that someone, in this case the general, could be so committed to his nation's independence and development, that he would be willing to put his life on the line, were that required to defend it.

U.S. actions against Panama have triggered a similar commitment among many in the Panamanian population. Militias are being formed with such names as "Sovereignty Brigades" and "Dignity Battalions," which have begun drilling under the direction of the Defense Forces. When Secretary of State Shultz's threats to send in a commando squad to capture Noriega were reported, a new slogan was adopted: "Every Patriot is Another Noriega." The question was raised: How many is the United States prepared to fight?

Even the well-heeled opposition parties have found themselves unable to rally their membership behind the party leaders' call for a U.S. invasion. The only opposition party with any base of support outside Panama City's financial district, the *Panameñista* party of Arnulfo Arias, is splitting over the issue of U.S. intervention.

The oligarchic top of the opposition, not-so-fondly named "white tails" by their countrymen, hope the United States will succeed in bringing them to power, but are complaining that they may lose too much money in the process. When the Civic Crusade's strike collapsed, U.S. officials and opposition leaders began muttering over the "yellow-bellied white tails."

So, Reagan administration officials scramble over one another to find a way out of the mess in which their war upon Panama has placed them. Shultz and his assistant for the Americas, Elliott "I Lie, And So What?" Abrams, compete for the title of maddest dog in town. Shultz demands the Marines rescue the policy he has ruined; Abrams insists that if the CIA cannot get the Defense Forces to kill Noriega, the International Emergency Economic Powers Act of 1977 must be activated against Panama, empowering the administration to prohibit any American companies from paying taxes and fees to Panama.

Cooler heads warn that such economic measures just might "do some permanent structural damage to trading relations . . . that are difficult to repair once the emergency is over." But while Pentagon officials continue to balk at the wildest military measures proposed, the madmen at the State

Department continue to push for them, step by step, to bury U.S. strategic interests upon the isthmus's Ancon Hill.

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## Documentation

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*The following Manifesto of the Committee of Solidarity and Defense of Panamanian Sovereignty was signed by 210 of Brazil's 559 deputies and senators.*

Whereas the sister republic of Panama is victim of an insidious interventionist campaign, like nothing since the times of Theodore Roosevelt's "Big Stick," a policy now replayed by President Reagan through his State Department officials, especially George Shultz and Elliott Abrams;

Whereas the economic and financial warfare measures launched by the North American government against Panama are causing serious harm to the people of that country, being contrary to the most fundamental principles of International Law, of self-determination of the peoples, and of coexistence between civilized nations, as consecrated in the 4th and 5th articles of the draft Constitution [of Brazil], already approved by the Plenary of the National Constituent Assembly;

Whereas such actions are directed against the Carter-Torrijos treaties, which assure the delivery of the Panama Canal to Panamanian sovereignty, and are also directed toward imposing a program of forced liberalization of their economy, with the objective of converting Panama into a "free trade zone," as publicly sought by former National Security Council adviser Norman Bailey's group;

Whereas in the current aggression by the United States Government against Panama are joined several private groups linked to the Wall Street banking systems, such as Arnold and Porter, the law firm of former Assistant Secretary of State William D. Rogers (which, conspicuously, the Brazilian government has contracted to represent our interests before the foreign debt creditor banks);

Whereas the North American attacks on Panama expressly violate the United Nations Charter and the Rio Treaty which created the Organization of American States;

And whereas, finally, our government has adopted a passive and negligent—and almost conniving—policy toward North American aggression, we, the members of the Constituent Assembly signed below have decided to organize:

A *Committee of Solidarity And Defense Of Panamanian Sovereignty*, declaring:

1) The defense of Panama's legitimate sovereignty constitutes the defense of the sovereignty of all the Latin American nations and of the principles of self-determination and non-interference in the internal affairs of other countries;

2) Economic—and possible military—aggression against Panama is aggression against all Latin America;

3) Repudiation of all designs which seek to impose a system of "limited sovereignties" in the Western Hemisphere;

4) The Brazilian government must negotiate with the North American government in regard to immediately suspending the economic warfare measures adopted against Panama, to eliminate all embargoes and freezes on Panamanian assets in the United States, as well as stopping troop shipments to that brother country;

5) Similarly, we demand our government give its solidarity to the Panamanian people, by giving economic aid;

6) Finally, we support unconditional compliance with the Carter-Torrijos Treaties.

*The following resolution, directed to President Raúl Alfonsín, was approved by the Chamber of Deputies in the Argentine Congress on March 25, 1988.*

### Motivation

Mr. President:

The North American government, ignoring the constitutional resolution of the Panamanian Assembly of Representatives of last Feb. 26, seeks to continue considering Eric Delvalle as President of Panama, which becomes a new interference in the internal affairs of the small Central American nation.

This determination of the Reagan administration has served as a pretext for suspending payment of the debt for use of the Canal, which is causing a difficult financial situation that aims at internal destabilization.

In turn, the United States of America has encouraged efforts toward implementing a regional economic boycott against Panama, and provoked the diplomatic isolation of the new government of Manuel Solís Palma, with the clear intention of creating conditions appropriate to carrying out a rapid-deployment military invasion, such as was done in 1983 with the Republic of Grenada.

For this, more than 7,000 troops have been sent to carry out maneuvers in the former Canal Zone, which is expressly forbidden by the inter-oceanic Torrijos-Carter treaties, signed in 1977, and which goes against the preservation of peace in Central America, which the Latin American countries—including Argentina—endorse.

For these reasons, we present the following resolution:

The Chamber of Deputies of the Argentine nation declares:

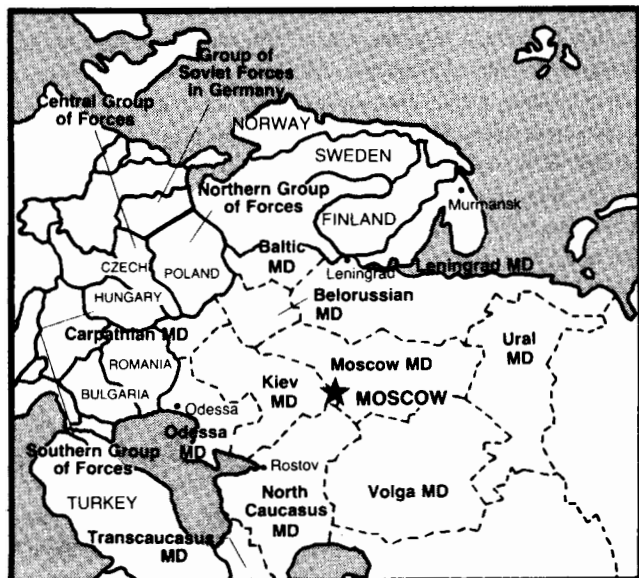
Its repudiation of United States government interference in the internal affairs of the sister republic of Panama, and rejection of the military maneuvers that that nation is carrying out in the former Canal Zone, because it considers them a threat to Panamanian sovereignty and to peace in Central America, which the Latin American countries—including Argentina—endorse.

# U.S.S.R. military: arms control has limits

by Rachel Douglas

Officials involved in preparations for the next Soviet-American summit and a possible strategic arms treaty, have reported a sensation that, "it was almost as if someone in Moscow had decided to put on the brakes." Even as the Soviet leadership readies this spring spectacular, which will have the President of the United States arriving to pay his respects in the Soviet capital at the very moment the Muscovite empire marks the millennium of its Orthodox Church, its military component is speaking more audibly and with force.

In a major article for the military daily *Krasnaya Zvezda* (*Red Star*) of March 20, Chief of Staff Marshal Sergei Akhromeyev questioned whether the arms control process would proceed. "Influential circles in the West—and it would be incorrect to ignore this," Akhromeyev wrote, "are frightened by the prospects of further easing of international tension and real disarmament. They voice doubts with increasing frequency: Should there be further progress along this path?"



Soviet Military Districts and Groups of Forces in High Command West.

Source: "Global Showdown Escalates," *EIR Special Report*, 1987.

A specification, that "doubts" have arisen also on the Soviet side, came in a March 16 *Izvestia* interview with Gen. V.M. Arkhipov, commander of the Moscow Military District. "The majority of the military . . . is for the treaty," he said, with reference to the Intermediate-range Nuclear Force (INF) treaty, signed last December; in other words, there lacks unanimity. "Different points of view are expressed," said Arkhipov, "Some think that, with the uneven reduction of these missiles, we will weaken the country's defense capabilities. They think that we don't need such a treaty."

In February, Arkhipov was promoted to the rank of General of the Army (four stars), as was Gen. N.I. Popov, commander of the Turkestan Military District on the Soviet border with Afghanistan.

## Ogarkov in Eastern Europe

These admonitions from top Soviet military commanders serve to illustrate, not that the locomotive has jumped the arms control track, but the underlying purpose of arms control as they conceive it—to secure military-strategic advantage. The Soviet high command's intention to maintain a mighty military machine, dominant over the continent that General Secretary Gorbachov's propagandists sweetly name "our common European home," was otherwise evident in late winter activities in the European theater—the territory of High Command West, under Marshal Nikolai Ogarkov.

On March 10, Marshal Ogarkov met in Poland with that country's defense minister, Gen. Florian Siwicki, and Gen. Lt. Ivan Korbuto, commander of the Northern Group of Forces (Soviet forces in Poland). He was accompanied by Gen. Col. B.P. Utkin, the chief political officer for High Command West. Their conference, reported in *Krasnaya Zvezda* the following day, confirmed that Ogarkov, now 70, continues actively to carry out his function as Western theater commander. It also reflected Moscow's concern about the instability of Poland (see "Poland's economy set to explode," *EIR*, March 25, 1988, Vol. 15 No. 13).

*EIR* learned recently, that Polish reserve officers, from the rank of captain up to colonel, have been summoned back to active duty. Soviet military contingency plans for Poland were also demonstrated, obliquely, by the movements of Utkin. In early 1988, *Kommunist Vooruzhonykh Sil* (*Communist of the Armed Forces*) reported that Gen. Utkin was present at a meeting in the Carpathian Military District. He would not attend such a meeting as a matter of routine, since the Carpathian MD nominally comes under High Command Southwest, commanded by Gen. Ivan Gerasimov from Kiev. The fact that he did, indicates that a unified command is in place, for all Soviet groups of forces and military districts bordering on Poland.

In mid-March, more than 17,000 troops of the Soviet Central Group of Forces (based in Czechoslovakia) and the Czechoslovak People's Army maneuvered for seven days in northern Bohemia, near southwestern Poland.

# Soviets out to force conventional cuts

by Luba George

One of the main purposes of the April 4-6 visit to Moscow of West German Social Democratic leaders Willy Brandt and Egon Bahr is to coordinate a plan—to accompany the INF treaty—for reductions in conventional military forces in Europe. This was signaled one week earlier, March 29, when the Soviet government newspaper *Izvestia* quoted West German Social Democratic Party (SPD) defense policy spokesman Andreas von Buelow, speaking in Parliament: “NATO has not taken the views of the Soviet government into account.”

The Brandt-Bahr visit was preceded by a year of little-publicized Soviet-German back-channel discussions on the subject. In May 1986, Andreas von Buelow, head of the Social Democratic Party's *Arbeitsgruppe über Alternative Sicherheit* (Working Group on Alternative Security Policy) discussed an SPD proposal for creating a largely demilitarized zone in Central Europe with Col. Gen. Nikolai Chervov, chief of a general staff directorate.

In May of last year, the Soviet Committee for Security and Cooperation in Europe sponsored the first international conference on the theme of “non-provocative defense,” or as the Russians call it, “non-attack defense.” The Soviets invited von Buelow, U.S. analyst von Hippel, and others to Moscow to discuss this. Under the rubric, “our common European home,” the “non-provocative defense” theme has become fashionable in West Germany, often brought up in parliamentary debates by the opposition to the Kohl government—the Green Party and the Social Democrats.

Activity escalated on the eve of the Brandt-Bahr visit. “Alternative defense” strategies were featured at a March 31 meeting in Hamburg of Soviet and West German generals, diplomats, et al. According to the Soviet news agency TASS, they met “to compare the military doctrines of the Warsaw Treaty Organization and NATO . . . and to discuss ways of lowering military potentials to the level sufficient for defense and precluding the capability for a sudden attack and offensive operations.”

At the time of the Hamburg conference, Walter Stuetzle, the new director of the Stockholm International Peace Research Institute (SIPRI), was in Moscow to discuss “non-provocative defense.” In an interview with *Izvestia* March 29, he revealed that SIPRI and Warsaw Pact experts, together with Swedish and West German defense analysts, are working on the idea.

A Feb. 8 *Pravda* article by Soviet Defense Minister Dmi-

tri Yazov set the mood for these debates. His purpose was very simple: intimidation. Yazov declared that a post-INF conventional war in Europe would be fought with “conventional weapons developed on principally new frontiers,” a reference to radio-frequency and related “emerging technologies.” Conventional force reductions are necessary because of the “dangerous military confrontation in Europe . . . where NATO and the Warsaw Pact face each other.” He then cited the “growth of non-nuclear potential,” where “conventional means have become, on the practical level, comparable to the consequences of nuclear war.”

Yazov had the subtlety one expects of a Russian. “War, using conventional forces, should it break out, can be deadly for Europe” with its high population density, and a conventional war would include “targeting centers of nuclear power plants, chemical industry complexes, hydroelectric and other energy complexes,” posing “great danger to the lives of people.”

## The Chernobyl treatment for the West

The Soviet defense minister's threat was echoed by Soviet military analyst V. Chernishev in the military paper *Krasnaya Zvezda*, on March 15 and March 29. “Wrote Chernishev, under the title, “Conventional War in Europe?” (March 29), the “consequences of conventional warfare” would be “catastrophic” “In order to demolish one atomic reactor, just a few artillery shells suffice,” and as for the after-effects of radioactive leakage, “It can be compared to an atomic bomb explosion.” Destroying a single 1,000-megawatt nuclear reactor would inflict loss of life and damages “equivalent to a one-megaton bomb explosion”; in terms of the long-term effects of radioactivity, “It's equal to an explosion in the 10-megaton range.”

“The tragedy of Chernobyl should serve as a reminder of that danger. . . . The bombing and shelling of such energy complexes in Europe would amount to over 150 atomic bombs.” At no loss for scary images, he also wrote about the Bhopal poison-gas leak in India which killed, poisoned, crippled tens of thousands of inhabitants; this should serve as “a lesson for those who want to fight a conventional war on the European continent.”

West Germany, one of the most densely populated countries of Europe, would be target number one. “In the city of Düsseldorf alone, there are 15 chemical plants and factories” producing lethal substances, including sodium cyanide, of which “just 15 milligrams are enough to kill a human being.” Other potential targets mentioned by Chernishev included the plutonium-producing “Alkem” plant in Hanau in the state of Hessen.

The same threat was voiced by the U.S.S.R.'s West Germany expert, V. Falin, at a recent West German-Soviet “round table” discussion. He said that with the high-density of nuclear power stations, “Chernobyl can happen in West Germany.”

## Cornering the terrorists in Punjab

*The government is readying police action, but the long-term solution depends on a change in development policy.*

**T**he Indian government's April 3 decision to seal the border between Pakistan and the two provinces of Punjab and Jammu and Kashmir is part of a tough law-and-order package to tighten the noose around the Sikh terrorists in Punjab. To block escape routes, the Jammu and Kashmir government has also banned the movement of vehicles at night in areas bordering Punjab.

At this writing, the details of the strategy to crush the terrorists have not been released. Press leaks say that special army-trained units will be sent in. At the end of March, the government put through parliament a constitutional amendment that will allow it to declare a state of emergency in Punjab on grounds of "internal disorder."

The action has been prompted by a new surge of terrorist violence. During the last two months in particular, the terrorists have gone berserk. In March alone, more than 200 people lost their lives in indiscriminate attacks on whole families and large groups.

New weapons have also surfaced. Police sources believe that the terrorists are now in possession of a large quantity of the Soviet-made RPG-7 rockets, first used in March. Rocket attacks have continued, the latest on the home of a leader of the moderate wing of the Sikh Akali Dal party. Among other sophisticated weapons used are Chinese-made AK-47 rifles and YE-36 grenades.

It is unclear why the terrorists have stepped up killing in the recent period. It is evident that the killers are becoming more and more isolated from the

mainstream Sikh population, and are taking revenge on those who have refused to cooperate with them. It may be a desperate move to provoke the authorities to lash back.

The militant Khalistan Council, which demands a separate Punjab state ("Khalistan") and which has a base in the holy Sikh shrine, the Golden Temple in Amritsar, has issued a warning against killing Sikhs. Though it is not yet clear how deep the fissures actually are among the militants, it is this apparent splitting and isolation of the terrorists which is the basis for the governments' recent political initiatives in Punjab.

Eliminating the terrorists' killing power by cutting off the flow of arms and confining their movements is crucial to the success of these initiatives.

The largely unpatrolled border between India and Pakistan, along Punjab and the disputed Kashmir area, has provided the terrorists with the opportunity to cross over into Pakistan whenever they were under pressure. Similarly, the heroin grown and refined in Afghanistan and Pakistan's Northwest Frontier Province has been the main "currency" for purchase of the weapons put to use in Punjab.

Indeed, some of the leading terrorists began their careers as drug smugglers—Harjinder Singh Jinda, the alleged killer of General Vaidya, the former Indian Army Chief of Staff, is a case in point.

Police action is crucial, but a lasting solution still depends on spurring rapid industrial development in the state.

For the more than five years that

Punjab has been in turmoil, countless analyses have been circulating, most of which center on sociological and ethnological rationales for the terrorism. Some, citing the Soviet practice of equating ethnic identity with nationality, have argued that India must adopt the same approach, that is, become a country of "nations." It is essential that this false and racist approach be defeated, because it is part of the problem.

The solution to Punjab's problem lies not in labelling the Sikhs a "nationality," but in quickly *industrializing* the state. Punjab has a very successful agricultural sector, whose productivity has released a large number of people from the land. But that large manpower pool has remained underutilized because of a dangerously counterproductive security policy by which strategically sensitive areas are to be kept free of industry.

As a result, the cities of Punjab lack industry and have decayed. The disparity in income between the hard-working farmers and the underemployed urban dwellers is increasing daily. The unemployed youth in the urban centers are still the leading recruiting ground for the terrorists today.

Rapid industrial development is the key. Punjab, for example, needs power and has been asking for a nuclear power plant for almost a decade. Since available coal is a distance away, it makes sense to build nuclear power plants in Punjab. In addition, Punjab's groundwater management must be worked out in such a way that agricultural productivity continues to rise. The state has been ready for an agro-industrial revolution for some time.

If the government provides Punjab with these "weapons," the arms in the hands of the terrorists will become worthless.



## Military challenges Barco

*Colombia's anti-drug military insists, "You don't defeat the enemy with dialogue, but with courage."*

**T**he anti-drug forces inside the Colombian military which are running ongoing anti-drug raids in that country have now directly challenged the Barco government's policy of "narco-tolerance."

Less than a month ago, President Virgilio Barco guardedly told the media that he opposed "direct dialogue" with the cocaine kingpins, after his own attorney general came out for amnesty negotiations with the narcos and legalization of the drug trade. Yet Barco never denounced, much less fired, Attorney General Alfredo Márquez Gutiérrez. It took the military to turn up sufficient evidence against Márquez to force his March 23 resignation. At a subsequent press conference, Márquez admitted to longstanding connections to the mob.

In March 2 statements to the media, Defense Minister Gen. Manuel J. Guerrero Paz declared that the military absolutely opposes any form of dialogue—with the drug traffickers or with the terrorist groups with whom they have allied. "Moral principles that have reigned in Colombia do not permit dialogue with certain groups," he said, "because they have truly distanced themselves from any moral concept. I believe that dialogue is not the path to solving this problem. We must confront the threat with courage, decision, and commitment."

The defense minister also referred to the government's ongoing policy of dialogue with the country's narco-terrorist groups: "Dialogue with the guerrillas has been fruitless. . . . I am a friend of dialogue, but only when it is frank and sincere. What sincerity

can a drug trafficker offer when he sits down to dialogue?" It was no accident that the military's first raids on the Medellín Cartel properties last month were actually conducted in pursuit of M-19 terrorists, reported to be conspiring with the narcos on a new terror plot.

General Jaime Ruiz Barrera, the commander of the Medellín-based IV Army Brigade which has been on the front lines in the war with the Medellín Cartel, has given a series of press conferences in recent weeks which have made public a small fraction of the evidence that military intelligence is collecting against mafia-corrupted elements within political and business layers. Exemplary is one revelation from confiscated documents and tape recordings of the existence of a Cartel spy in the attorney general's office. Other evidence revealed also implicated former national tax director Alba Lucía Orozco de Triana in taking mob bribes.

Numerous other initials of individuals working with the mob have turned up in those documents. Gen. Ruiz Barrera has told the media that those names are now fully known to military intelligence, but are not ready for release. There can be little doubt that the military would not hesitate to release those names, should the Barco administration try to "legally" pull the rug out from under their anti-drug operations.

General Ruiz also reported that at least 61 military raids were carried out in Medellín in the last week of March, with 331 arrested and vast arsenals seized. In addition to uncovering the

names of government infiltrators, business collaborators, and military spies working for the Cartel, evidence of the Cartel's real estate manipulations over the past 10 years are now also coming to light. The use of vast estates as covert airstrips for trafficking operations were disguised by the mafia with multiple title transfers over years.

Forewarned that the Medellín Cartel has hired 15 lawyers to lodge human rights violations complaints against the military, the Defense Ministry has preemptively sponsored its first human rights seminar at the Nueva Granada military university, at which the president, attorney general's office, and Church are represented—in addition to the armed forces.

The military's refusal to be distracted from its anti-drug offensive is generating widespread nervousness—and threats—from the "citizens above suspicion" who run political cover for the drug mafia. Among them, no doubt, is former Colombian president Alfonso López Michelsen, who held secret amnesty negotiations with the infamous Medellín Cartel of cocaine traffickers back in 1984, just after the mafia assassination of Justice Minister Rodrigo Lara Bonilla. López was later discovered to have accepted campaign contributions from Cartel leaders like Carlos Lehder, currently on trial in Florida.

It was, not surprisingly, the López Michelsen-linked daily *El Tiempo*, which offered grudging admiration for Gen. Ruiz Barrera in its March 3 editorial. Describing the general as a "Rambo," the editorial continues: "Without truce, the general pursues the narcos, and no one can deny that this fight is one of life or death—and more of death for those who confront the drug trade. The general knows the risks."

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# International Intelligence

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## ***Italy favorable to new U.S. air base***

During his April 1 visit to Rome, Secretary of State George Shultz was told by Italian leaders that NATO studies were "favorable" to establishing Italy as the new home of the 72 U.S. jet fighter planes ordered out of Spain at the end of 1987. Shultz spoke of his Mideast "peace plan," as well as the air bases, in his meetings with President Francesco Cossiga, Foreign Minister Giulio Andreotti, and Defense Minister Valerio Zanone.

An announcement after Zanone's meeting with Shultz, said NATO studies "are proceeding in a very satisfactory manner and have furnished favorable indications."

Shultz also met privately with Pope John Paul II April 2, and attended Easter Sunday Mass at St. Peter's before departing for his five-day, five-nation Mideast tour.

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## ***Israel supplying China with advanced warheads***

Israel has signed a secret deal to supply advanced missile warheads to China, according to London's *Sunday Times* April 3, but Israeli Defense Minister Yitzhak Rabin has denied it, according to the *Washington Times* the following day.

"Evidence is accumulating that an enormous arms trade between the two countries has been going on for years," the London paper wrote. The *Sunday Times* described details and named five members of an Israeli negotiating team that traveled secretly to Beijing Nov. 22-27, 1987, using fake Filipino passports.

One member of the team, Israel Radomsky, told the *Sunday Times* the mission had the approval of the "highest levels of the Israeli government."

The report identified the other members of the Israeli team as Willie Zalmon, Hanoch Ayalon, Shmuel Elad, and Asa Ziv, adding that they were assisted by Israel's consul-general in Hong Kong, Reuven Mer-

hav.

The lid was blown off the operation when Israeli middleman Zvi Gafni was arrested in Hong Kong. Gafni had a previous drug conviction in Hong Kong and was under suspicion of links to international arms dealers, cocaine smuggling into Mexico and the United States, illegal sale of computers to the communist bloc, and distribution of counterfeit U.S. dollars, according to the *Sunday Times*. Mossad agent Merhav had been sent to Hong Kong by David Kimche to assist in the arms deal, according to the newspaper.

Kimche has been working for Shaul Eisenberg since October 1986, when he was ousted from the Foreign Ministry after Shimon Peres took over the ministry. Eisenberg is the "richest man in Israel" and the "key Israeli figure in the China trade." He is linked to two other Iran-Contra figures, Al Schwimmer and Ya'acov Nimrodi. Eisenberg, who is the biggest independent trader in Chinese products, has been making a survey of China's industrial needs, at China's behest, since 1984, and has organized a \$6 billion consortium of European firms, including Salzgitter of West Germany, Alsthom of France, and ACEC of Belgium to develop the coal-rich Yunnan region.

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## ***Knights of Malta selecting new sovereign***

In mid-April, 36 electors will gather in Rome "in solemn and secret conclave, to elect a blue-blood sovereign for history's oldest chivalric order and the world's smallest state," the April 2 *Los Angeles Times* reported. The Knights of Malta will be selecting his Most Eminent Highness Prince and Grand Master of the Military Hospitaller Order of St. John of Jerusalem, of Rhodes, and of Malta, to replace the deceased Angelo de Mejana di Cologna, who was elected in 1962.

Only 22 Europeans are eligible. They can "trace noble lineage on both sides of their families for at least 200 years," the *Times* said.

The 36 electors will include two Americans. "One, interim order leader Giancarlo Pallavicini . . . studied biochemistry at Columbia University and worked at the NIH in Washington," while the other is "businessman J. Peter Grace." Also members of the order are former Secretary of State Alexander Haig, Chrysler chairman Lee Iacocca, and Washington, D.C. mob lawyer Edward Bennett Williams.

The order's choice will have to be ratified by Pope John Paul II, as required in the order's constitution.

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## ***Soviets in pogrom against Ukrainian church***

The Russian Orthodox Church, "with active support of the Communist Party and local authorities," has been conducting a pogrom-like campaign to take over "illegal" Ukrainian Catholic parishes in the western Ukraine, sources at the Vatican in Rome report.

The Ukrainian Catholic or "Uniate" Church was outlawed by Stalin. It owes allegiance to Rome.

The Ukrainian church in Kalinovka was invaded and disrupted during Christmas Eve services by police and local officials, in evident reprisal at the priest of the church there, Fr. Zeleniuk, who had defended Uniates' claim to legality. A ranking provincial official later turned over Zeleniuk's church to Russian Orthodox priests.

Similar incidents, leading to seizure of Uniate churches by Russian Orthodox priests, have occurred at Nahachiv, Ustia, and Starychi.

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## ***New era in tuning launched in Milan***

World-renowned opera singers soprano Renata Tebaldi and baritone Piero Cappuccilli addressed a conference in Milan, Italy on April 9, which was held to launch a movement to return to the classical norms of tuning, before A-440 and even higher

pitches were imposed.

The conference was convened by the Schiller Institute, founded by Helga Zepp-LaRouche, the wife of Lyndon H. LaRouche, Jr., who has written numerous articles on the scientific basis for a tuning of C-256. Mrs. Zepp-LaRouche addressed the gathering of approximately 200 in this world capital of opera, invoking the ideals of the poet Schiller as the model for advancing the whole of society through art.

Speeches and greetings were sent to the conference by many well-known musicians, among them tenors Luciano Pavarotti, Alfredo Kraus, and Plácido Domingo, soprano Anneliese Rothenberger, violinist Wolfgang Schneiderhans, and the head of the organ department of the Pontifical Academy of Music.

Miss Tebaldi was greeted by a standing ovation, and spoke for half an hour on the damage which too-high pitch has done to voices and instruments. Seventy musicians signed an Appeal to Lower the Pitch.

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## Russians call for space-launch inspections

In their latest effort to derail the American Strategic Defense Initiative, a Soviet memorandum, published by TASS, and said to have been submitted to the Geneva disarmament talks on March 17, offers to open the Soviet space program to full international inspection if other nations do the same. It also proposes to bar the deployment of weapons in space.

"The principal goal of establishing an international space inspectorate is to take measures to verify that any objects being launched into and orbited in space by states party to the agreement are not weapons and are not provided with any type weapons," the Soviet proposal said.

The proposal called for on-site inspections immediately prior to every space launch and the permanent stationing of international inspector groups at all launch sites.

The Soviets defined space objects as any

craft intended for launching and orbiting in space, thus excluding ballistics missiles.

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## Soviet fleet spotted in Sea of Japan

A fleet of six Soviet warships led by the aircraft carrier *Novosibirsk* was spotted cruising north in the sea of Japan some 200-300 kilometers off Wajima in Ishikawa Prefecture early on April 4, Japan's Maritime Self-Defense Force reported. An MP6-class missile supply ship thought to be carrying SS-N-5 anti-sea and anti-ground attack nuclear missiles, was part of the fleet, which moved to waters some 80 kilometers north of Iki island, Shimane Prefecture, by noon.

The Soviet fleet was believed to be present because of the *Team Spirit '88* U.S.-South Korea military exercise now under way in South Korea.

It was the first time since August 1987 that the 37,000-ton *Novosibirsk* belonging to the Soviet Pacific Fleet has been confirmed operating near Japan.

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## Threat to Thailand is real: Sigur

The recent battles between Thai troops and Laotian invaders in the border region of Phitsanuloke is evidence that Thailand's status as "a front-line state" is more than rhetoric, Gaston Sigur, U.S. Assistant Secretary of State for East Asian Affairs, said the first week of April.

Speaking to the House Appropriations Committee about the \$442 million he said was needed in aid to Thailand in FY1988, Sigur noted that Thailand is in the process of restructuring its armed forces to face not only the armies of Laos and Kampuchea, but also the over 150,000 Vietnamese forces in those two countries.

"Together, these armies significantly outnumber the Royal Thai Army, without considering the even larger and better equipped military units in Vietnam itself," Sigur said.

# Briefly

● **IRANIAN** or Iraqi jetfighters crossing into Turkish airspace will be shot down without warning, announced Turkey's prime minister, Turgut Özal, on March 28. He made the announcement after an Iranian jet fighter's bombardment of the Turkish town of Habur on March 24. Habur is a strategic crosspoint for trade between Turkey and Iraq. Iran later apologized, calling the incident a "mistake."

● **CHINA** is experiencing an epidemic of hepatitis. More than 600 people have died in the northwest, according to London's *Daily Telegraph*. The health ministry is officially saying that, in the last 18 months, 122,000 cases of the infection have been reported. In Shanghai, the disease has killed 11 people, but infected more than 400,000. Hepatitis spreads under conditions of poor sanitation.

● **SOVIET SPIES** are being sent to Israel, before being given assignments elsewhere, according to Isser Harel, founder of Israel's Mossad. His statements were reported in the March 29 *Jerusalem Post*. "One Soviet method of planting spies in other countries has been to send them through Israel," he said.

● **FRENCH DEFENSE** Minister André Giraud warned Libya April 6 not to attempt to use the diversion represented by the French presidential election period to launch new attacks on Chad. He reported the Libyans to be massing troops and tanks at Chad's borders. France will "meet its commitments" and defend Chad, said Giraud.

● **400,000 BOOKS** were destroyed by fire at the Leningrad library, Soviet press now admit. The Feb. 14 fire consumed, among other collections, the tracts, letters, and manuscripts of G.W. Leibniz, Western historians believe. One Soviet official called the fire "a cultural Chernobyl."

# Defense: a crisis budget, or a budget in crisis?

by Leo F. Scanlon

If anyone doubted that the cost-cutting mania of the U.S. financial and political establishment was leading toward surrender to the Soviet Union, a review of the 1989 defense budget should be sufficient to demonstrate the point. The cost-cutting thrust of this budget is both a supplement to, and motivation for, many people to accept strategic debacles such as the INF Treaty and the impending START agreement. In effect, the Defense Department is adapting to the Kissingerian view that the United States must adapt to a reduced international role, a decline to the level of a second-rate power.

The budget submitted to the Congress by Secretary of Defense Carlucci represents a sharp departure from the proposals submitted over past years by Caspar Weinberger, both in the concept and the execution of the program. For the first time in many years, it is stated that the primary purpose of the budget proposal is to comply with the fiscal restraints imposed on the nation by the economic policies of this administration, and secondarily, to shape the necessary cuts in a way which will not upset the illusion of the Reagan defense build-up.

The concept is formulated in a general way by Secretary of Defense Carlucci, who writes: "While we would like to reduce the risks to our security interests to an absolute minimum, we must also recognize that we have entered a period of constrained resources that will see our military force structure shrink and our overall defense capabilities reduced." While this may seem to be an unusually blunt statement, it is actually euphemistic in the extreme.

Admiral William J. Crowe, chairman of the Joint Chiefs of Staff, told the Senate Budget Committee, "Four years of negative growth in U.S. spending for defense is just beginning to play out in terms of reduced military capabilities. Simply put, this year's budget manages to limit short-term risks by relying on yesterday's programs and nourishing some

of our more promising R&D efforts. . . . We cannot, however, begin to field these new systems—or avoid further precipitous cuts in force structure—unless Congress provides the necessary resources."

The problem is that the current defense budget is the product of the November 1987 "Budget Summit," where, in the shadow of the October stock market crash, the White House and Congress agreed to impose sweeping austerity measures throughout the budget. Thus, this proposal is \$33 billion *less* than last year's proposed spending level.

Admiral Crowe further warned, "In essence, it is important to understand that this is only the beginning of greater downstream risks in the defense planning and programming process. . . . Several years of negative growth in defense spending inevitably will lead to dangerously reduced capabilities and force structure."

Again, this is a very mild description of the process which has been unleashed in recent years. In order to have any reference for what is happening to the defense budget, it is necessary to go back to the last period of wholesale defense budget cuts—the Nixon administration—for a model.

When Defense Department officials go to the Congress to warn of the dangers inherent in cuts in defense spending, they ritually refer to the "spending cuts of the '70's" which are the cause of all problems now facing the military. A casual reader of the chronicles might think that this refers to the Carter administration. A chart on page 122 of the budget proposal, which shows the real growth in defense budget authority since 1970, proves to be quite a shocker to such a reader of "the chronicles."

This collapse of defense spending occurred at the close of the Vietnam war, from 1969 or so until 1976. In this period, the Nixon-Ford era, the real growth in defense spending ranged between a -10-12% and a -3-4%—never

reaching zero! The last year of this period (FY1976, or a budget created in 1975) and the first year of the Carter administration (FY1977) saw major increases in defense spending, up to positive 5%. In real terms, the Carter administration was able to spend more than the Reagan administration has succeeded in wringing from the Congress.

One of the not insignificant developments in this period was the return of two U.S. brigades to Europe, Brigade '75 and Brigade '76, forward brigades for the 1st Cavalry and the 4th Mechanized Divisions, an accomplishment that has been quietly forgotten in the second term of the Reagan administration, for reasons which will be examined below.

## **The U.S. is leaving Europe**

One of the little-noticed features of the "Reagan build-up" is that the last-mentioned brigade is no longer in Europe! There is only one army in Europe which has cut an active brigade-size unit on NATO's central front in this decade, and that is the U.S. Army. The cited brigade was a frontline brigade for the defense of the Fulda Gap, facing Soviet T-80 tanks. It disappeared into the intermediate-range nuclear force buildup during the early 1980s, and could not be replaced because of manpower limitations imposed by legislation sponsored by Sen. Ted Stevens of Alaska. (He is planning to do the same thing to U.S. forces in Japan.) The INF weapons systems have been withdrawn by Reagan—but the manpower will not be replaced.

Although this type of sleight-of-hand is not normally pointed out publicly, every relevant official in Europe and the Soviet Union knows that it has occurred, and that more will follow. And, as the timing of these events shows, the putative policy of the party in power in the United States has no bearing on such matters. What does? The financial and diplomatic maneuvers which are conducted between the Russian and Euro-American elites.

The previous collapse in defense spending occurred at the same time as a series of events remarkably similar to those which mark the end of the Reagan administration. The collapse of the Bretton Woods monetary system, heralded by the removal of the dollar from gold, and related moves orchestrated by Paul Volcker, George Shultz, and other Nixon/Reagan officials, was the first phase of the long-term crisis which reasserted itself beginning in October 1987. Budget crises, responded to with wage controls and other austerity measures, shaped the spending policies on the surface.

More importantly, a series of "regional matters agreements" were negotiated with the Soviets, signalled by the 1969 announcement by Nixon and Kissinger, of the "Guam Doctrine," an assurance to the Soviets that the United States would abandon its costly venture in Vietnam. Strategic affairs were dominated by the ABM treaties and the SALT negotiations, which shackled U.S. technological and scientific research, obviating the need for expanded defense spending on R&D. The confluence of these policies drove the brutal defense cuts which severely crippled the military

forces of the United States.

The austerity policies of the Nixon-Ford-Carter administrations did not resolve the crisis of the world monetary system, nor have the inflationary policies of the Reagan administration, and in neither case have concessions to the Soviets been justified on strategic grounds. In spite of that, the policy elite in the United States insists on using the same methods to deal with this crisis. This time, the disastrous effects will be manifest sooner.

## **Manpower problems**

The collapse of the draft contributed to what began to be called the "hollow army"—tables of organization and equipment with no troops. The current leadership of the Pentagon is committed to avoiding that horrifying situation at all costs, but the problem is a formidable one. The modern volunteer army is the first in U.S. history to allow enlisted men, below a certain rank, to support a family. The wage bill for this is high. The bill for support services is also high. These costs are fixed costs which cannot be deferred, and which become proportionally larger as the budget shrinks. The current strategy is to preserve the structure of the military, even if it means axing vital procurement programs. Since current plans are based on incremental increases in defense authorization—increases which will never occur under the current economic policies of the administration—this strategy is already causing problems.

The DoD proposal warns, "Just as in the 1970s we are being forced to delay important programs, reduce training, defer maintenance, and curtail plans to complete stockpiles of ammunition, spare parts and other essential equipment. These stretchouts are adding greatly to our costs. . . ." The one solution which has not been whispered in public, is to return to a draft army—a policy which is feared by an establishment which knows that there is little or no popular support for the military initiatives it is contemplating south of the border. Senior military officials admit that the fiascos of the Reagan administration, such as the Beirut disaster, would have had incalculable political effects if the victims had been draftees.

Added to this general problem is the congressionally mandated 6% cut in officer strength; a policy which will hit very hard at experienced officers in the rank of major, lieutenant colonel, and colonel, and lieutenant commander, commander, and captain in the Navy. This will contribute to the erosion of the aviator community in all the services, and will hurt the Navy's efforts to retain invaluable nuclear-trained officers. The negative effect on the future of the officer corps will be identical to the demoralization of the early 1970s.

Force structure cutbacks will occur on a wholesale level, with the scrapping of plans to activate a Light Infantry Division scheduled to be deployed to Alaska, and the planned deactivation of the New Mexico National Guard Rolad Air Defense Unit. Needless to say, procurement plans for items like advanced sensor equipment for the Guard and Reserve

## The programs cut

The following is a list of program terminations, by service, under the administration's defense budget.

### Army

Aquila Remote Piloted Vehicle (planned to be a major purchase from Israel, to compensate for its loss of the LAVI jetfighter).

Anti-Tactical Missile (replaced by upgrade of the Patriot)

EH-60 helicopter (vital to replace aging fleet of Vietnam era craft)

M-198 howitzer

120 mm Mortar,

Copperhead projectile (R&D completed)

### Navy

A-6F aircraft (important modernization of tactical fleet anti-radiation seeker)

High frequency anti-jam radio (both items vital on the ever-evolving electronic battlefield)

Skipper naval airship (important platform for radar

defense against cruise missiles, and for anti-drug surveillance)

### Air Force

ASAT (the Soviets have four systems, all U.S. surveillance and battle management satellites are vulnerable, with no countervailing threat)

Minuteman III upgrades

AGM 130

Airborne command post replacement

C-27 aircraft (the Air Force must plan on using charter planes to move troops and equipment)

Other cuts in the Air Force programs are related to the dramatic collapse of U.S. space capabilities which is ongoing, and will be treated in future articles.

### Security assistance programs

We simply quote Admiral Crowe's testimony to the House Foreign Affairs Committee:

"To put all of this into perspective, the security assistance request for FY 1989 is not one I would have recommended to the Secretary of Defense, the National Security Council, or the President. It is too lean given our basic national interests, our global security commitments, current threats to international peace and stability, and planned (budget-driven) reductions in our conventional force structure."

have been delayed until approximately the year 2000.

Termination of equipment purchases is the next target, after the manpower costs have been squeezed as much as possible. In the 1970s, this was partly done by slowing down the rate of replenishing supplies lost in the last years of the war, and was not noticed because of the anti-war sentiment of the era. More importantly, the strategic agreements reached by Kissinger with the Soviets on SALT and ABM matters, masked the impact of the witch-hunt against scientific research carried out by McNamara several years earlier. By 1969, almost every major development project, from water projects to the space program, was on hold. The military lost more than its share nonetheless.

### Cuts to hit civilian economy

Current defense planners foresee a negative effect from this round of budget cuts which will last well past the year 2000! And that is based on wildly optimistic assumptions about future U.S. budget deficits. The program terminations proposed so far will have an enormous effect on the civilian economy, with many of the cuts targeted at systems which have been fully developed and are ready to go into production—thus employing thousands. While this "meat-ax" approach saves more money more quickly than stretching procurement out over a number of years, it has a correspondingly more radical impact on the economy. This is a fact which the Pentagon correctly points out for propaganda purposes, but

has never presented the numbers to illustrate the point.

It has also been pointed out by defense analysts that the savings achieved by stopping a program which has already undergone its R&D phase, are the most illusory, as the R&D is the most costly part of any weapons development program, and is recouped only if the weapon is produced in large volume. These are the most expensive "savings" possible (see box).

What will the allies think of all of this? One must remember that it was the United States which closed down the lines of communication across France during the 1950s for budgetary reasons—a decade before France withdrew from NATO. The Reagan administration sleight-of-hand with U.S. troop strength in the 1980s has been cited. It is an open secret that the Dutch Army currently deploys more Leopard II tanks in Europe than the U.S. deploys M1A1 Abrams tanks, and so on. The allies will draw the conclusion that is being scripted for them—a Europe left to make its own arrangement with the major military power on the continent, the Russian Empire, will have little choice.

### Where the debate was scripted

The current Congress is made up of representatives panicked over the collapse of federal spending and support measures in their home districts, and they are more than ready to enact radical and extreme proposals for destroying vital elements of the defense infrastructure, in the hopes that this will

free up a penny or two of funds for their constituents. Absent the effect of an enormous crisis, this Congress will support the proposals now circulating for removing U.S. troops from Europe, and it will seriously consider removing major elements of U.S. military capabilities from Japan and other parts of Asia. It will support these proposals because they are being presented by the same murky grouping of private institutions and select members of the government which crafted this budget proposal.

As usual, the Georgetown University-linked Center for Strategic and International Studies (CSIS), has written the script which will be played out, living theater style, in the defense departments and parliaments of the NATO nations over the coming months. As readers of this publication are aware, the political dramas which erupt into the headlines of the newspapers and electronic news media are rarely "authentic" events. The CSIS is the most important of several institutions which hold political "war games" to study and script the responses which mere elected governments will be allowed to act out in the face of a crisis.

A recent CSIS production, designed to shape the after-effects of the current defense cuts, was published on Dec. 18, 1987 under the title, "NATO: Meeting the Coming Challenge." It was prepared by the Project on a Resources Strategy for the United States and Its Allies. The team doing the script was led by David M. Abshire, former U.S. ambassador to NATO and special counselor to the President, and also included Robin Beard, former NATO assistant secretary general for defense support. To lend verisimilitude to the production, Phillip Karber, a former director of the National Defense University, and arguably one of the sharpest defense analysts in Washington, was brought in as a contributing editor.

The study is actually the blueprint for the transition to the next U.S. administration. The fine tuning of the script will await a series of international conferences, to set the stage markers and prompts, for whichever of the establishment's actors will actually "play" the role of President.

The report begins by setting the stage thusly: "Confronting severely constrained defense resources in the years ahead, a new Administration and new Congress will be forced to conduct an 'agonizing reappraisal' of America's national security objectives, commitments and strategy. Excruciating choices will have to be made, choices with long lasting implications for the nation's security.

"Effective choices for the nation's security will be those which better coordinate, integrate and allocate national resources. . . . A defense resources strategy—must be developed and implemented, one which gets the most out of limited defense resources."

The writers then go on to identify the sub-theme of the coming policy period. "Developing an effective defense investment strategy is complicated in many Alliance countries by the cracks that have appeared in the defense consensus. Severe budget problems interact with increasingly strident

partisan politics to wrack many Alliance nations. In the United States, issues of defense investment and burdensharing are bound to enter the political arena in the 1988 election. Every candidate is sure to demand a better return on the taxpayers' dollars invested in defense."

Not surprisingly, the U.S. Congress just happens to have a "burdensharing committee" which is chaired by Pat Schroeder (D-Colo.)

CSIS promises, "Future reports will consider other aspects of the European security environment, including arms control, from this Resources Strategy perspective." Assuredly, this report will appear prior to the writing of the cue cards for the President's next meeting with Gorbachov. "Additional reports will also focus on the choices, tradeoffs, and implications of U.S. defense investments and those of its allies in the Persian Gulf and the Pacific." And they will appear as soon as the "regional matters" negotiations between the State Department and the Soviets are concluded prior to the summit.

### The 'post-INF' NATO

The CSIS script-writers propose two conferences to shape the NATO "consensus" on the issues facing a post-INF Europe. The first issues to be faced are the need to "enhance its crisis management effectiveness," a term which covers a small array of bureaucratic proposals, culminating in the creation of a "small crisis management secretariat" to support the NATO Secretary General and NATO headquarters.

This first summit will occur in early 1988, probably shortly after the Congress confirms the austerity budget proposed by the administration, and will "be based on careful prior consultation among Allies to establish mutually agreed priorities." There will be an array of proposals for various conventional arms modernizations, matters which will be necessary and useful, and which will occupy the time of various staff officers throughout the alliance.

Finally, "A second Alliance heads-of-government meeting could be scheduled late in 1988 or early in the next U.S. administration to review progress on implementing the Action Plan and chart the way ahead." All of this will be busy-work, designed to obscure the fact that on the policy level, there will be no actual military defense of Europe allowed by NATO. This issue will be determined, according to the Establishment, by the diplomatic negotiations between the United States and Europe.

This is illustrated by the fact that the CSIS study conspicuously avoids mentioning the revolution in Soviet arms and military organization which is being driven not by diplomatic negotiations, but by the dogged pursuit of military applications of scientific research flowing from their "SDI" program—a program which has no match in the West.

The final sentence of the report's summary gives the clearest indication of who is setting the defense agenda for these thinkers: "Gorbachov has anchored his agenda on two summits; NATO should be wise enough to do the same."

# Doing the establishment's dirty work: Is Jackson a spoiler for Bush?

by Kathleen Klenetsky

Jesse Jackson's overwhelming victory in the Michigan Democratic caucuses March 26 catapulted him into the national limelight. The pundits suddenly decided that he was a force to be reckoned with, a serious politician with a growing mass base who could, possibly, march into the Democratic convention this summer armed with the most delegates and demand the presidential nomination. That prospect, which would guarantee yet another smashing defeat for the party in November, set party leaders' eyes to weeping and teeth to gnashing.

Jackson's subsequent loss to Mike Dukakis in Wisconsin has quieted the hysteria somewhat. But the Jackson threat—to the party and to the American people, black as well as white—remains.

It has long been rumored among Washington's cognoscenti, that Jackson is an asset of the George Bush apparatus, and that his assigned role in the 1988 campaign is to turn the party into a shambles. That is precisely what Jackson is doing. Even if he doesn't win any of the upcoming major primaries in places like New York or California, he will almost certainly continue to amass a large portion of delegates, which will give him even greater bargaining power at the convention.

Much to the delight of Republican politicians and commentators, the Democratic leadership now finds itself caught between a rock and a hard place. It can either accord Jackson the rewards his primary victories demand—a place on the ticket being the most obvious—or it can mount a “stop Jackson” movement, which will rip the party apart. Either way, the party stands to lose—and George Bush stands to gain.

## Creating a fascist movement

In the meantime, Jackson is serving his masters by transforming his “Rainbow Coalition”—that motley assortment of gays and lesbians, nuclear freezeniks, Qaddafi and Hitler admirers, ecology freaks, prototerrorists, and other perverts which served as the vehicle for his 1984 presidential bid—into a mass fascist movement, modeled on the SA, the left

wing of the Nazi movement, and their modern-day heirs, the Soviet-controlled Greens of West Germany, whose American branch has been claiming Jackson as their great hope since the 1984 presidential campaign.

Their hopes are not misplaced. Assisted by a gaggle of high-level advisers, Jackson has worked on broadening his appeal beyond the radical fringe, through a variety of tactics. He has taken great pains to cool down his formerly hot relationship with Black Muslim leader Lewis Farrakhan (who created an uproar—and a host of political problems for his pal, Jesse—in 1984 when he called Hitler a “great man” and labeled Judaism a “gutter religion”), and has replaced his standard diatribe against white America, with a demagogic, populist pitch directed to white farmers, industrial workers, and others who have been impoverished by the Reagan recovery.

(He has not by any means abandoned his Rainbow Coalition constituents, a fact underscored by, among many other things, his continued courting of the gay lobby. Jackson staunchly opposes mandatory AIDS testing, contact tracing, and other standard public health measures, and has also gone on record endorsing a proposal that the government recognize homosexual marriages, and endorsed “the rights of lesbians and gay men to child custody.”)

Despite the rhetorical appeal which Jackson's attacks on the multinationals, defense of the family farms, and tough talk on drugs may have, the program which his “experts” have created, could not pose a greater threat to the well-being of the very people, black and white, whose defender he purports to be.

## Austerity at home

Just take a look at the roster of his chief policy advisers and campaign strategists, beginning with national campaign manager **Willie Brown**. Jesse has said repeatedly that eradicating illegal narcotics is one of his top priorities, and has castigated the Reagan administration for failing to wage an aggressive war on drugs. But Brown, the speaker of the California assembly, has been doing the drug lobby's dirty



work for decades. He has not only served as the chief lobbyist for the the mob's Atlantic City casinos, and a representative for Seagrams and Cadillac Fairview, both key links in Dope, Inc.'s global chain of money laundering and drug distribution, but also sits on the board of the National Organization for the Reform of Marijuana Laws (NORML), the chief institutional promoter of drug decriminalization in the United States. Brown has also sponsored his own drug decrim legislation. And Jackson claims he's committed to fighting drugs?

Worse, Brown is scheduled to keynote a major international conference in San Francisco in mid-April convened by two leading pro-euthanasia groups, the Society for the Right to Die and the Hemlock Society, to promote euthanasia as an alternative to "costly" medical treatment for AIDS victims. And just where is AIDS hitting hardest now? America's minority communities, the people Jackson claims to represent, but who will be subjected to Nazi-like extermination, thanks to people like campaign manager Brown.

It's only fitting that Jackson's economic program has been crafted by one of the biggest austerity mongers in the United States: **Felix Rohatyn**. A partner in the international investment bank of Lazard Frères, Rohatyn is perhaps best known as the architect of "Big Mac," the bankers' dictatorship which "solved" New York City's mid-1970s financial crisis through a combination of pension swindles, wage cut-backs, and wholesale destruction of city services. This is the fellow whom "friend of the worker" Jackson calls "one of the great minds of our day," and wants to name to a top cabinet post, most likely Treasury. It is from Rohatyn that Jackson has obtained his proposal for a "Third World Marshall Plan," which, despite its promising title and talk about debt relief and development, was designed for the express purpose of propping up Rohatyn's friends in the bankrupt money-center banks.

Rohatyn may be the most prominent of Jackson's advisers, but the others share his commitment to making the American population pay for the stupidity of the Eastern Establishment. Jackson's top day-to-day economic adviser is **Carol O'Cleireacain**, an economist with the American Federation of State, County and Municipal Employees. Trained at the London School of Economics, O'Cleireacain helped cook up the Big Mac swindle. Her main contribution to Jackson's program is a proposal for taking hundreds of billions of dollars in workers' pensions and putting them in a federal investment bank, which would ostensibly finance infrastructure projects.

On the advice of these experts, Jackson has embraced a farm bill sponsored by Sen. Tim Harkin (D-Iowa) and Rep. Richard Gephardt (D-Mo.), which proposes to ameliorate the terrible crisis afflicting the American farm sector, and especially family farmers, by drastically limiting agricultural production, and raising food prices to consumers by a whopping 25% minimum.

## Appeasement abroad

The situation gets worse in the foreign and strategic policy realm: The Jackson campaign's chief foreign policy adviser, **Robert Borosage**, founded the notorious Institute for Policy Studies, the Washington-based left-wing think tank which has been in the forefront of the "disarm America" movement. IPS's co-founder, **Marcus Raskin**, also pitches in. Jackson gets additional input on foreign policy from **Norman Birnbaum**, a professor at Georgetown University, who is on intimate terms with the leaders of the West German Greens, and wants to create a Green movement in the United States.

But his most important foreign-policy mentor has been **Hunter Pitts "Jack" O'Dell**, executive director of Jackson's PUSH (People United to Save Humanity) organization, who, according to *Commentary* magazine and other sources, has long-standing ties to the Communist Party USA and its various fronts, and was believed to have been elected a member of the CPUSA's National Committee in 1959.

This gang has charted what the candidate calls the "Jackson Doctrine," which, in line with his previous statements hailing Fidel Castro and Mikhail Gorbachov, call for:

- pulling American troops out of Western Europe and sharply reducing all American military commitments abroad;
- terminating all aid to countries which export drugs to the United States, even though this would play directly into the drug lobby's hands. Most of the countries which export drugs have simply been overwhelmed by the power of the narco-terrorists, and desperately require additional American assistance to defend themselves.
- imposing a unilateral nuclear freeze: "We must suspend deployment of new nuclear weapons," then "challenge the Soviets to do the same."
- slashing the defense budget by 25%;
- cancelling the B-1 bomber, the MX missile, the Trident submarine, and the Strategic Defense Initiative.
- cutting off assistance to UNITA in Angola and the Afghanistan resistance, but aiding the terrorist African National Congress, which savagely murders moderate black Africans by placing a tire around their necks and setting it on fire;
- overthrowing U.S. allies in strategic places. Jackson enthusiastically supported the Reagan administration-backed coup against Ferdinand Marcos, and just recently sent a letter to Manuel Noriega demanding that he step down.
- blocking exports from any country which are produced under substandard labor conditions;

Jackson's general campaign strategy is being managed by **Anne Lewis**, the ultraliberal former political director of the Democratic National Committee, and sister to Rep. Barney Frank, an ultraliberal Democratic congressman from Massachusetts who recently "came out of the closet" with great fanfare. Another campaign elder statesman is **Bert**

**Lance**, a key member of the machine which elected Jimmy Carter, and which is now rallying behind Jackson.

Although Carter has not personally endorsed anyone, his brother Billy and daughter Amy have both given their enthusiastic support to Jackson. Apparently not in the least fazed by Carter's role in promoting genocide against people of color generally, and black Africa in particular, through his administration's infamous Global 2000 report, which called for eliminating 2 billion "excess" people in the Third World by the year 2000, Jackson has said that Carter would make an ideal Secretary of State.

### **Jackson: opportunist par excellence**

Being both a boundless opportunist, and a shrewd manipulator of the public, Jackson makes an excellent candidate to run as a "spoiler," as well as to figurhead a national fascist movement.

His ability to channel popular discontent into an irrational, jacobin movement, was honed at the University of Chicago's cult-formation and mass-brainwashing center. Jackson attended Chicago Theological Seminary, one of the "cluster" of divinity schools associated with the University of Chicago, which churns out dozens of gnostics and mother-goddess worshippers, and gives them "field training" by deploying them to Chicago's black ghettos.

While in Chicago, Jackson picked up the finer points of counterinsurgency organizing from Saul Alinsky. A key founder of the American New Left, Alinsky pioneered the idea of community control and played a singular role in creating Chicago's gang structure, notably, the Black P-Stone Rangers, now known as El-Rukn, leaders of which were convicted in Chicago last year for conspiring to assassinate "enemies" of Muammar Qaddafi.

As part of his training, Jackson helped organize the P-Stone Rangers into an organization called Black Men Moving, which attacked white policemen and whites in general. In the 1970s, the *Chicago Defender*, a black-owned newspaper, published a series of articles by Roy Harvey, later reprinted in *EIR*, which documented that the gangs were being used to burn down homes in black neighborhoods to permit real estate speculators to purchase the property so that the University of Chicago could expand.

In the mid-1960s, Jackson deployed into Dr. Martin Luther King's Southern Christian Leadership Conference. Initially impressed with the young Jesse, King named him director of the SCLC's economic arm, Operation Breadbasket. But Jackson's opportunism and overweening personal ambition proved too much for even King, who, five days before his assassination, basically told Jackson to leave the SCLC because his pragmatism and constant criticism was interfering with its mission. "Go ahead, Jesse," King said, after Jackson at one point refused to stop criticizing King's tactics, "If you want to carve out your own niche in society, go ahead. But for God's sake, don't bother me. Don't bother me."

This falling-out did not prevent Jackson from exploiting

the assassination to grab King's mantle for himself. King's closest allies in the SCLC, including Dr. Ralph Abernathy, who has repeatedly charged that Jackson's main problem is that he is "overly ambitious," bitterly recall Jackson's actions immediately after King's assassination on the balcony of the Lorraine Motel in Memphis. Jackson, who was in the courtyard at the time, somehow managed to smear blood on his shirt, and then, after telling other members of the SCLC not to speak to the press, arranged, through Chicago "fixer" Don Rose, to go on television himself, where he claimed that he was the one who cradled King's head as he died, and to whom King uttered his last words.

For this cynical act of self-aggrandizement, which gave him the leverage he needed to position himself as King's heir apparent, Jackson earned himself the undying enmity of many black leaders, including Dr. King's widow.

Unfortunately, their protests were not sufficient to prevent the Establishment from dubbing him the new leader of America's black community.

In December 1971, the SCLC board suspended him for "administrative impropriety" and "repeated violation of organizational discipline." Jackson resigned, and, with the encouragement of Chicago's most important financial and political interests, among them the Field family, Playboy, et al., promptly set up PUSH (People United to Save Humanity).

What could have been a useful vehicle for advancing the civil rights struggle, was instead used by Jackson to further his own ambitions. According to various sources, Jackson employed PUSH as a virtual extortion racket. He would threaten to lead a boycott of a certain company's products, unless the company agreed to hire more blacks, or do business with more black firms. That's all well and good. But when the target agreed, Jackson or one of his minions would present a list specifying which people should get jobs, and which black entities should business. Does it come as a surprise to learn that many of the designated beneficiaries were personal friends or supporters of Jackson, including his half brother, Noah Robinson, who received lucrative contracts from Coca-Cola and Heublein after PUSH boycotts. White firms weren't the only targets of Jackson's inventive schemes: Local black businessmen and leaders were also hit for contributions.

Despite its reputation, PUSH raked in huge grants from such groups as the Ford Foundation, and the Carter administration, whose HEW Secretary, Joseph Califano, saw to it that federal funds kept flowing Jackson's way. And PUSH did exactly what Jackson wanted it to do: It gave him national political clout, money, and a staging ground for his 1984 presidential bid.

Dr. King's death deprived black—and white—Americans of a great leader. The Establishment's subsequent coronation of Jackson not only represents a gross insult to Reverend King's memory, but a serious setback to King's vision of a better, more prosperous, and more just America.

## Judge orders more files disclosed to defense

by Our Special Correspondent

Federal Judge Robert Keeton, presiding over the LaRouche case in Boston, Massachusetts, ruled April 6 that five more secret FBI files contain information which should have been disclosed to the defendants in the trial. Keeton made a preliminary finding that the government had again violated its legal obligation to provide exculpatory evidence to the defense. Just the week before, the judge had ruled that a number of other documents, relating to government informant Ryan Quade Emerson, should be released to the defense.

At the same time the government submitted an affidavit by an FBI "classification officer," which stated the reasons why two other FBI files cannot be disclosed for national security reasons.

The government's continued refusal to release classified information means that the court must invoke the Classified Information Procedures Act (CIPA) in relation to each of these files, Judge Keeton said. He then gave each side two more days for the filing of briefs before the CIPA hearing is scheduled to resume on April 11. Keeton noted that the soonest that the jury could resume hearing evidence, would be Tuesday, April 19.

### Police-state tactics challenged

The explicit subject of the CIPA hearing is what remedy has to be provided to the defense, given that the government refused to release material which was exculpatory to the defense, and thus violated its obligation of disclosure. The potential remedies range from government admissions, to a mistrial, to dismissal of the case.

Up until approximately six weeks ago, the prosecution had acted with complete abandon toward its obligations of disclosure to the defense. This denial of rights to the defense was then dramatically exposed when defense attorney Daniel Alcorn revealed a telex from Irangate principal Richard Secord to former NSC aide Oliver North which mentioned "info against LaRouche." The telex was received under Freedom of Information Act procedures from the office of the Independent Counsel, not from the Justice Department.

Since that time, even more material that had been suppressed has come to light. The FBI's position, however, has continued to be that it has the right to suppress relevant

material on LaRouche and other defendants because it is classified under national security. Should the FBI's view prevail, the trial would move ahead without the defendants having access to critical material on which the government has based its political prosecution of LaRouche and his associates.

On March 30, Judge Keeton finally challenged the government's police-state tactics, by ruling that the withholding of material had been in violation of law, and that the classified materials were exculpatory to the defense. What is still not clear is what the government will do in response.

### Decisions to be made

Judge Keeton told prosecutor Markham on April 6 that the government must now decide whether or not the information as to the reasons for the classification will be disclosed to the court. Markham said that he would seek to have an expanded affidavit from the FBI classification officer for the court April 7.

The government's decision may not be simple. For example, in the affidavit submitted April 6, the FBI classification officer, Philip W. Thomas, not only restated that two documents on Emerson which were previously examined by the judge were "secret," but also refused to "confirm or deny" whether Emerson himself was telling the truth when he testified under oath that he was an informant for the FBI.

Yet, prosecutor Markham, who is supposed to represent the government, filed a document entitled "admission of relevant facts that classified documents would tend to prove," which stated that Emerson had had an informant relationship with the FBI for many years.

The last time Markham had a disagreement with the FBI over the release of a classified document, he threatened to withdraw as federal prosecutor in the case because of what he described as a "conflict of interest." The conflict was only resolved by the release of the document in question.

In that case, the release of the document, citing activity by private intelligence agents against LaRouche, resulted in the judge ordering a full government search of indices relating to these individuals—Lewis, Howard, and Tucker. The results of that search, which were to include the office of Vice President George Bush, have still not been reported to the court. Markham is supposed to produce a status report on the search April 7.

### Ollie North's documents

The defense is seeking still more documents relevant to government infiltration and harassment of LaRouche and his associates. To this end, defense attorney William Moffitt announced in court April 6 that he has subpoenaed Lt. Col. Oliver North for testimony and his 21 notebooks, in search of more evidence. Documents have already supported the defense's early contention that North's rogue operations targeted LaRouche, among others, due to his opposition to the policy of arming the Contras.

# Police state piloted in Virginia county

The same "secret, parallel government" that shipped U.S. arms to the Khomeini regime to fund the Contra war in Central America, sought to turn Loudoun County, Virginia into a mini-police state, according to recent testimony at a trial in Boston, Massachusetts. According to Loudoun County Deputy Sheriff Donald Leigh Moore, Jr., that clandestine police state effort has been, and continues to be, partly financed by Loudoun County tax dollars.

This story emerged during an evidentiary hearing ordered by Federal District Court Judge Robert Keeton to determine the extent of government misconduct in the prosecution of Lyndon LaRouche and six other defendants on charges of conspiracy to obstruct justice.

One key feature of the domestic covert interagency operation was recounted by Deputy Moore during several hours of testimony on March 28. Moore, who joined the Loudoun County Sheriff's Department in January 1984, has been a deputized Special U.S. Marshal since December 1987 (such a status has been the hallmark of special interagency operations during the Reagan-Bush era, according to federal law enforcement sources). By no later than September 1987, Moore was sent by Loudoun County Sheriff John Isom to Boston to work for the U.S. Attorney's office. According to Moore's testimony, while working full-time "on loan" as a "facilitator" for Assistant U.S. Attorney John Markham, his salary has been paid by Loudoun County.

Moore did not specify who was paying his expenses, which include a furnished apartment at The Devonshire, one of Boston's most luxurious and expensive high-rise apartment towers.

To hear Moore tell his story, the FBI's 18-month LaRouche probe on allegations of credit card fraud was "fixated" and at a dead-end when FBI Special Agent Timothy Klund of the Alexandria, Va. field office, whom Moore referred to as the "redheaded stranger," invited him to Boston to make a presentation at a war council convened by U.S. Attorney William Weld in early February 1986.

Moore told the court that, despite the fact that there were "no specific or solid allegations of wrongdoing" against LaRouche or any of his associates, by no later than summer 1985 he had begun amassing files and putting together a network of informants monitoring the activities of LaRouche and his associates—including Ryan Quade Emerson, who according to court-released documents, has been a confident FBI informant since 1964, and who was surveilled entering a LaRouche office.

Under what authority did Moore launch his spy network, which conducted continuous surveillance of the "stone house," an office used by LaRouche associates on South King Street in Leesburg? "They were strangers in town, judge," Moore told the court. "They were buying expensive cuts of red meat. . . . People began dropping by to see me with information."

About Emerson: "He was untrustworthy. . . . His bills were unpaid and then he shows up with hundred dollar bills. . . . He didn't keep his fly up. . . . [O]n several local occasions he was confronted as a 'LaRouchie' and he denied it. . . . He [Emerson] was publishing a newsletter on terrorism out of his house in North Fork on the old Kelly farm. The newsletter was garbage."

## Civic action, 'Vietnam style'

Pressed by defense attorney Odin Anderson to account for his expertise in intelligence methods, Moore launched into a detailed account of his experiences in Vietnam as a Marine Corps civic affairs officer, whose job it was to set up informant networks in captured villages, referred to as "strategic hamlets," to root out and eliminate Viet Cong infiltrators. This was the "hearts and minds" program, Moore told the court, adding that he had been put through a special civic action training course at the JFK Special Warfare Center at Fort Bragg, which taught him techniques for gathering and evaluating "intelligence."

Moore's civic action work continued at home after Vietnam. He told the court he served in the Fourth Civic Affairs Group in the Marine Reserves. Marine Corps sources have described the unit as part of the Pentagon-Federal Emergency Management Agency civil defense structure, that would take charge of government functions during a period of national emergency.

Moore's testimony, cross-gridded with testimony at the congressional Iran-Contra hearings, suggests that some people around the North-Secord NSC "secret government" decided to jump the gun and impose emergency measures, minus the emergency.

Moore's personal relationship to Lt. Col. Oliver North goes back to when both were battalion commanders and one-time tent-mates in the 3rd Marine Division, Kilo Company in Vietnam in the late 1960s. While Moore denied having maintained personal contact with North after 1969, Moore was somehow designated as the principal media source of photos and war stories on North when the Iran-Contra affair hit the headlines in November 1986.

A second Irangate track, to be explored in future articles in this series, centers around one of Loudoun County's other suspected Irangate figures, Donald Lowers. The owner of American Security Systems, an electronic security systems company with offices in Leesburg and Middleburg, Virginia, Lowers is a former associate of Edwin P. Wilson of Mt. Airy Farms at Upperville, Virginia, the ex-CIA agent now in federal prison for selling arms and explosives to Qaddafi.

# Why Abrams agreed to arrest drug lord Matta Ballesteros now

by D.E. Pettingell

In a long-awaited coup against the cocaine-running Medellín Cartel, Ramón Matta Ballesteros, one of the world's top drug lords, was captured in his native Honduras and immediately sent to the United States. He arrived April 6, after formal arrest by U.S. Marshals in Puerto Rico. Matta is wanted as the "intellectual author" of the 1985 murder of Drug Enforcement Administration Special Agent Enrique Camarena in Mexico. He is also under indictment in California and Arizona. U.S. officials think Matta was the source of a shipment of more than 8,000 pounds of cocaine seized last year in Florida; it had a street value of \$1.4 billion.

"I think he far surpassed Lehder in terms of the volume and value of the cocaine he moved," U.S. Marshals' spokesman Steve Boyle stated. "If he isn't the number-one, I don't know who is." Carlos Lehder is a notorious member of the Medellín Cartel currently facing trial on drug charges in Florida.

Matta settled in the Honduran capital, Tegucigalpa, in 1986 after bribing his way out of a Colombian jail. He was described as living like a billionaire, very much in the public eye. Since 1986, years before the U.S. media decided to expose the fact that the drug lord was enjoying life under the benevolent eyes of the Honduran authorities, *EIR* denounced the phoniness the Reagan administration's war on drugs. The United States was attacking the national institutions of Panama, Mexico, and Colombia, allegedly wanting them to "do more" against drugs, while the administration itself was supporting the drug-running mercenaries called the "Contras" and, for example, refusing to use its almost unlimited leverage over the Honduran government to force it to arrest Matta. But then, Honduras was very "cooperative" in the Contra policy. Why harass them with the Matta "detail"?

Matta's detention April 6 corresponds more to a political decision by Assistant Secretary of State for Inter-American Affairs Elliott Abrams than to any administration "commitment" to join other nations in fighting the drug mafia. Abrams opted to "sacrifice" Matta to cover up his own responsibility for the drug connections of the Contras. In early February, when the Senate Subcommittee on Terrorism, Narcotics, and International Operations, chaired by Sen. John Kerry (D-Mass.), was holding hearings on Gen. Manuel Noriega's

alleged drug ties, and was blaming the administration for looking the other way to preserve Noriega as an "intelligence asset," Abrams pushed through Noriega's indictment Feb. 5.

Matta's arrest took place on the second day of Kerry's hearings into the Contras and drugs. It is an act of desperation by Abrams, an attempt to calm his critics on Capitol Hill. If not, why wasn't he arrested before? "Elliott called me twice last night to give me the good news," Kerry told reporters the morning after.

By ordering Matta's detention, Abrams is also attempting to set a precedent for kidnaping General Noriega. The difference is that Noriega is the popular military leader of Panama, and any U.S.-sponsored attempt to take him by force would unleash a civil war inside Panama and send the whole region up in flames.

## Relying on thugs and money launderers

While exposing the criminal activities of the Contras and their U.S. sponsors is a good idea, Kerry isn't up to any good. His hearings are, by design, helping the Medellín Cartel against anti-drug efforts in Ibero-American nations; Kerry and Sen. Alfonse D'Amato's (R-N.Y.) goal is to put up the propaganda screen required to give the Panama treatment to other Ibero-American countries who have not totally supported the administration's policies in the region.

"You have lost the war on drugs," convicted money launderer Ramón Milián Rodríguez told Kerry with a grin. "Foreign governments, the armed forces, are totally coopted" by the mob. Those who are not are "dead."

Senator D'Amato agreed with the money-launderer. "The nations may be weak, may be precarious, but it is not difficult to see how they enjoy the situation." Whatever is said against any national government is taken at face value, reported in newspapers, and aired on national television the same evening. No one bothers to cross-check the information, much less to question it.

Convicted drug trafficker Michael Vogel, whose sentence was reduced from 45 to 12 years for collaborating with law enforcement officials, told the subcommittee April 5 that he had a meeting in 1979 with then-Col. Manuel Noriega and

then-President Gen. Omar Torrijos, to discuss smuggling drugs from Panama to the United States. Vogel claimed he rejected the Panamanians' offer because he thought Torrijos and Noriega were "extremely greedy" when they demanded \$100,000 per trip.

A complete fairy tale! Would a military leader of the stature of Omar Torrijos, even were he interested in running drugs, take the risk of personally meeting with an obscure American drug-pusher? On the other hand, during the U.S.-Panama negotiations on the Canal Treaties of 1978, Torrijos was subjected to close scrutiny by U.S. law enforcement agencies and Congress. Both concluded that he was not guilty of any of the wrongdoings his enemies were then charging.

Vogel wove a similar incredible yarn on a "Mexican general" who he claimed offered him the use of an airstrip in Oaxaca for drug smuggling in return for \$50,000 per trip. Vogel said he rejected the "offer" after he learned that the "general" was torturing two jailed American drug-pushers by forcing them to inhale Coca-Cola with jalapeño pepper—a rather mild pepper by Mexican standards!

The only documented piece of information that Kerry's hearings have generated is copies of the contract signed by the State Department's Nicaraguan Humanitarian Assistance Office, supervised by Abrams, with Vortex, Inc., a small Miami air freight company run by pilot Michael Palmer, another self-confessed drug-runner. The "contract" shows that the State Department paid \$100,000 to the drug-pusher.

Palmer told the subcommittee that in early 1986, before his company was chosen by the State Department out of the "yellow pages" to fly nonlethal supplies to the Contras, he had been indicted on drug charges in Detroit. He claims the indictment was dropped after the U.S. Attorney learned that he had become a "documented informant" for U.S. Customs and DEA. Vogel, however, who was Palmer's drug partner for years, says that Palmer was not prosecuted because he ran supplies for the Contras.

Vogel's account is coherent with Abrams's policy of forgiving anyone who helps the "Contra cause." Former U.S. Ambassador to Costa Rica Frank McNeil, who took the witness stand April 4, and who quit in 1987 after a confrontation with Abrams over the Contra issue, told the subcommittee that in 1984, Abrams interceded on behalf of Honduran General José Bueso Rosa, when Bueso was indicted on drug charges and conspiracy to assassinate the President of Honduras.

McNeil explained that the general had a "past usefulness to the Contra program"—and he also probably had in his possession evidence on Contra connections to drugs. As a result, Bueso got a lighter sentence. McNeil took the opportunity to criticize the Honduran military for failing to do anything about Matta Ballesteros, "a satrap of the cartel."

## **Mexico next**

Senator D'Amato stated that he hopes that Matta will give "evidence" on Mexican law enforcement officials' al-

leged complicity in the assassination of Camarena. "I'm tired of the Mexican rhetoric," D'Amato said.

As the April 15 deadline approaches for the vote in Congress to "decertify" Mexico and other countries for not cooperating with U.S. anti-narcotics efforts, the "get Mexico" campaign is escalating. Sen. Pete Wilson (R-Calif.) called Mexico's "pervasive corruption that allows drug smugglers to establish a 'government within a government'" a danger to its stability and a source of "acute tension" between the United States and Mexico.

"Along with other countries, like Bolivia, Peru, Colombia . . . Mexico harbors a new form of international terrorist—the kind who does his dirty work with a needle instead of a bomb," Wilson stated March 17.

A longstanding enemy of Mexico, William Von Raab, U.S. Customs Commissioner, recently told a House committee that he had personally directed that all collaboration with Mexico be cut off because Mexico's law enforcement agencies have been taken over by the drug mafia.

Von Raab's wild exaggeration provoked a bitter diplomatic protest by the Mexican government. In a letter addressed to Secretary of State George Shultz March 21, Mexican Ambassador to the United States Jorge Espinosa de los Reyes said that Von Raab's testimony does not reflect Mexico's perception that the United States desires to collaborate with Mexico in the war on drugs. "It is inadmissible for my government that an official of the U.S. administration . . . formulates unfounded public accusations against the government of Mexico," the note reads.

In hearings before the House Select Committee on Narcotics March 29, Abrams threatened Mexico. "Our ability to deal with Mexico constructively on the problem of narcotics will affect our ability to deal with Mexico on a whole range of other important issues. We are concerned that some officials of the Mexican government have been corrupted by the narco-traffickers," he said.

Rep. Robert Dornan (R-Calif.) revealed that Abrams had given the green light to release to the media the tape-recording of Enrique Camarena's torture and assassination. Sources told this news service that Abrams was "furious" because of Mexico's condemnation of U.S. intervention in Panama and that the Camarena tape was meant to teach Mexico a "lesson." According to Dornan, in the tape, Camarena begs his captors to allow him to live so he can raise his children. Dornan said that if the tape is played on national television, Abrams fears that the reaction of the American public against the Mexican government may be too strong to control.

Self-confessed liars like Abrams may speak all they wish of "corrupt officials" in other countries. Ibero-Americans, however, may be more concerned about the growing evidence that the Washington-backed Contras have been running drugs. On April 7, it emerged that Oliver North knew about the Contras' cocaine shipments. It may well soon come out that Elliott Abrams also knew and condoned them, along with George Bush.

## Austrian lawmakers defend Waldheim

Two leaders of the Volkspartei, the conservative wing of the ruling coalition in Austria, granted an exclusive interview to *EIR* during a visit to Washington April 8 aimed at improving U.S.-Austrian relations, especially in light of the U.S. offense against Austria based on false information about President Kurt Waldheim's role as a soldier during World War II.

Dr. Friedrich König, the floor leader for the Volkspartei in the Austrian Parliament, and fellow parliamentarian Dr. Josef Hocht, told *EIR* April 8 that the charges that Waldheim was involved in Nazi war crimes originated with his Social Democratic opponents in Austria, and have been answered by a thorough inquiry by an independent, international commission.

They said that a falsified document from Yugoslavia, published in the West German magazine *Der Spiegel*, has been discredited, and that *Der Spiegel* was forced to print a retraction. As a result, they said, the Waldheim issue has now disappeared from the headlines in Austria, even though the United States continues to insist on its abhorrent policy of refusing Waldheim entry into this country.

The two parliamentarians spoke of Austria's frustration at U.S. actions in this matter. "There is a danger to democracy here which should not be

overlooked," Hocht said. "When a people vote 54% for the candidate of their choice, and the U.S. ignores that in its dealing with the legally elected head of state of that country, then the people begin to think that democracy doesn't have any meaning."

Why the U.S. government, by blacklisting Waldheim, would so deeply insult an ally that stands on the front lines of the defense of Western Europe, has most leaders in Austria puzzled. One theory is that the scheme of former National Security Adviser Zbigniew Brzezinski for a "military free zone" as a buffer between East and West in Europe would run into its stiffest opposition in Austria. Although Austria is neutral, as Dr. König pointed out, it is neither indifferent to the East-West division (it clearly favors the West), nor unable to defend itself militarily.

Therefore, it is speculated that the anti-Austria campaign is aimed at stirring up Americans against any attempts by Austria to resist this "neutral zone" idea, which has the support of Sen. Sam Nunn (D-Ga.), and may surface in a major way during conventional arms control talks.

The campaign has included the disgusting U.S. coverage of the 45th anniversary of the Nazi "Anschluss" takeover of Austria. The U.S. media characterized the Austrians as eager to embrace the occupying Nazis and as full, witting collaborators in the atrocities of Hitler. When the Austrian ambassador wrote a letter to the editor to the *New York Times* to try to correct this distortion, the *Times* refused to print it.

Dr. König and Dr. Hocht said that, in reality, the family of President Waldheim was distrusted and harassed by the Nazis. Hocht, who comes from the same district as Waldheim, gave a detailed account of this. He said that Waldheim was forced, as a very young

man, to join the army, as everyone was at that time, but had absolutely no role in Nazi atrocities.

More important, he pointed out, was the role that Waldheim played since the war in the name of peace and justice, including as Austrian foreign minister and as Secretary General of the United Nations. "It should be known to citizens of the U.S. with how much esteem Mr. Waldheim is held in the Third World today for his contributions," he said.

It should also be known, he added, what a prominent role Austria plays in receiving refugees from the East bloc. As the head of the Human Rights Commission of the Austrian Legislature, Dr. Hocht said that no fewer than 278,000 Soviet Jews have found their way to freedom through Austria, as well as 116,000 Jews from other East bloc countries. He said about two-thirds of these subsequently choose to go to the United States, and one-third to Israel.

## SDI office grovels before Nunn

Spokesmen for the Department of Defense and its Strategic Defense Initiative Office conceded April 7 that the latest scheme by Sen. Sam Nunn (D-Ga.) to derail the SDI has been taken under "serious review" by the SDI office. The proposal, called the "Accidental Launch Prevention System" (ALPS), would fundamentally alter the first-phase deployment of a ballistic missile defense system, making it a point-defense against a hypothetical accidental launch of a single warhead.

Asked by *EIR* if they weren't worried that this was just another ploy by Nunn to curtail the SDI, the Pentagon's Dr. Kent Stansbury said during a press conference, "We don't want to say anything to aggravate Senator Nunn."

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# National News

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## Senate to start INF debate in April

When the Senate returns from its Easter recess April 11, it is expected that one of the first items it will deal with is setting a date for the beginning of the INF debate. Sen. Robert Byrd (D-W. Va.) is, according to one source on Capitol Hill, anxious to get the ball rolling, as he believes that there are a lot of questions that are going to be asked and reservations raised before the dust settles.

Byrd would like to railroad the treaty home with the amendment now appended to it, which states than any statements by government spokesmen during the hearings as to the significance of the INF treaty would be considered authoritative. This amendment has raised a furor among some Republican senators who feel that it has been added to the treaty by the Democrats in order to give the President a black eye. The amendment would be applied by its authors to the ABM Treaty in order to justify their claim that the ABM treaty calls for a "narrow interpretation"—that is, the Soviet interpretation, which would seriously restrict U.S. SDI research.

The "authoritative interpretation amendment" will be the real subject of debate, according to the aide of one Democratic senator. "The INF floor debate could become an ABM debate, or even an SDI debate," as one source put it.

Other amendments are in the works. Sen. Jesse Helms (R-N.C.) and Sen. Ernest Hollings (D-S.C.) are both interested in lifting the INF ban on conventional ground-launched cruise missiles (GLCM). These missiles, they argue, are the only conventional weapons which would disrupt Soviet supply lines during a conventional attack on Western Europe.

Such an amendment could gain support from even pro-INF senators who are concerned with beefing up conventional defenses.

As the debate drags on, however, the

real decisive factor will be how quickly the situation deteriorates for Gorbachov in the Soviet Union itself. If the Gorbachov factor comes unglued in the Soviet Union itself, then, according to one Hill source, "It's an entirely new ballgame."

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## Drug-bust question: Who laundered dough?

After U.S. Attorney General Edwin Meese, FBI Director William Sessions, and U.S. Attorney for New York Rudolph Giuliani announced the biggest drug bust in U.S. history, involving the networks of the so-called "Pizza Connection," the interesting question that arises is, which banks functioned as the money-laundering institutions for this vast network?

More than 200 people have been arrested or are being sought by police in the United States and Italy, most belonging to the criminal network of the Gambino family. But so far, little has been said about the "respectable" banks and bankers who had to be knowingly involved.

In a 1986 Lugano, Switzerland trial, State Prosecutor Bernasconi, going after the Swiss side of the "Pizza Connection," gathered evidence pointing to the E.F. Hutton and Merrill Lynch investment houses in Lugano as part of the heroin money-laundering network. At the time of the transactions involved, Merrill Lynch was chaired by former White House Chief of Staff Donald Regan, while E.F. Hutton at the time was headed by Scott Pearce—George Bush's brother-in-law.

In a case that may or may not be related, Hutton officials have agreed to plead guilty to two felony counts of laundering money for organized crime officials, facing fines of \$1 million or more on those counts, U.S. Attorney Lincoln C. Almond said April 1 in Providence, R.I. Almond said that Hutton officials tried without success to wriggle out of criminal charges. "That's the normal policy with respect to these cases, and I couldn't see any reason why Hutton should be exempted from that," Almond said.

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## Bush called key in Irangate dope link

A lawyer for the Christic Institute has named George Bush as the key person responsible for the drug-running involved in the Contrasupply "Enterprise" of Oliver North and Richard Secord.

At a press conference in Washington April 6, Christic staff attorney Daniel Sheehan presented a 300-page "Declaration of Plaintiff's Counsel," filed in connection with the Institute's civil racketeering lawsuit against Secord, Albert Hakim, Gen. Jack Singlaub, and 26 other Irangate figures.

Sheehan pointed to the "private covert operations set up by [ex-CIA official Ted] Shackley, [ex-CIA official Ray] Cline, and Secord, but under the direction of former CIA chief George Bush. These were not ordinary criminals," Sheehan said, "but they were attempts to subvert fundamental principles of our government."

In response to a question from *EIR*, Sheehan pointed to two functions of the vice president which put him in direct control of the drug-linked covert operations division: his role as head of the Task Force on Drugs, and as head of the Task Force on Anti-terrorism. In both instances, Sheehan said, people directly connected to drugs and covert operations were brought under the wing of the vice president. "There was an alliance between the head of covert operations, George Bush, and the heads of the drug cartel," said Sheehan.

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## Weld, Burns, and Fried asked to testify

The Senate Judiciary Committee has asked William Weld, Arnold Burns, and Solicitor General Charles Fried to testify at a hearing April 15, which will delve into the alleged wrong-doings of Attorney General Edwin Meese. Weld headed the Justice Depart-



ment's Criminal Division, and Burns was Deputy Attorney General, until their resignations at the end of March, ostensibly because they no longer wished to serve under the "corrupt" Meese.

However corrupt Meese may be, *EIR's* sources indicate that Weld and Burns resigned after they failed in a powerplay, on behalf of George Bush, against the last of the "Reagan men," Meese.

According to the April 5 *Washington Post*, Weld has protested that the hearings should be held only after special prosecutor James McKay's investigation of Meese's role in the Wedtech scandal is completed. "They might get in the way of what Mr. McKay is doing," Weld said.

For his part, Fried, still in office, said he would testify. "On being confirmed, one makes a commitment to testify before duly authorized committees. I have no hesitation to honor the invitation. I'm not going to speculate about what they want to hear about," Fried added. "When I hear their questions, I will react to them."

## Medicare rules hurting patient care

Internists at the nation's hospitals who answered a survey conducted in March by the American Society of Internal Medicine, indicated that new Medicare rules are severely hurting patient care.

The internists stated that they frequently delayed admissions of sick patients until they were "sick enough" to pass Medicare's standards. Doctors are pressured to release patients early to keep costs within the amount Medicare reimburses for a specific illness or diagnosis-related groups (DRGs). Physicians said they were pressured to change their standard medical procedures or face not being reimbursed by a Peer Review Organization that could accuse a doctor of "using poor judgment"—a basis for malpractice.

Because DRGs do not reimburse a hospital's costs, but only a pre-designated fixed amount, hospitals have been forced to en-

gage in fewer purchases of technological equipment, and hire fewer lab technicians.

## Intelligence estimate shows Soviet ABM breakout

The latest National Intelligence Estimate (NIE) reveals that the Soviets are on the verge of deploying a full anti-ballistic missile system, and therefore about to break out of the 1972 ABM Treaty which forbids the development of such a system.

The NIE, which incorporates the latest intelligence data from all U.S. intelligence agencies, is produced once a year and is circulated on a highly restricted basis within the government.

The current NIE reports, "The Soviets have developed all the required components for an ABM system that would be deployed not only to augment the defenses around Moscow, but also for widespread deployments beyond Moscow. . . ." Certain components, it said, "could be deployed relatively rapidly, in months rather than years."

The report also states that the major components of a rapidly deployable ABM system continue to be operated at the test facility at Sary Shagan.

U.S. Air Force Intelligence had earlier warned of the danger of ABM break-out based on photo-intelligence of point defenses constructed at deep underground command and control bunkers and other widely scattered strategic sites around the Soviet Union.

Other evidence of Soviet ABM breakout includes: The first of 10 Krasnoyarsk-style large phased-array radars are going operational sometime during 1988; the first SA-12B Giant mobile ballistic missile interceptors have been deployed in the western Soviet Union; data from different radar systems have been internetted in exercises that simulate ballistic missile defense.

Some intelligence sources also moot the existence of a Soviet boost-phase defense system based on nuclear-propelled shrapnel, which can be exploded in low space to disable anything attempting to come through.

## Briefly

● **FLORIDA'S GOVERNOR**, Republican Bob Martinez, told a joint session of the state legislature April 6, "AIDS carriers who refuse to inhibit their contacts, who refuse to stop spreading this fatal disease, should no more be allowed to roam free than criminals armed with a deadly weapon. The time has come to quarantine those whose character and conduct are a clear threat to society."

● **ANTI-EUTHANASIA** groups held a press conference April 5 in San Francisco to protest a conference of pro-euthanasia organizations scheduled to begin in that city April 8. The international Club of Life and other groups held the press conference outside of the offices of the California Medical Association, whose head, Dr. Laurens White, is participating in the euthanasia conference.

● **16 'LAROCHE** Democrats' have filed in Iowa for five out of six congressional seats and a number of state offices. On April 1, the *Des Moines Register* ran a front-page article reporting that state Democratic Party leaders have vowed to launch a "massive campaign" to "crush" the LaRouche candidates.

● **NASA** announced on April 6 that it is studying a plan to send astronauts to Phobos, a Martian moon, to get a "quicker first" in space, in as little as five to seven years. The mission would require about half as much fuel and equipment as a Mars landing.

● **DEFENSE SECRETARY** Frank Carlucci in New Delhi, India, meeting with Indian political and military leaders April 5. An Indian Defense Ministry official noted that Afghanistan was a topic of conversation, The *United News of India* reported that "the question of the United States reducing its arms supplies to Pakistan following the Soviet withdrawal from Afghanistan also came up for review."

# Locusts threaten Europe

On April 4, the Italian newspaper *Il Giornale* reported that the locust plague which is now devastating northern Africa, has made its first foray into Western Europe.

Sometime in the course of the week, several tens of thousands of these creatures were found on a beach south of Rome, Italy. Fortuitously, thanks to the cooler climate, this swarm of locusts died.

But this will not be the end of the plague. It is predicted that the insects will spread en masse into Sicily, Greece, and Turkey, as well as moving through the Middle East, into Pakistan.

The spread of the locusts is the direct result of International Monetary Fund and United Nations policies which have deprived the continent of Africa of pesticides and high-technology, broad-scale methods of spraying. These policies have been aided and abetted by the United States States Department.

It has been estimated that 500 million people may die as a result if the locusts are not controlled.

This is one out of every ten people now alive, yet even these figures have not moved the ideologues who control the policy toward insect control (in particular those at the U.N. Food and Agriculture Organization).

What is needed is an emergency, crash program to eradicate these insects, and instead we still see only relatively modest efforts at insect control. Perhaps the shock of having the locusts invade the international headquarters of the Food and Agriculture Organization, located in Rome, will have the necessary salutary effect.

Nor is this disaster confined to areas close to the African continent. It may not be locusts right now, but the declining investment in sanitation infrastructure in the U.S. has brought other problems to the fore.

As warm weather hits the United States, cities as far north as Chicago are being threatened by infestations of the so-far uncontrolled tiger mosquito. This mosquito is the carrier of the dengue fever, which has moved from the tropics to North America.

The fever itself is particularly dangerous to young children, where it appears to cause brain damage; but all of its victims are susceptible to reinfection by hemorrhagic dengue which is a killer.

In the face of this infestation, however, state governments and cities in the U.S. are cutting mosquito control programs, because of budgetary problems.

The problem is one of malthusianism. Parson Thomas Malthus, as an employee of the British East India Company, at the time of the American Revolution, coined the convenient rationale for British colonial practices, that plagues and famines were the natural outgrowth of increases in population, rather than of the deliberate decision to enforce usury and destroy the infrastructure of those nations now known as "Third World" countries.

This is the ideology of the U. S. State Department and its Agency for International Development (AID) and of the FAO, today. It is the policy enforced by the International Monetary Fund. It is the end result of the insanities of Reaganomics.

The oligarchs who are served by these agencies would rather accept the threatened death of one out of every ten people alive today, than risk the continuity of their power by accepting a restructuring of international debt and a massive investment program in the developing sector.

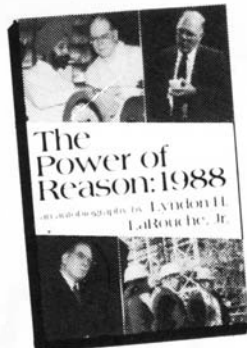
We are now seeing the beginning devolution of the biosphere as a whole. Rapid increase of plagues is a lawful outgrowth of this violation of natural law.

As Warren Hamerman shows in the *Science & Technology* section of this issue, we can adapt the most advanced technologies which are available today, in order to deploy radiation weapons against the locusts. It is precisely this kind of approach to the problem of insect control, which applied more broadly to problems, can not only reverse the current degradation of the biosphere, but open up a new era of abundance for all of the world's population.

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SPECIAL

REPORT

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with a preface by Lyndon H. LaRouche, Jr.

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For more than 20 years Moscow has been using the Israeli intelligence services as a conveyor-belt to place its agents high within the U.S. government. And although "little fish" Jonathan Jay Pollard was caught passing U.S. secrets to Israel—and from there to the KGB—the man who recruited Pollard still walks free at Tufts University in Massachusetts.

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