

EIR

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Pope, in Africa, attacks 'anti-life mentality'
The looting of the U.S. consumer market basket
New terror wave breaks out in West Germany

**The Brzezinski plot to
decouple U.S. from Europe**



EIR

Quarterly Economic Report

The Looming Bankruptcy of the United States

June 15, 1985

Are the U.S. government's "free enterprise" policies bringing on the "final collapse of capitalism"?

How the Russians must be laughing. With an overvalued dollar, the United States is collapsing internal production capabilities at a rate which must soon reach the point of no return, while ruining the economies of its allies. An estimated \$1.3 trillion is being looted annually out of U.S. productive capabilities.

Did you know that . . .

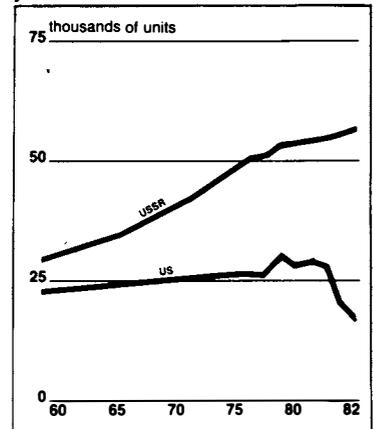
- **Out of the U.S. banking system's some \$3 trillion in loan assets, at least \$2 trillion is worthless?** The S&L panic is only the beginning.
- **Since the 1950s, America's living standard has been cut by 50%.** The American population has a deficit of 20% to 70% in basic goods needed for its survival.

Since the fall of 1979 LaRouche's forecasts have established a record unparalleled in accuracy by any other economic forecasting service in the nation. Data Resources International and Chase Econometrics proved unable, in the fall of 1979, to correctly forecast the consequences of the credit policy then being initiated from the Federal Reserve by Paul Volcker. LaRouche did. Those agencies, and their co-thinkers, have been repeatedly exposed as incompetent bunglers, while the LaRouche record has been maintained.

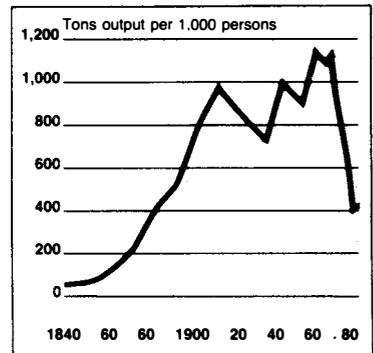
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U.S. and Soviet production of power-driven metal-forming machine tools not portable by hand, 1960-82



U.S. iron output per member of the labor force



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EIR

From the Editor

There is only one solution that will save South Africa—and the rest of Africa—from rapid descent into hell, and that is the Great Projects economic development policy detailed by Lyndon LaRouche, *EIR*'s founder and chief executive officer. This includes specifically expropriating the oligarchical interests—the Oppenheimers and the Rockefellers—who have milked the riches of South Africa and reinforced the political oppression of blacks and most others in that country.

The call for “one man, one vote,” cannot alone stop a bloodbath. What exactly would blacks vote for? To die of starvation like the rest of Africa, under the bloody thumb of the International Monetary Fund? The only ones who gain as more blood is spilled in southern Africa are the Soviets.

The world's leading racist butchers are supporting Jesse Jackson as a peacemaker in South Africa—such as Enoch Powell, the British Nazi who has fought for years to get darker-skinned people out of Britain, and Robert “Body Count” McNamara, the butcher of Vietnam.

Botha said in his speech of Aug. 15 (page 36) that South Africa was now crossing the Rubicon; that he would support a negotiated solution, but not one imposed from the outside. He attacked the liberal press, which always arrives on the scene just before violence breaks out. But if Botha is to save South Africa, he must follow the example of Peruvian President Alan García (page 4) and go after the oligarchs who set up the apartheid system in the first place.

Early this month, the press reported that at Fidel Castro's debt summit in Havana, Peru's Mercado Herrín, a retired general and top adviser to García, had stated that there were three proposals on the table—Castro's, Kissinger's, and García's. We have now learned from firsthand sources that what he actually said was Castro's, Kissinger's, and the Schiller Institute's, within which García's program fits. The Schiller Institute's is the one you have been reading about in *EIR*, LaRouche's proposal for an Ibero-American Common Market and Great Projects.

Next week, we will feature one of those Great Projects, a new interoceanic canal to be built in Colombia. Also next week, we'll detail the war on drugs just launched in Peru, described briefly in the *Editorial*.

Nora Hamerman

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NSIPS/Stuart Lewis

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Peru's debt challenge sparks bankers' declaration of war

by Valerie Rush

Peruvian President Alan García received important backup for his defiance of the International Monetary Fund on Aug. 12, when Panamanian armed forces chief Col. Manuel Antonio Noriega warned the former World Bank vice-president currently serving as president of Panama, that continued imposition of the Fund's austerity dictates would simply no longer be tolerated by that country's defense forces.

With an apoplectic President Nicolás Ardito Barletta at his side, Noriega told the press corps gathered at a military ceremony that the country's political and economic situation was "totally anarchic and out of control," and that the military forces under his command had "the constitutional and moral obligation to rescue our peace and internal security."

Instead of the IMF program adopted by Ardito Barletta, what is required are "economic solutions which respect the rights and conquests of the worker, the peasant, the industrialist, and all the productive forces which make up the backbone of the Panamanian economy." "Economic intellectuals," declared Noriega, should "get their heads out of the textbooks from Harvard and Chicago and offer genuine solutions." Barletta is a graduate of the University of Chicago.

Noriega's urgent warning that nationalist forces in Ibero-America are no longer prepared to sacrifice their nations' future to the international banks and their Ibero-American lackeys, followed by just days an 8,000-strong workers' march through the streets of Panama City demanding a debt moratorium, a break with the International Monetary Fund, and support for Alan García's proposed Ibero-American presidential summit on the debt.

It also followed new charges by Peruvian President García that the major creditor banks are acting illegally toward

the debtor nations. García informed a visiting U.S. congressional delegation Aug. 10 that the banks "have violated the anti-monopoly law by colluding among themselves to prevent free competition for credits. The only thing that interests the banks is increasing the debt by raising interest rates. . . . I am certain that if I went to an appeals court in, say, New York or Pennsylvania, I would win my case against the U.S. banks."

Threats from the Trilaterals

With García's anti-IMF stance now triggering similar resistance from other Ibero-American leaders, Henry Kissinger's Trilateral Commission forces inside the Reagan administration are more determined than ever to destroy Peru's new government.

The decision of the U.S. State Department to cut off aid to Peru on a financial technicality was but the opening shot. Elliot Abrams, the new U.S. Assistant Secretary of State for Inter-American Affairs, summed up his faction's position at an Aug. 8 press conference, when he declared that any Ibero-American nation which repudiated the debt or declared a moratorium "will never get new loans."

Abrams went on to deny Ibero-American assertions that a "political response to economic problems" was required, insisting that "the system is flexible enough" as it is. In response to García's explicit rejection of IMF mediation in future debt negotiations, Abrams declared, "We think it is important to use established institutions, the IMF and World Bank."

Abrams' statement prompted enraged responses from Ibero-Americans across the continent. "It is inexplicable that

the government of Ronald Reagan should turn itself into a spokesman for the banks," declared former Venezuelan Finance Minister Luis Enrique Oberto, a leader of the Christian Democratic (COPEI) party.

Mexico's daily *Excelsior* described Abrams' threat as "destabilizing," and Marco Tulio Brunicelli, Democratic Action Party leader from Venezuela, observed that such a U.S. stance toward its Ibero-American neighbors would "necessarily" prompt "a collective position of these countries rejecting that policy."

The Trilaterals have activated their agents inside Peru as well. At a press conference held in Lima Aug. 10, ex-Prime Minister Manuel Ulloa announced that he was launching a campaign to defend the cabinet ministers of the former Belaunde government currently under investigation by the García administration for involvement in the drug trade.

Ulloa, a life-long associate of Trilateral Commission head David Rockefeller and an open advocate of legalized cocaine production and consumption, is well aware that the García government's investigations—which extend to *all* members of the previous government as well as to all police chiefs—must sooner or later arrive at his own doorstep.

The first former cabinet minister called upon to return to Peru to testify is Luis Percovich, Belaunde's interior minister, then prime minister and foreign minister in late 1984. Currently in Guadalajara, Mexico, Percovich is suspected of having run cover for Peru's cocaine czar, Reynaldo Rodríguez López. Rodríguez's vast cocaine-refining facilities were busted within weeks of President García's inauguration, revealing massive evidence of conspiracy between Rodríguez's operations and Percovich's department of government.

'Unmasking the saints'

García's attorney general, Cesar Elejalde, has already declared that "many saints will be unmasked" during the ongoing investigations. "The power of the 'narcos' has overwhelmed the old structures of the state and has corrupted people at the top of political power as well as members of the police."

President García himself is in near constant session with his party's wing of the Peruvian Congress to formulate the legislation which would drastically increase sanctions on drug trafficking and, as important, on drug consumption. One of the laws would impose a minimum 25-year sentence on any government or police official caught trafficking in drugs or running protection for traffickers.

García also told the visiting U.S. congressmen that Peruvian authorities would no longer turn a blind eye to the consumption of drugs, either at home or abroad. "I don't want the youth of my country to use drugs. I defend my youth and I don't want them to consume poison. I also want to defend the youth of the U.S.A. and not permit poison to be exported to North America."

The García government has taken an equally hard line

against the narco-terrorist Shining Path (Sendero Luminoso) guerrillas, toward whom the left-leaning circles in García's own party had advocated an amnesty. Said Attorney General Elejalde on Aug. 9, "No kind of terrorism is idealistic. . . . There is just one terrorism for rent which has allied with the drug traffickers. Together, for example, they have dislodged the police forces from vast zones of the Central Huallaga Valley."

Elejalde has also called for an alliance of international forces against the drug trade. "I believe that we cannot fight what we don't know. . . . An important thing that must be understood is that Peru alone cannot fight the drug trade. Given that we export more than 50% of the cocaine consumed in the world, there must be an international crusade. With what means can we fight, when there are 250 clandestine airports alone in the country?"

The weak flank

García's courageous moves against the International Monetary Fund on the one hand, and the dope mob and its protectors inside the government and corrupt law enforcement circles on the other, have triggered a panic among dope-linked business and financial layers, who are scrambling to get their dollars out of the country while they can. And yet, despite forewarning, the Peruvian President did not take the one step which would have given his war on drugs the teeth to win. He retreated from his original threat to impose exchange controls.

According to *El Nacional* of Aug. 12, the Peruvian central bank issued clearance for unrestricted dollar remittances abroad. Neither Customs officials nor the Treasury police are being permitted to question individuals caught taking dollars out of the country, no matter what the amount.

The government has given a weak explanation for its decision, insisting that the capital flight is "insignificant." The media is telling a different story. The daily *Marka* reports that "the people are going crazy. They all want dollars." *Marka* says that the dollar, frozen for 90 days at an official rate of 13,900 Peruvian sols, is rapidly heading toward 20,000 sols on the black market. The magazine *Oiga* reports in its financial column that holders of bank certificates are exchanging them for sols and then buying up dollars on the black market.

This is precisely the "weak flank" that Ulloa and his Trilateral buddies are looking for to bleed the Peruvian economy dry and, with it, García's debt initiative. As of this moment, García's public denunciations of the usurious international banks and refusal to negotiate with the IMF have won him broad support among the population. His unexpectedly strong assault on the dope mafia, encrusted in formerly protected circles, is also proving a highly popular initiative.

That support will be lost if García is unable to protect the already looted Peruvian economy from the ravages of the speculators.

Support for the Peruvian President

The following are excerpts from some of the international news media covering support for Peru's President Alan García.

On Aug. 3, Peru's most important television channels, Panamericana Channel 5 and America Channel 4, featured the Schiller Institute Trade Union Commission's support of Peru on their evening news broadcasts. Channel 5:

Forty million workers will mobilize behind the call of the Schiller Trade Union Commission throughout the continent in support of the measures announced by President Alan García. Similarly, the institution has mobilized an important sector of the Democratic Party of the United States. . . . Also, five European congressmen from the Social Democratic Party have sent their greetings of support to the President.

The Peruvian newspaper El Peruano reported on Aug. 5:

President Alan García received total support "for his struggle against the IMF" from the candidates of the National Democratic Policy Committee (NDPC) of the United States, who committed themselves to organize the U.S. population to also give its support. . . .

Similarly, from the German Federal Republic, five congressmen of the German Social Democratic Party sent telegrams of support to the new president.

In addition, the factory council of Norddeutsche Affinerie Corpo sent its greetings and support.

El Peruano also ran a dispatch datelined Bogota, Colombia:

Public and private institutions and individuals of the industrialized world and of Colombian politics yesterday expressed their unconditional support for the measures adopted by Peruvian President Alan García Perez in his patriotic effort to defend the national sovereignty of his country. Also for his nationalist position in the face of pressures from the In-

ternational Monetary Fund and his decision to end the drug trafficking on the continent.

In various statements issued from this city, support is also expressed for the Peruvian president's proposal to hold a summit meeting of Latin American heads of state, which would take place in Panama. Enrique Córdova, president of the Colombian Association of International and Diplomatic Policy Studies (ACEPID) declared here yesterday that he "congratulates and supports the international policy of Dr. García." William Herrera, representative of an important group of nationalist industrialists, said that "united we will win for the glory of Latin America."

In addition, Fausto Charris, president of the National Anti-Drug Coalition, joined with other individuals in declaring his "support for Alan García's position on the foreign debt, his call for a meeting on Ibero-American integration, and the fight against drugs."

The newspaper of Alan García's APRA party, Hoy, reported:

The Peruvian government which Dr. Alan García Perez leads continued to receive the broadest possible support from various world organizations for his decision not to commit more than 10% of Peru's income to payment of the foreign debt, as well as for his call for a summit of Latin American leaders to jointly address the problem of that debt. The Schiller Institute, in its international mobilization to support President Alan García, received telegrams from 42 labor leaders representing the majority of democratic trade unionism in Latin America, in which they assert that if the countries of the Third World are to continue to believe in democracy, in independence and sovereignty, they cannot be abandoned to their fate by the developed nations of the West. . . .

Mossa Magassa, secretary general of the Federation of Immigrant Workers of France, calls on Dr. Alan García to continue his fight against the IMF and to achieve a new world economic order. The mayor and citizens of Alsace express the same sentiments, as does a telegram sent from Paris and signed by Eugenio Diebold, *burgermeister* of Morschwiller.

The Zairean students of France, Belgium, Switzerland and Italy, representing the students' union, declare that they support "with all their heart your fight against the IMF." "We support your brave fight against the IMF, our common enemy," says the Muslim Youth Federation of Mauritius, which represents 80,000 students.

From Hessen, Germany, the deputy mayor of the Christian Democratic Union, union representatives of farm workers, parties like the Social Democrats, say in their communique: "We fully support you for 1) convoking a summit meeting in Panama and 2) not paying more than 10% of your export income to service the debt. Neither Kissinger nor Castro."

The Italian National Confederation of Free Workers (CONFILL) also joined the world campaign of support for the Peruvian president and indicated in its telex: "The general secretary of the Italian National Confederation of Free Work-

ers, together with the Confederation Secretariat represented by its national secretaries, enthusiastically expresses its full support for your fight to develop your country and against the usurious policies of the IMF. We are with you."

The National Democratic Policy Committee chapter of Atlanta, Georgia, says in its telegram, signed by candidates for senator, Atlanta representative, and school board: "We will bring your fight against the IMF to the streets of Atlanta (despite Andy Young's support for the IMF) and throughout Georgia. We will also bring this fight to the national convention of the Southern Christian Leadership Conference next week."

The executive committee of the Union of Bogota and Cundinamarca Workers of Colombia says in its message: "Colombian working people express our solidarity with your firm decision to defend the interests of our Peruvian brothers. Only unity among Latin American people will solve the foreign debt problem."

The Mexican newspaper El Día reported Aug. 6 in a dispatch from Washington, D.C., headlined "Demonstration in Front of Peruvian Embassy in U.S., in Solidarity with Alan García":

Hundreds of demonstrators came together here today, in front of the Peruvian embassy, to show solidarity with the president of that country, Alan García, in his position regarding payment of foreign debt, and to demand the end of the International Monetary Fund (IMF).

Carrying signs which read "García yes, IMF no," and placards with the names of the Latin American countries, the demonstrators expressed their support for the recent announcements of the Peruvian president, who conditioned payment of the foreign debt to 10 percent of the export income of the country, starting next year.

During the demonstration, organized by the National Democratic Policy Committee (NDPC) and the Schiller Institute, a planning group for alternative development programs, a partial list of more than 350 telegrams of support, sent by U.S. citizens to President García, was presented. Among the signers were trade unionists, public officials, ethnic leaders, clergymen, representatives of civil-rights organizations, and representatives of war veterans' organizations.

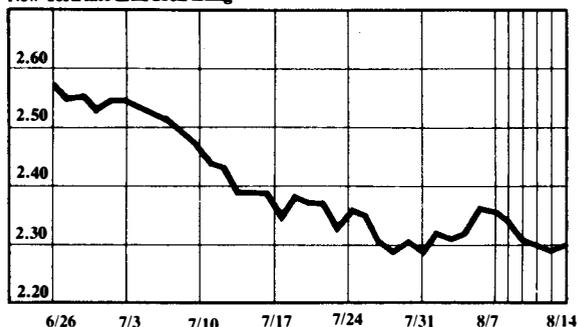
One of the members of the directing group called on all Americans to support Alan García, who "has had the courage to defend the sovereignty of his people against the interests of the IMF."

Dolia Estévez, speaking in the name of the Schiller Institute, declared: "Finishing off the IMF is our call to arms, and we support the non-payment of the Latin American foreign debt for at least the next 8 years. We believe, besides, that the debt of the Latin American countries, thought to be \$360 billion, is not that; it has been increased by the usurious interest rates of the IMF. The real figure does not go beyond \$65 billion."

Currency Rates

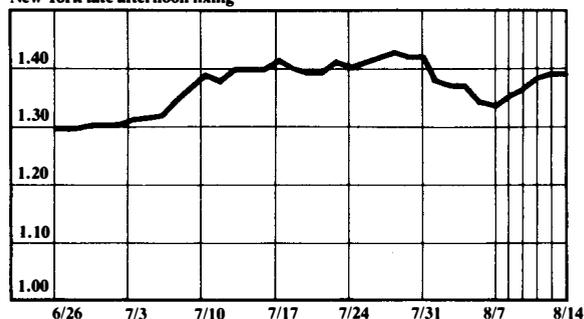
The dollar in Swiss francs

New York late afternoon fixing



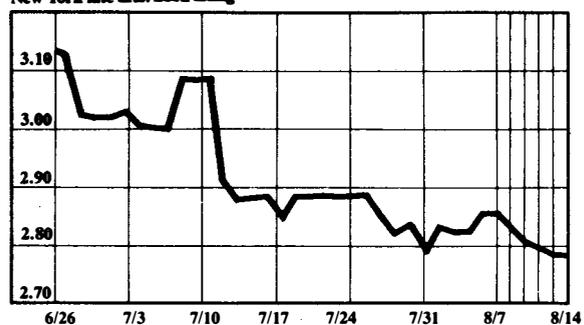
The British pound in dollars

New York late afternoon fixing



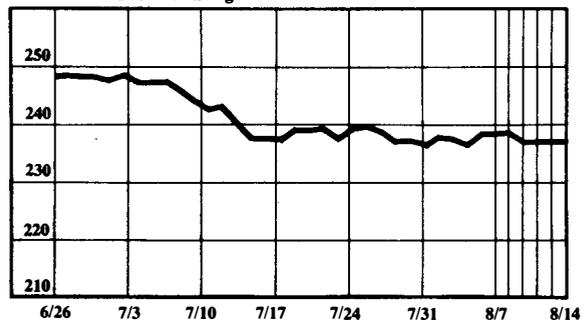
The dollar in deutschmarks

New York late afternoon fixing



The dollar in yen

New York late afternoon fixing



U.N., State Department, and IMF administer Africa's total breakdown

by Warren J. Hamerman

U.N. Secretary General Javier Pérez de Cuellar has announced that the United Nations' General Assembly in September will feature discussion on a brutal new United Nations study, whose conclusion is that Africa "must learn to live" with drought, desertification, famine, and disease. The study, based upon a fraudulent and incompetent computer simulation to obtain "500-year trends," forecasts that the future may hold a similar fate for as many as 74 countries worldwide.

Titled "Countries Stricken by Desertification and Drought," the study's basic scientific fallacy is to overlook the role of human technological development in transforming nature. Based upon the well-known bias of the United Nations and the International Monetary Fund (IMF) against large-scale infrastructure development projects, the study completely ignores the human capability to make the deserts bloom, with modern technology and industrial development—as the cases of the Imperial Valley of California, Israel's rehabilitation of desert areas, and Egypt's "New Cities" projects demonstrate.

The U.N. report states that 74 countries have experienced severe shortages of rainfall or are hit by desertification: 40 are African, 12 Middle Eastern, 10 Latin American, 6 Asian, and 2 European. Among industrialized nations, the U.S.S.R., U.S.A., Israel, and Australia are included. The list was compiled from the "Desertification Map of the World," which was accepted by the U.N. Conference on Desertification in Nairobi, Kenya. Computerized simulations of 500-year weather patterns indicated that the present drought in Africa is within a "normal range of variability. The logical, if disturbing, conclusion that must be drawn is that drought is a recurrent phenomenon that the drought-stricken countries, especially in Africa, must learn to live with."

Worse than the Black Death

In fact, the United Nations, along with the U.S. State Department, is wittingly complicit with the International Monetary Fund, World Bank, and the Swiss health cartel in administering "population reduction" programs which they know to be genocidal. George Shultz's State Department is operating from the standpoint of the notorious "Global 2000"

policy, prepared during the Carter administration as a blueprint for genocide in Africa and elsewhere in the developing sector. The Africa Emergency Task Force desk officer at the State Department's Agency for International Development (AID) recently revealed that State is monitoring the migration of huge groups of displaced Africans from place to place, after they hear rumors that food can be found in one place or another. As starving people hobble from one unsanitary area to another, the conditions for deadly disease propagation are maximized. When they arrive at their destinations, no food awaits them. They are roaming on one-way death marches, spreading disease across the continent.

In the spring of this year, as the first reports of disease outbreaks in the refugee camps surfaced, *EIR* warned that the refugee camps for victims of famine were turning into breeding grounds for cholera, a diarrheal disease which can be easily and cheaply cured, but which has a devastating rate of fatality if not treated.

In July *EIR* published a Special Report, "Economic Breakdown and the Threat of Global Pandemics," which presented the most likely scenarios for the way in which the African epidemics could take off globally. Every bit of news from Africa now is confirming our assessment of the causal relation between the economic program of the IMF and World Bank, and the outbreak of disease. In the exact target zones which these institutions mapped for extinction over a decade ago, the cholera epidemic is raging out of control. It has spread all across sub-Saharan Africa, from Somalia to Mali. And it is poised for a full-scale global pandemic breakout.

This genocide is occurring under the meticulous supervision of the Swiss-based International Red Cross, the Swiss-based World Health Organization, and the United Nations, supervised by the United Nations High Commissioner for Refugees (UNHCR) and the United Nations' Disaster Relief Agency (UNDRO).

The latest reports on the spread of cholera in Africa and Asia indicate that the situation is undergoing a qualitative "phase change" for the worse, spreading beyond the refugee camps, and may well be approaching the point of no return.

The latest developments include:

- An epidemic of cholera has broken out among some 1.3 million refugees in Sudan, with the beginning of the rainy season, according to a Japanese volunteer group. An estimated half a million people have contracted cholera and many infants died during July, reported Yoshitaka Hatakeyama, a member of an eight-man Japanese medical aid team. He stated that the lives of some 100,000 refugees in remote areas are at stake because these people are being isolated by heavy rains. No railway services or trucks can reach the areas because of flooding.

- There are reports of a spreading cholera epidemic in Khartoum, Sudan. More than 50 cases have been confirmed. The disease was first identified at the Wad Kowli refugee camp. The death rate from cholera in Khartoum and Port Sudan is said to be much higher than in the refugee camps.

- There are spreading cholera epidemics in the Ethiopian capital of Adis Ababa. A European doctor there reports 50 new cases a day coming into one hospital a day, while a Western diplomat estimates 300 new cases daily. Spokesmen for Ethiopia's Ministry of Health decline to comment. According to foreign doctors, hospital employees have been instructed not to speak of the epidemic, "under threat of imprisonment."

- Outbreaks have occurred in the north and south of Ethiopia, and in neighboring Somalia and Djibouti.

- According to the U.N. Disaster Relief Agency, more than 500 people have died among 2,500 cholera victims in Mali this year. UNDR0 reports that 172 people had recently died, among 1,031 new cases hit by the disease in only four weeks. The death toll for the first seven months of this year is 547. The situation is deteriorating due to the rainy season.

- Cholera has killed 476 in Senegal since October 1984, according to the country's official daily *Le Soleil*. Health ministry officials say seven out of nine Senegalese regions have been hit by cholera. There are cholera outbreaks as well in three other West African states, Burkina Faso (formerly Upper Volta), Niger, and Mali.

Cholera, AIDS, and economic collapse

The witting complicity of the IMF and World Bank in encouraging epidemics, to meet their grisly "population reduction" quotas in the areas of what Robert McNamara has termed the "Fourth World," is extensively documented in *EIR's* Special Report, cited above.

Cholera may now be endemic in as many as 90 countries worldwide and at least 22 countries in Africa, where the epidemics are now breaking out beyond the refugee camps. This represents the first phase in a repeat of the notorious 19th-century British colonial cholera epidemics which ravaged India and then spread around the world. The disease is a consequence of colonial looting policies, because it occurs in conjunction with malnutrition and slave-labor practices. That the waves of depopulation which result from the out-

break of the disease are consciously designed, is indicated by the fact that the cure for cholera costs about 10¢ a packet. The majority of cases are treated by a sugar and salt combination mixed with uncontaminated water (oral rehydration therapy).

Despite the mass media panic-mongering on the subject of AIDS, the causal relationship between IMF-caused conditions of economic collapse and the rapid proliferation of AIDS—the disease which several experts have called the "Black Death of the 20th Century"—is persistently blacked out.

The three most crucial facts are these:

- 1) There is a growing mass of scientific data which indicates that the AIDS virus can be directly traced to the very zone in the central portion of Africa which the IMF and World Bank over 10 years ago officially "triaged," when they gave this area around Zaire the designation of a so-called Fourth World area. In the IMF and World Bank's strategy, "Fourth World" zones were to be completely cut off from credit for productive investment. Nine African countries are now seriously affected by AIDS; in the cities of Zaire, 1 person in 10 is carrying the virus, and in one study in Uganda, 20% of those sampled were carriers.

- 2) AIDS is not merely a disease among homosexuals in Hollywood, New York, and San Francisco, but is a global pandemic currently killing victims across Africa, in over 17 European countries, Australia, Japan, New Zealand, China, and Ibero-America. While there have been over 12,000 officially reported cases in the United States, various experts believe that the actual number is far, far greater. A recent study published in the journal *Stanford Medicine* conjectured that the true number of AIDS cases in the United States is probably 3 times, and possibly as much as 10 times, greater than the reported number.

Furthermore, public health officials in Florida are convinced that the unusually high outbreak of AIDS in their state is directly related to economic collapse, but that the official U.S. health-monitoring institutions are biased against acknowledging the causal relation between AIDS and economic breakdown.

- 3) Scientists are discovering that there is a direct linkage between AIDS and various other diseases which are typically transmitted in conditions of economic breakdown. These diseases include tuberculosis, African sleeping sickness (or trypanosomiasis), and hepatitis B.

Institutions such as the IMF, United Nations, and the U.S. State Department are aggressively implementing policies and programs which will make the global pandemic situation dramatically worse. In short, the outbreak of diseases in Africa and their inevitable importation to the United States, Europe, and the rest of the world, are economic and political questions of the gravest concern to all mankind. Viruses respect no frontiers.

USDA admits the farmers are gone— but denies there is a food crisis

by Marcia Merry

Although written in vicious double-speak, the latest U.S. Department of Agriculture report on the financial condition of U.S. farms shows that the mainstay of the U.S. food supply, the independent family farm sector, is going out of existence. The conclusion—which the USDA not only refuses to make, but obfuscates—is that we are headed for food shortages, and disease and famine on an unprecedented scale.

The bar diagram chart shown here is directly from the USDA report, issued last month, called “Financial Characteristics of U.S. Farms, January 1985” (*Agriculture Information Bulletin* No. 495). You see immediately that the middle-sized farms—those that gross annually between \$40,000 and \$250,000—are the ones in most trouble, a condition that the USDA delicately refers to as “financial distress.” These farms, concentrated in the food belt states of the Midwest, are going under in record numbers, and collapsing the entire regional food infrastructure along with them—the farm credit systems, the local machinery, hardware, seed and fertilizer outlets, retail stores, hospitals, schools and every kind of establishment essential for high-technology agriculture that made this region a vital world asset.

What the USDA report documents is simply the current status of deliberate policy orders of the International Monetary Fund, and the private family trusts, cartels and financial centers connected to the IMF: Shut down the big food capacity centers in the world, and depopulate. In February, a high official of the IMF said, “Farm debt does not involve big money-center banks. Let the smaller banks go under. We can handle one or two more cases like Continental Illinois.” The policy of these IMF circles is food shortages and genocidal famine.

Within only a few weeks after the issuance of the USDA Financial Characteristics report, the USDA Statistical Service released its monthly crop forecasts, showing that, as if by miracle, this year’s harvests, despite the “financial distress” of the farmbelt states, will have record or near record yields. Believe that one and you will enjoy eating air next year.

The USDA crop report said that the corn harvest will be the largest in U.S. history. And other grains, though down from last year, will still be in the record range. The reaction

among the nation’s dwindling number of farmers to the USDA’s rosy crop projections is an almost uniform: “lies, lies, lies.” The northern tier grain states have been hit by drought, grasshoppers have devastated millions of crop and range acres, and thousands of acres lie idle because of the farm finance crisis. There was an especially large wheat acreage set aside this year because of the farm income collapse.

The purpose served by the lying USDA crop forecasts is to “justify” the continuing below-cost prices paid to farmers for their crops by the world food cartel companies (Cargill, Bunge, André, Louis Dreyfus and others) that now exercise an almost complete monopoly on the shrinking world food trade. The rationalization is based on the supply and demand myth. Supposedly, despite the farm income and debt crisis, farmers have managed to produce huge crops, which will keep prices down.

The Eastern Establishment media all pitched in to do their part to promote this myth. The *Washington Post* headlined its article on the forecasts “Good Crops a Bad Sign” for farmers, because of the “Expected Surpluses.” They lied, “In addition to the record corn crop, based on field surveys taken several weeks ago, the department projected bumper crops of soybeans, sorghum, wheat and cotton. With continuing good weather in the major growing areas, the USDA is expected to make even higher projections in its September forecast.”

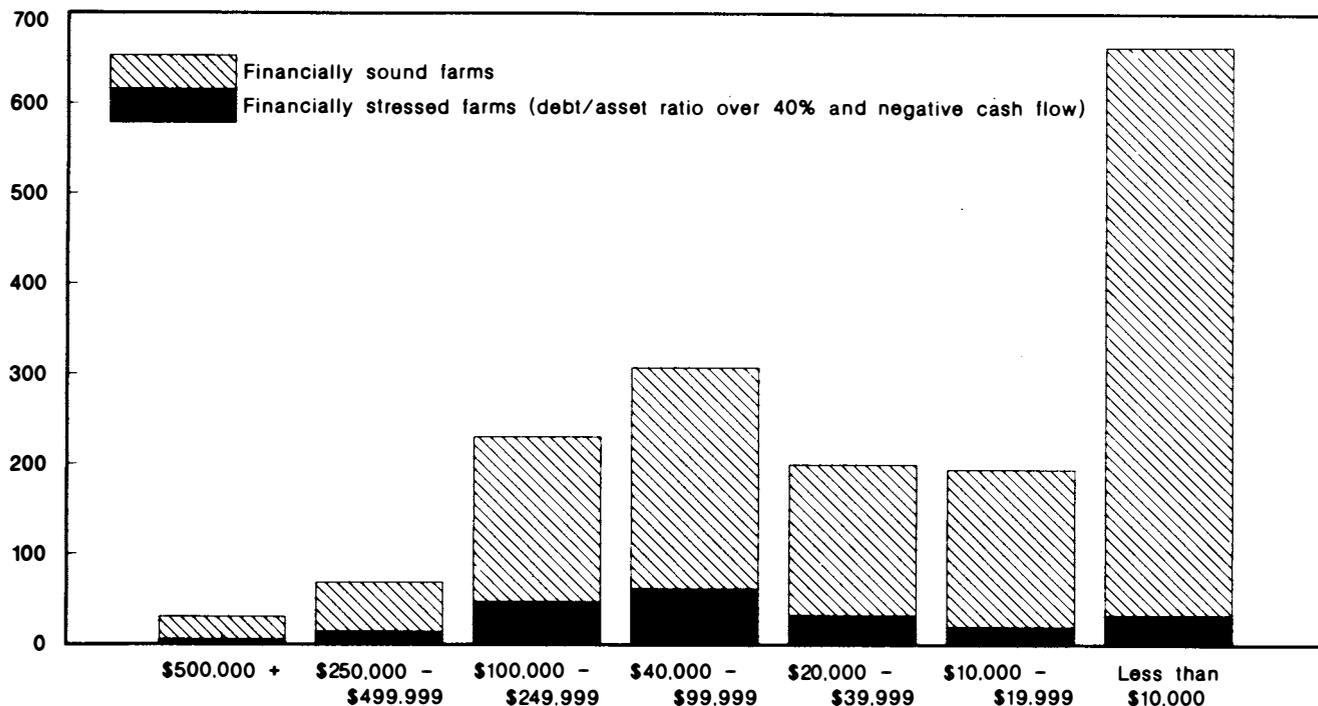
The main political center of cartel operations in this hemisphere, Minneapolis, is the most recent source of the wildest proposals, carried in the Aug. 11 *Minneapolis-Tribune*: “Farmers should quit farming. They are no longer needed anyway.”

Disappearing farmers

According to the 1982 USDA census, there are about 2.2 million farms and ranches in the United States, counting everything from small acre, part-time operations that produce less than \$10,000 annually, on up to huge corporate “factory farms.” However, the backbone of the nation’s food supply comes from the group in the middle—the family-operated, several-hundred-acre high technology farm, which produces between \$40,000 and \$250,000 annually. Over the past sev-

Financial condition of farms by sales class

Thousand farms



Reprinted from the U.S. Department of Agriculture Information Bulletin, No. 495, July, 1985 "Financial Characteristics of U.S. Farms, January, 1985."

eral years, this category has included only about 600,000 farms and ranches in total—only about 27% of all farm sizes.

What the USDA report documents (and the USDA is not known for accuracy) is that at least 214,000 of these most productive farms are in trouble, and going out of existence. That represents at least a 15-20% drop in annual, national food output capacity alone.

A closer look at the figures shows where the disaster is concentrated. The USDA reports that, of the 370,000 farms that have a debt load exceeding 40% of the value of their assets, 123,000 have a debt-to-asset ratio of over 70%, and are considered technically insolvent. If we deduct the super-big corporate farms and the small size operations, we see that almost 60%, or 214,000 farms, already insolvent, or about to be, are in the key category of productive family farms.

The first criterion used by the USDA is this debt-to-asset ratio. In addition, the USDA surveyed the negative cash flow position of a sample of farms, and determined that farmers and ranchers with sales between \$40,000 and \$100,000, on average, could not cover their minimal essential costs. They had an average negative cash flow of about \$3,000.

The worst-hit sectors are dairy farms and general livestock operations, with over 50% showing a negative cash flow. The geographic region most hit by the combined debt and cash crisis are the breadbasket states—the Midwestern states, including the Corn Belt—Iowa, Missouri, Illinois, Indiana, Nebraska, and Ohio.

The financial conditions of farms in these states has been

pulled down in only a few years time by the plunge of land values—on a farm real estate market that is characterized by “experts” that there is too much food and too many farms in the world. In the Corn Belt, farm land values per acre dropped about 25% in one year alone, from 1984 to 1985. For Iowa, land values have fallen about 50% since 1981. In the grainbelt of the northern plains, including the Dakotas down through Nebraska and Kansas, the world wheat center, land values have dropped 23%.

Farm cash flow is now worse than ever. The USDA report covers the condition of farms at the turn of this year, and was based on surveys taken this spring. The September, third-quarter financial deadline is set to mark the final collapse point for thousands of farms barely holding on in January this year. Nothing improved; everything got worse. A graphic example was shown on July 17 when the government run Commodity Credit Corporation (CCC) has to stop operations because it had simply run out of money. There were so many farmers opting to take what crop they had—especially wheat farmers, and exercise their government contract option to get crop-collateral loans instead of selling their grain way below cost on the market, that the CCC funds were exhausted. Only emergency action by Congress allowed them to reopen the next week.

The way the USDA described the situation this year, “The number of farms experiencing financial stress continued abnormally large into 1985. . . .” The truth is we will see food shortages by the beginning of 1986.

'A question of national sovereignty': Will Mexico agree to join GATT?

by Carlos Cota Meza and Timothy Rush

Mexican labor leaders and nationalist industrial factions have launched a last-minute fight to stop Mexico's entrance into the General Agreement on Tariffs and Trade (GATT). The fight may succeed, especially in light of the excitement sparked in Mexico by the fight for economic sovereignty being waged by the Alan García government in Peru; but it is an uphill battle.

Even by the estimation of the pro-GATT lobby itself—which now has the upper hand in the government—membership will have almost no effect on stimulating Mexican exports. But it will have a decisive effect in bankrupting a significant component of what remains of Mexican industry.

Mexico, alone among the large developing and developed countries, has refused to join GATT, which was founded as the "free trade" arm of the Bretton Woods monetary system after World War II. One of the largest and most prestigious of the national industrial confederations, the National Confederation of Manufacturing Industries (Canacintra), was indeed born as a by-product of business community opposition to GATT.

Mexico's objections to GATT were based on principles like those of Alexander Hamilton, who argued for the protection of "infant industry" in the United States. This demand has particular validity for Mexico, especially as it began to shift, in the 1970s, away from a purely import-substitution model of development, toward development of the rudiments of an in-depth industrial capability.

In 1980, then-President José López Portillo held a consultation with all relevant interest groups in the nation to reassess Mexico's traditional anti-GATT posture. The result was a 6-3 vote in the Cabinet to stay out.

But the man who in 1980 drew up the brief favoring membership—Undersecretary of Commerce Hector Hernández—did not give up. When he rose to become commerce minister under President Miguel de la Madrid, he spearheaded an unrelenting campaign, closely coordinated with the International Monetary Fund and Mexico's bank creditor committee, based in New York, to break Mexico's stubborn resistance.

At the end of July of this year, while Mexico was reeling from a second economic pounding as devastating as the 1982 blowout, Hernández went public with a call for joining GATT—the first minister in any post-war Mexican government to do so. On Aug. 9, in a cautiously phrased statement to Canacintra, President de la Madrid indicated that the government was indeed leaning toward this position. He said he was open to "full national debate" on the issue—and he is getting it.

Outcry from business, labor

Canacintra President Carlos Mireles delivered one of the strongest salvos, to the President's face, in his keynote to the same convention. If Mexico enters GATT, he warned, "there will be crisis, unemployment, and drastic social consequences. Fifty years of effort to provide employment will be finished." National industry is the "front line of progress" in the country, Mireles said, and GATT would bring its collapse.

The Mexico City daily *El Universal* immediately backed the Confederation. In an editorial the next day, it wrote: "The question of GATT is not simply a commercial one. It has become a question of national sovereignty, and should be discussed in those terms."

On Aug. 5, Fidel Velázquez, head of the giant Mexican Workers' Confederation (CTM), told the press: "We should not be subject to rules imposed by others, which are those which the others control. Mexico can operate without GATT, it can have greater liberty. The opinion of the commerce minister is very respectable, but we do not take it as the formal opinion of the government."

Budget cuts and austerity

But one of the clearest signs that the pro-GATT operatives in the government have the upper hand, is the commerce ministry's decision in late July to reorient foreign trade policy, along the lines that GATT membership would entail. Proponents of entry are saying that this *de facto* compliance might as well be backed by official membership, so as to get

the presumed "benefits" of formal membership too.

The changes include:

- In July, the government abolished the requirement for prior import permits for 37% of Mexico's import bill;
- On Aug. 7, Mexico removed import licence requirements in border zones from 333 products, including auto parts, newsprint, chemicals, and agricultural machinery. Restrictions remain on 575 products which the government maintains are produced in sufficient volume domestically, and on 909 products in which Mexico is viewed as particularly vulnerable to unjust competition.

The ferocity of the pro-GATT drive is a confession of failure by the pro-GATT majority in the economic cabinet. They have attempted to turn Mexico into an "export-led" economy, with an unrelenting program of 1) budget cuts (hitting state-led infrastructure and industry), 2) "containment" of wages (40-50% cuts in real purchasing power), and 3) constant devaluations of the peso.

In late 1984 and early 1985, there was a slight "reactivation" of the national economy, based on wage increases won at the beginning of the year and a small increase in public and private investment, which favored an increase in imports. With the slight economic upturn, the export program of the government (PIRE) fell apart. As imports increased, and some products intended for export started to find markets at home, the trade surplus suddenly began to shrink.

The so-called structural change of the past three years was shown to be a fraud. A real export capacity has not been developed; Mexico is exporting what it *should* be consuming. The cut in imports that has occurred since 1982 has not led to increased domestic production; it simply means that Mexico has stopped investing and producing.

The 'emergency measures'

The emergency government measures of July 23, dictated by the International Monetary Fund, are more of the same. The government admitted for the first time that the economic crisis was not just due to falling oil prices and other external factors, but also to the internal debt. It blamed the public budget deficit for inflation, which is running at 60% for the year—some 30% higher than government expectations.

Indeed, the budget exercise of 1985 was aimed at reducing the public deficit, mainly by 850 billion pesos of cuts in spending on operating costs and investment, as well as by "containment" of the wages of public-sector employees.

Government investment spending covers key components of the national economy: infrastructure, energy, and basic products. It is to this sector that the state channels some 95% of its participation in economic activity. The cuts in this area represent a decline in the real development potential of the economy and a strategic vulnerability to national sovereignty.

And despite the budget cuts, inflation has not gone down.

Even though the deficit has been lowered to almost half the level it was in 1983 and less than a quarter of the level of 1982, the rate of inflation is still increasing!

As part of this schizophrenic economic policy, it was decided that the budget, besides its nominal revenues, should be financed by issuing government bonds, which would pay attractive interest rates to depositors. These treasury certificates are known by their Spanish acronym, CETES.

The interest paid for these bonds has grown at an accelerating rate, to cover the needs of financing the budget and to cover the interest on these bonds themselves. Thus, the state is financing what is missing from its budget with loans obtained in such a way, that the principal factor causing an increase in the budget deficit, is the very form in which the state has been financing the previous deficits!

This is the reason why the new packet of economic measures included a "temporary" increase of up to 90% in mandatory reserve ratios for commercial banks. The situation has gone to the extreme of leaving the national banking system without any liquidity of its own—in order to keep the government free from the "sin" of printing money to meet the demand for currency, provoked by its own inflationary issuance of CETES.

This is the "genius" of the pro-GATT financial strategists of the government, Miguel Mancera Aguayo of the Bank of Mexico, Jesús Silva Herzog of Finance, and Carlos Salinas de Gortari of Planning and the Budget.

Interest payments soar

According to the finance ministry's figures, in the first five months of the year, the government's domestic debt increased by 5 trillion pesos, on which it must pay 2.5 trillion pesos in interest (50%). This sum exceeds that assigned to costs of investment in the budget—2.4 trillion pesos.

National industry faces a cost squeeze, principally because of the high interest rates. The businessman who says that the principal cost pressure he faces is from wages is lying; indeed, this is the only area of expense in which he has obtained substantial savings.

Industry has been exhausted by the financial cost of the high interest rates, by the contraction of the internal market, and by the increase in fixed costs, since a large part of installed capacity is idle because of the overall recessive IMF economic program.

If the de la Madrid government wants to get out of this economic dead end, it will have to join Peruvian President Alan García's fight to end the IMF's austerity regime and stretch out foreign debt payments; it must also opt for a drastic reduction in internal interest rates and an extension of internal debt payments (the CETES). If these measures are matched with an increase in real salary levels, to recoup at least a large portion of the 50-60% of purchasing power which has been lost, then the basis for a real recovery would be at hand.

The Philippines' battle for development

Susan and Ramtanu Maitra analyze President Marcos's 20-year fight against the international bankers and the domestic feudal oligarchy.

The campaign to bring down the regime of President Ferdinand Marcos in an explosion of political and economic chaos, relies heavily on a systematic operation by the U.S. and Western media to pump out endless streams of lying propaganda about the Philippines. Though President Marcos—"the great monster dictator"—has been the principal focus of this bilge, there is also a systematic effort not only to break the economy by forcing the adoption of anti-growth policies, but to persuade the world that, economically, the Philippines was nothing but a rotten "banana republic" in any case.

In fact, as the following profile of the Philippines economy shows, freed of the cancerous debt burden, with adoption of an effective program of exchange controls and a firm policy restricting multinational involvement to areas of real technology transfer, this developing country, with a literacy rate of 85%, could move rapidly into the ranks of newly industrializing countries. Reinstating the fractured industrialization program, with a priority on building up basic, heavy industry and on improving productivity throughout, is the necessary focus for policy.

Eleven projects for development

In 1979 President Marcos placed 11 industrial development projects on the economic policy agenda, projects aimed at shifting the country's industrial structure from consumer and intermediate goods toward basic, heavy industry. The projects included an integrated steel mill, integrated petrochemical complex, integrated pulp and paper plant, integrated coconut industry, copper smelter, aluminum smelter, phosphatic fertilizer plant, cement industry expansion, diesel engine manufacturing, a nuclear power plant and alcogas development.

The President's reference point was the economies of South Korea and Taiwan, whose economic growth the Philippines had outpaced in the 1950s, only to choke on a feudal agricultural sector by the mid-1960s. Upon election to the presidency in 1965, Marcos had made building a strong and self-sufficient agricultural base a priority, a program for which he was overwhelmingly re-elected in 1969. During the 1970s martial law period, he concentrated on building up the country's infrastructure for industry.

It was not for nothing that Marcos's 1972-81 administra-

tion had tripled the size of the country's road network—from 55,544 km to 160,000 km. The number of electrified households had nearly doubled, from 1.9 million to 3.2 million. Irrigated cropland had been increased from a mere 178,158 hectares to 1.4 million hectares. Rice and corn food self-sufficiency and an export margin had been achieved. And the minimum daily wage had more than tripled, from 8 to 31.80 pesos.

The 11 projects were in a way the culmination of that by and large successful program, and were meant to propel the Philippines into the ranks of the newly industrialized countries. "Unless we get on the same fast track," President Marcos said at the time, the country will be "left behind to choke in the dust of those we follow."

When in 1982 the World Bank and the International Monetary Fund (IMF) applied financial blackmail to force President Marcos to begin "triaging" the development program, he angrily charged the large developed countries with trying to stop industrialization in the Philippines so that they could maintain and expand their own markets for finished products.

Indeed, those 11 projects are the key to the Philippines' development. Provided the economy is freed of the crippling burden of the \$30 billion foreign debt, these projects, and the introduction of advanced technologies, are the means to tackle the country's most pervasive, enduring problem—low productivity. Aborting them is not only to abort industrialization. It destroys the country's economic potentials, built up over nearly 20 years.

A colony in all but name

When Ferdinand Marcos assumed the presidency in 1965, he inherited an economy that was unbalanced and stagnant. There was virtually no infrastructure; even the most obviously vital requirements for transport and communications in a nation consisting of more than 7,100 islands, with the two largest—Luzon and Mindanao—comprising about two-thirds of the total 300,000 square km land area, were sorely lacking. Both agriculture and industry, so-called, were strictly "extractive," and controlled by a landed oligarchy and the *maistros* of the London commodity markets.

Following independence in 1946, a mix of ad hoc policies was pursued. During the 1950s the manufacturing sector

grew at a rate of 12% per annum, with the effect that the Philippines' per capita GDP grew at an annual rate of 3.6%—compared to Singapore's 1.3%, Malaysia's 1.0%, Thailand's 2.8%, and Indonesia's 1.9%. Philippines' per capita income growth was even faster than that of South Korea, which was just recovering from the Korean War.

Similarly, agricultural commodity production expanded rapidly. Coconut and sugar production for export boomed as the low population-to-land ratio prompted extensive cultivation. A substantial amount of foreign exchange was also earned through indiscriminate logging—log exports from 1955 to 1965 grew at an annual rate of 11.5%. Improvements were also made in mining, with German involvement in nickel, iron, and cobalt exploration.

But the Filipino economy was still a colonial economy in all but name. Productivity in both industry and agriculture remained at a low level. Most of the industries were developed as part of an "import-substitution" strategy, where processing or assembling of imported raw materials and supplies was emphasized—as opposed to developing basic industry.

Moreover, the precedence of the consumer industries

established a fateful trend that has had a continuing negative effect on the Philippines economy to this day, as both an engine of inflation and a usurper of domestic savings. The industries, many of which were patently inefficient, were elaborately protected. Since many of the manufacturing enterprises, such as metal-processing, ship-building (5,000-ton capacity average), construction, and tourism do not require large quantities of labor, the service sector and agriculture—despite its low productivity—expanded steadily.

But by 1960, surplus land was gone, and sugar yields began to drop to pre-war levels. Only a favorable peso-dollar exchange rate and a free-trade relationship with the United States, under which the Philippines had easy access to cheap food imports, masked the fundamental imbalances in the economy and made the commodity-export game look viable.

The central problem was the oligarchy, the landed families of Spanish imperial descent who held the economy and the political process in sway. As plantation owners with large landholdings and cheap labor at hand, they hardly put a premium on productivity. As industrialists, they enjoyed fully the protection provided by the successive administrators drawn from their ranks. They took full advantage of their feudal privileges and whatever collaboration foreign boosters offered to fill their coffers, paying no attention to the country's needs.

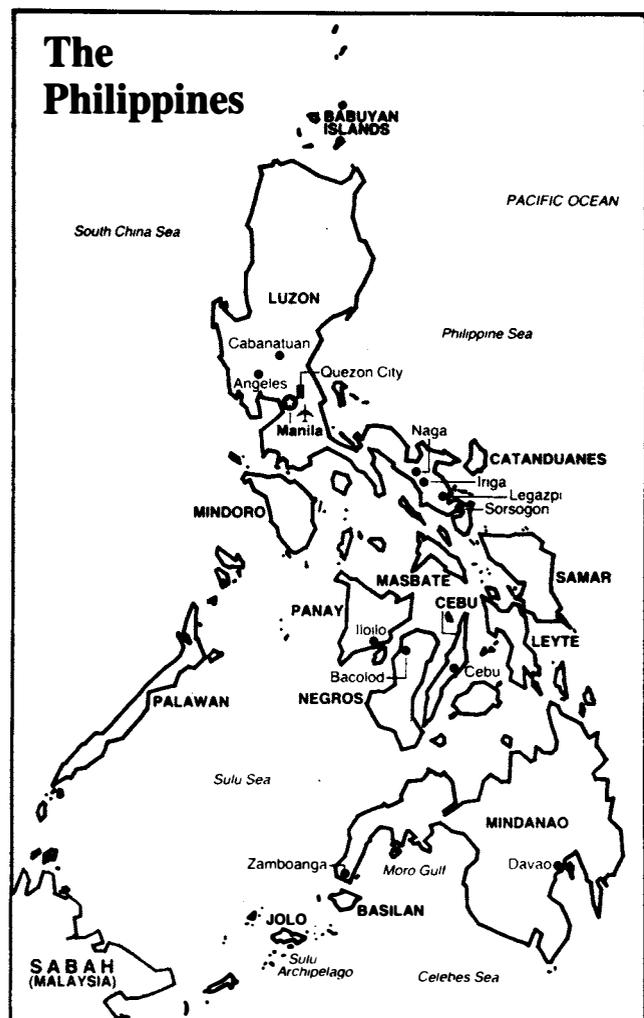
Food self-sufficiency

In 1965, President Marcos, the first head of state from a middle-class family, a "commoner" trained as a lawyer, set about to correct the fundamental flaw in the Philippines' development strategy—the failure to develop a sound food-producing base. His initiatives centered on measures to increase foodgrain productivity, development of irrigation and infrastructure in Mindanao and Luzon, and, beginning under the 1972 martial law, a sweeping land reform program.

During the first year of his administration, he established price incentives for increased output of rice and corn, the country's main foodgrains, whose cultivation had been marginalized and kept backward under the cash-commodity export regime of the oligarchic landowners. About 70% of the 9 million hectares under cultivation in the Philippines is used for the production of cereals, of which rice and corn are the most important. Rice yields have been among the lowest in Asia.

Credit and other incentives for mechanization were introduced in 1966. Use of tractors increased significantly, mostly among producers of rice. While 1,500 power tillers were sold nationally between 1960 and 1965, more than 8,000 units were sold from 1966 to 1969.

For rice, whose major growing areas are in central Luzon, irrigation development permitting expansion of double-cropped areas was a key factor in raising productivity prior to the introduction of high-yielding rice varieties (HYV) in 1967. Irrigated crop area showed little increase in the 1950s, but rose from 24% in 1959 to 45% in 1969. Further, between



1965 and 1970, more than 10,000 small irrigation pumps were imported from Japan and elsewhere. By 1971 67% of the irrigated areas and 45% of the rain-fed lowland areas were planted to high-yielding varieties of rice.

In fact, in addition to improved water, transport, electricity, and education, the suppression of smuggling, steps to revive the ailing state textile industry, and easing of credit, one of the principal reasons for Marcos's sweeping majority in his 1969 re-election was his success in the agricultural sector. Rice imports declined from 30 million bushels in 1965 to 5.7 million in 1966, and there was an actual surplus for export in 1967-68. The shift represented an annual savings of some \$50 million in foreign exchange.

But the rice output gains were at the expense of political land reform initiatives. While the new strain of HYV rice could produce five or six times more output per unit of land, it required expert handling and several times the capital outlay needed for traditional cultivation. The large, landed producers took the opportunity to insist that if the islands were to achieve food sufficiency, the size of the landlords' cultivation allocation must be enlarged.

This was no small factor in the upsurge of social chaos, anti-government activity, and peasant-based terrorism of the early 1970s.

Taking on the oligarchy

Despite the adoption of a series of land reform laws during the 1950s and 1960s, only the 1972 Martial Law gave the government sufficient muscle to enforce real agrarian reform. To the horror of the landed oligarchy, on Sept. 26, 1972, Presidential Decree No. 2 proclaimed the entire country as a "land reform area." One month later, Presidential Decree No. 27—the "Tenant Emancipation Act"—declared all tenants in lands principally devoted to rice and/or corn, about 1 million farmers at the time, owners of the land they were tilling up to three hectares if irrigated, or five hectares if not irrigated.

Provisions for amortization of the transferred land and compensation to the affected landowners were adopted in a staged program of implementation, which included complementary measures for increasing productivity. The Ministry of Agrarian Reform, created by the Code of Agrarian Reforms of 1971, coordinated all activity. The Courts of Agrarian Relations were restructured to ensure implementation, and the military was designated to help enforce the agrarian laws.

Even the severest of his critics admit that the accomplishments of agrarian reform under the Martial Law were extraordinary. By mid-1977 some 250,000 peasants farming more than 450,000 hectares of mainly rice and corn, were in effective possession of their own land.

In 1973 the government introduced the "Masagana 99" program to attain self-sufficiency in rice production. The program consisted of a "delivery system" to provide the credit facilities, fertilizers, and other production inputs necessary



United Nations

The number-one problem for the economy of the Philippines to solve: the productivity of labor.

to take advantage of the HYV seeds. Extension services were set up to guide the effective implementation of the new technology. A credit scheme was initiated to give low-cost credit to farmers, and a price support program instituted to ensure farmers stable prices and reasonable profits.

Before the Masagana 99 program, average rice yields in the Philippines were about 1.71 metric tons per hectare. By 1983 that figure rose to 2.39 tons, and between 1977 and 1983, the Philippines exported some \$153 million worth of rice. Corn self-sufficiency was achieved in 1979.

Energy and infrastructure

In addition to large and continuing investments in infrastructure, including power, roads, port and transport facilities, irrigation, flood control, and domestic water supply, the government launched an aggressive energy self-reliance program not more than a month after world oil prices quadrupled in October 1973.

Establishment of the Philippines National Oil Company (PNOC) came not a moment too soon. The country's oil bill jumped from \$187 million to \$651 million in 1974, and then soared to \$2.5 billion after the second oil shock by 1980. PNOC was directed to provide and maintain an adequate supply of oil and petroleum products for domestic needs, and in particular to promote the exploration, exploitation, and development of domestic energy resources. By 1983, oil imports to the Philippines had dropped to 63.5 million barrels, as domestic energy sources jumped 12.6% to 34 million barrels of oil equivalent. The reduction was largely due to increased energy production from geothermal, hydro, coal,

and nonconventional energy sources.

The Bataan Nuclear Power plant, undertaken in 1973, was a key part of this initiative. Its fate is living testimony to the kind of political and financial sabotage which confronted the government at virtually every step of the development process. Nuclear power is the obvious solution to this island nation's industrial power requirements. Yet, after a decade of construction, a project which should have cost less than \$1 billion is yet to be commissioned, and cost estimates have now soared to more than \$2.3 billion. Fully \$600 million of this cost-escalation and most of the delay, is the result of the Carter administration's application *retroactively* of safety regulations, adopted in the wake of the Three Mile Island nuclear plant accident in the United States. The two additional nuclear plants originally planned to provide 1,880 MW of electricity by 1985-91 were shelved under financial pressure from the IMF.

In the meantime, oil, coal, and geothermal energy have been tapped to try to fill the breach. PNOOC struck oil offshore among the islands and production began at the Nido complex in 1979. Similarly, known coal reserves of 135.6 million tons, with potential reserves estimated at 1,400 million tons, have been located. Coal output of 263,393 tons in 1979 was scheduled to reach 1 million tons by 1982 and 4.2 million tons by 1987. Geothermal power generation on a commercial scale began in 1979, and by 1980 capacity had reached 446 megawatts. Power generating capacity as of 1979 was 4157 MW total, of which 2975 MW was from oil-fired plants and 934 MW from hydroelectric.

During the martial law period, from 1973, the economy surged ahead, with nominal per capita income expanding at 3.6% per annum. In addition to agriculture, manufacturing and services expanded more rapidly in the 1970s than in any previous decade. But the gains were marred by a high inflation rate which cut into real wages. One study reports that for manufacturing firms employing 20 workers or more, real wages in Manila fell by 26% during 1970-78, while the corresponding decline outside of Manila was 49%. Real agricultural wages also fell by 10%.

The 1970s inflation is a measure of the underlying problems which it in turn exacerbated. A product in the first instance of the two successive oil price shocks and the country's energy dependence, it was sustained and fueled by continuing internal political and terrorist sabotage. More than ongoing domestic police expenditures, the turmoil and sabotage ensured continuing low productivity in the economy. High consumer expenditures and government spending on infrastructure in the context of persisting low productivity is a classic recipe for endemic inflation, quite apart from the decisive factor of foreign debt.

The fact is, that the high growth of the '70s came more from a greater use of resources than from gains in productivity. Sustained investments in manufacturing enabled industrial firms to contribute to exports more impressively than before, but the so-called manufacturing sector was dominat-

ed by consumer, assembly and, at best, light engineering industries, employing generally low levels of technology. Basic industry was weak or non-existent. The situation is dramatically characterized by the fact that although the Philippines has some of the largest iron ore deposits among the developing nations, it has no basic steel or machinery industry, imports the entirety of its machine and equipment needs, and in 1983 imported nearly half a billion dollars worth of base metals.

This import dependence, coupled with the persistent inability to raise domestic funds through appropriate and effective tax and other policies, made the Philippines hostage to international financial markets to finance its development. By 1978 the Philippines' total foreign debt outstanding was \$2.8 billion, more than half of which involved investments in infrastructure. By 1980 foreign borrowings had jumped to \$10.5 billion, and the unprecedented interest rates have compounded the indebtedness since. This boosted inflation, already fueled by the low productivity.

The pernicious continuing influence of the Filipino oligarchs, who extended their controlling reach from the land into the country's banking and investment institutions, was reflected in the government's inability to raise domestic financial resources to finance its development effort. From President Marcos's very first term, he was confronted with outright refusal by his own party to vote up the needed tax increases to facilitate the necessary expanded borrowing.

At the same time, the domestic savings level remained unusually low. In fact, it never exceeded 9%—by contrast, say, with India's 24%. The monied class was not interested in investing in the country's build-up, insisting instead on being free to reap better, speculative returns elsewhere. Inflation further undercut savings potential, and the short-sighted emphasis on the consumer goods sector massively compounded the problem.

The domestic savings deficiency was inevitably reflected in the current account deficits of the balance of payments, since increased commercial borrowing was the only way left to Marcos to finance the development effort. As a result, the country's current account deficit increased almost tenfold between 1966 and 1970, and which generally soared thereafter—increasingly nearly 12-fold from the 1971-75 period to 1976-80.

This tack might have been less devastating had Marcos enacted a strict foreign exchange control regime from the outset, and there is no doubt that with debt relief, foreign exchange controls are an essential precondition for the success of any genuine recovery program today. That recovery program rests on a full reinstatement of the 11 industrial projects begun in 1979 and reactivation of the power projects—in particular the two nuclear plants—aborted by IMF fiat in the early 1980s. Those projects remain the crux of an effective strategy to correct the accumulated problems associated with low productivity, and to put the economy on a sound and self-reliant course.

Call for ASEAN common market

by Gail G. Billington

Before a Bangkok press conference on Aug. 7, Thai parliamentarian M.R. Kukrit Pramoj sounded the alarm, calling on the heads of state of the ASEAN (Association of Southeast Asian Nations) countries to meet to undertake emergency measures against the rapidly deteriorating global economic situation. ASEAN's leaders, former Prime Minister Kukrit said, must issue "a clear and strong signal to the industrial world that ASEAN will not sit down calmly and watch the fruits of its economic development destroyed by international economic instability and protectionism."

Within 24 hours, Kukrit's call was editorially endorsed by Bangkok's leading English-language daily, the *Bangkok Post*, under the headline "Economic Summit a Major Priority." The *Post* seconded the urgency of bringing ASEAN's leaders together, insisting that "they should be ready and willing to set aside any difference of opinion to attend the summit to decide on a common stand and on measures to be taken for mutual benefit."

Kukrit's proposal calls for the six non-communist Southeast Asian countries to draw up a treaty for ASEAN economic integration. Following the outline of similar proposals put forward for Ibero-America by the American statesman Lyndon LaRouche, Kukrit said the summit should draw up a timetable for the "three basic phases of integration—free trade area, customs union, and common market." No more than six months should be allowed for the drafting of the treaty, he said, and the deadline should be fixed at the first summit.

"The frequent meetings of ASEAN," Kukrit pointed out, "have been mostly in response to the situation in Kampuchea, not for economic reasons, which are the real purpose of ASEAN. So we should start talking just economics for once. For this purpose, Prime Minister Prem should call for an urgent economic summit. . . . The time frame needs to be considered in days and weeks, because the matter is so urgent."

Kukrit added that he would be willing to serve as Prime Minister Prem's personal envoy to organize the summit. The Aug. 8 *Bangkok Post* heartily endorsed Kukrit as "a most

effective special envoy."

Kukrit is the leader of the Socialist Action Party, a partner in the current coalition government of Prime Minister Prem Tinasulamond, and a former prime minister. On July 4, he became the first Thai parliamentarian to lash out at the International Monetary Fund as the agency responsible for the November 1984 devaluation of the Thai currency, the baht. The devaluation, tax reform, and privatization programs that went along with it, were forced on Thailand by the World Bank and the IMF, he said, in violation of Thai national sovereignty.

The IMF program is being implemented by technocrats in Thailand's National Economic and Social Development Board, who were trained at the Wharton School of the University of Pennsylvania. It has created new mass unemployment, an increase in Thailand's trade deficit, and a decrease in the country's growth rate from 6% for 1985 to 5%.

The proposed summit would bring together the heads of government of Thailand, Malaysia, Indonesia, Singapore, the Philippines, and Brunei. Despite the deepening world depression, ASEAN, until this year, was the success story of the developing sector. But in 1983, the plug was pulled on the Philippines by the international banks and the IMF, and that country has since had a negative growth rate. Thailand's economy was hit last November, when the IMF imposed a surprise devaluation of the baht. Now even the economy of Singapore, the thriving financial and industrial center situated on the island off the coast of Malaysia, is beginning to fail.

The problem heretofore with ASEAN integration has been the fact that the countries all have the same export profile, with their major export products being agricultural products, raw materials, textiles, and high-technology parts such as microchips. However, an ASEAN common market would act as a unified defense against the protectionist measures coming down the pike from the United States, such as the now-pending Jenkins bill, which would drastically cut textile and other imports from ASEAN.

In addition, the ASEAN pact could function to pull together the region's resources, to carry out industrial and infrastructural development projects that no one country is able to do alone. The Kra Canal through southern Thailand and the construction of a superport at Songkla are one project that is immediately on the agenda.

In its Aug. 8 endorsement of the ASEAN summit, the *Bangkok Post* points out that Kukrit Pramoj's proposal is in line with the argument presented by Thai Foreign Minister Sitthi Sawetsila at the July conference of ASEAN foreign ministers in Kuala Lumpur, Malaysia. Sitthi reported, says the *Post*, that intensification of ASEAN economic cooperation was set in motion by two successive summits of ASEAN heads of state and that "it may be appropriate to begin thinking of another set of guidelines for the next generation of ASEAN cooperation endeavors."

Debt burden ruins public health

by Hugo E. Arce, M.D.

The following article was contributed by Dr. Hugo E. Arce of Buenos Aires, Argentina. Dr. Arce is the assistant director of the Alfredo Lanari Institute of Medical Investigation at the University of Buenos Aires, and a health adviser to the Partido Justicialista, the Peronist party.

It would be comfortable and tempting to point to a simple cause-and-effect relationship to show that the economic policies imposed on our nation by the International Monetary Fund have had negative repercussions on infant mortality rates or the nutritional levels of our population. There are those who, of course, would immediately accuse us of making a prejudiced association or interpretation of epidemiological data, or would criticize us for excessive ideological rigidity. But if we proceed with a global analysis, we will find that the degree of attention given to our foreign debt obligations, competes directly with monetary resources available in the internal market, and this in turn, with the socio-economic situation and health levels of the population.

A broad analysis of our health resources, compared to the number of inhabitants, shows that these are reasonably acceptable for a country of our level of development. For example, we have 5.3 beds for each 1,000 inhabitants. We have 1 physician per 500 inhabitants. . . . In our more urban centers, we perform cardiovascular operations (with extra-corporeal circulation), chronic renal dialysis, neurosurgery, and other complex diagnostic and treatment procedures, on a par with the highest-quality international services. . . . Our mortality rate generally oscillates between 8 and 10%, comparable to some industrialized countries.

But, what is the counterpart to this? The rate of infant mortality (children under one year of age) . . . is over 35%, double and triple that of developed nations. The rate varies between less than 25% in some urban areas, whose access to

medical services is greater, and up to 200% for many impoverished rural zones, the equivalent of some African and Asian countries. In these regions, one out of every five children born, dies before reaching one year of age.

Nor do the indicators speak of the four remaining children, because for statistical purposes, it is much easier to register categorical events, such as birth or death. But as our health establishments will attest, infant malnutrition has visibly increased in recent years, and in a large percentage of these cases, the nutritional alterations have irreversible effects. However, it is more difficult to reflect this statistically, because information on morbidity is less reliable.

Forced contraction of the economy

Paradoxically, this deterioration occurs in a country that produces and exports food. . . . The food available is of the most varied nutritional quality: We have a surplus of production in dairy products, red meat, and grains. But recessive economic policies, imposed for the purpose of accumulating monetary reserves, forced our governments to invest all surplus in the payment of debt service, at the expense of a violent contraction of the domestic market. And this contraction caused a reduction in industrial production, unemployment, and underconsumption. In inverse proportion, we see an increase in malnutrition, infectious diseases, and illiteracy.

If, instead of disaggregating the infant mortality rate by geographical region, we do it by pathological cause of death, we shall see that in Argentina more than 35% of these infant deaths are due to infectious and parasitical diseases, as well as malnutrition and other perinatal diseases. These causes of death are directly related to the levels of nutrition and medical attention these children receive, and with the socio-economic environment in which the pregnancy develops, as well as the birth and the first year of life. In the majority of cases, infectious diseases do not result in death, nor spread, if the organism exists in conditions which allow it to defend itself. *The structure of infant mortality is therefore a representative indicator of our socio-economic situation.*

To recapitulate: The decline in the terms of trade determines that our country receives less for its primary products, while paying more for manufactured imports. So as to lessen the negative impact of this on our purchasing power, the industrialized nations and their financial institutions have generously offered volumes of credit, through interest rates whose amortization became increasingly impossible.

This is the picture which has characterized the last 10 years of our economic and health policies. Today, the IMF specialists, who over the years watched without alarm as developing nations' debts grew, arranged credit at interest rates exceeding all reasonable expectation of repayment, innocently ask: "How can Argentina presume to maintain the activity of its domestic market, full employment, and stable consumption, when its foreign debt obligations must absorb all of its monetary capability?"

Business Briefs

Dirty Money

No 'smoking gun' found in E.F. Hutton case

Not satisfied with the Justice Department's decision not to prosecute officials of E.F. Hutton, following the company's guilty plea of defrauding more than 400 banks of millions of dollars, the House Judiciary Subcommittee on Crime, chaired by William J. Hughes (D-N.J.), conducted a three-month search for new evidence on which to indict the higher-ups.

But that investigation also failed to turn up a "smoking gun"—providing evidence that high-ranking E.F. Hutton officials promoted practices that they knew to be illegal at the time.

The company has taken a public-relations beating, was fined \$2.75 million, and has had to set aside at least \$8 million to pay back the banks it defrauded. The Justice Department is anxiously awaiting the release this fall of the investigative reports into the company by the Securities and Exchange Commission, the North American Securities Administrators Association, and the New York Stock Exchange.

E. F. Hutton also faces the possibility of being banned, under federal securities laws, from the mutual fund business, and several states are reviewing Hutton's criminal overdraft practices to determine if state regulations were violated and to ascertain whether to suspend or revoke the firm's license to do business.

International Monetary Fund

Austerity plans for Sweden, Egypt revealed

An election exposé has forced publication in Sweden of a highly confidential report of the International Monetary Fund's Executive Board, made to the government of Socialist Prime Minister Olof Palme. The report was made fully public during the sec-

ond week in August, following leaked reports of the document in opposition Swedish papers.

The International Monetary Fund "recommends," following a June inspection visit, that Sweden take drastic fiscal measures in the fall to reduce the budget deficit, slash inflation, and force wage levels down. The report attacks Sweden's exorbitant inflation rate (8%) and soaring budget deficit (\$900 million).

The Fund has also delivered a new ultimatum to Egypt, demanding "fundamental economic changes and vigorous measures." The demands include an immediate change in the policy of government subsidies, reorientation of Egyptian industry toward "primary exports," such as cotton, and wage cuts.

The Debt Bomb

Kissinger: Si! García: No!

Brazilian banker and Foreign Minister Olavo Setúbal has warmly endorsed the debt schemes of Henry Kissinger, while rejecting Peruvian President Alan García's challenge to the international financial oligarchy.

In an interview published in the daily *O Globo* on Aug. 11, he declared, "We have to follow the path suggested by U.S. ex-Secretary of State Henry Kissinger, which suggested the adoption of a Marshall Plan for Latin America."

Setúbal insisted that until the "distant" future when the international system could be changed, "Brazil continues to negotiate within the orthodox rules, while we try to have a medium- and long-term discussion within the vision of the Cartagena Group. . . . That is the line of the Brazilian government."

Setúbal insisted that "the debtor countries do not have the same difficulties and therefore could not negotiate as a bloc. . . . Peru has a much bigger debt than Brazil, proportionally to its exports and its GNP. . . . Peru has to demonstrate a great

effort to meet its commitments."

Setúbal is co-owner of the Banco Itaú São Paulo, and is reportedly politically close to certain unsavory Central European banking circles.

Comecon

Soviet ambassador squeezes Bulgaria

Leonid Grekov, the Soviet ambassador to Bulgaria, issued an unprecedented public denunciation of the inefficiency and all-around incompetence of the Bulgarian economy, in an interview with the Bulgarian weekly *Pogled* published in mid-August.

Proconsul Grekov criticized the low productivity and low quality of industrial goods in Bulgaria, and called on the Bulgarians to show "the same commitment to improve the economy as Soviet citizens have shown." He called for a full-scale utilization of industrial plants, which are usually operated at only 50% of their capacity now, and recommended that "the average Bulgarian worker overcome a certain, undeniable lack of proletarian consciousness."

Labor

Chrysler chairman demands wage cuts

Chrysler Corporation chairman Lee Iacocca is demanding that auto workers accept deep wage cuts, as part of a new labor contract. The current contract expires on Oct. 15.

The contract negotiations opened on Aug. 13, with United Autoworkers (UAW) negotiators demanding that Chrysler workers' pay be raised to equal that of workers at GM and Ford. The base wage is now 39¢ per hour lower than GM. Chrysler executives claim that full wage parity will give the company the highest total labor costs in the industry, because of Chrysler's disproportionately large number of retired workers.

Iacocca has said that Chrysler should get "no less" than the agreement the UAW recently concluded with Saturn Corp., the new GM subsidiary, which calls for a base wage 20% below the industry average.

Flight Capital

Guatemala sets exchange controls

Guatemala has imposed exchange controls and will nationalize companies involved in exporting if necessary to prevent capital flight, President Gen. Oscar Mejía threatened on Aug. 16. "Now I warn all those who have to do with the dollar business or who have companies which generate foreign exchange," he said. "I would not like to nationalize the exporting companies, but we will do it if that means ending speculation and improving the living standards of Guatemalans."

The President announced that exchange houses, which have been operating legally since an attempt was made to bring Guatemala under International Monetary Fund control in February, would be closed down. During that period the speculators have forced down the value of the quetzal by two-thirds. Free exchange of dollars has been ended and illegal currency transactions have been made a criminal act, he said.

Africa

Qaddafi does IMF's dirty work in Tunisia

Libya's Colonel Qaddafi and the International Monetary Fund are working hand in hand, charged the Tunisian government newspaper *Al Amal* in an editorial on Aug. 11. Commenting on Libya's decision to expel some 8-10,000 Tunisian workers, the paper commented that it is no coincidence that just at the time that Tunisia is being squeezed by "international financial insti-

tutions," Libya intervenes to aggravate the crisis by trying to destabilize the fragile Tunisian labor market.

The Tunisian weekly magazine *Realités* remarked on Aug. 10 that the coincidence between Qaddafi's actions and IMF policies has "led many African economists to call for the IMF to be burned! . . . The secret behind the IMF policies is that austerity = social disorder = riots and death. . . . The IMF is the modern Genghis Khan."

The Tunisian economy is becoming increasingly fragile under these pressures. The Tunisian trade union confederation, UGTT, suspected of backing from Qaddafi and the Socialist International, has been organizing strikes against the government. The IMF and the World Bank have warned Tunisia that it must devalue its currency immediately if it wants any international assistance.

Ecology

Forest Congress pushes World Bank's plan

Representatives of 96 countries attended the Ninth World Forest Congress in Mexico City at the beginning of July, sponsored by the Mexican government and the U.N. Food and Agriculture Organization (FAO). The group adopted an emergency program drafted by the World Bank "to halt the accelerating destruction of tropical forests."

FAO figures show that 27 million acres of woodlands are destroyed each year, mostly by "peasants who cut the trees for firewood or to clear the land for agriculture." G. Tangikanan of the African Woods Organization reported that the world will need 2.6 billion cubic yards of wood by the year 2000. He said that 86% of all the wood consumed in the developing countries was utilized for household energy.

The World Bank/FAO plan is intended to use the issue of reforestation and reversing desertification as a cover for introducing programs that will prevent the development of agriculture and high-technology energy production, including nuclear energy, in the tropical zones of the Third World.

Briefly

● **UP TO \$1 BILLION** in dirty money is laundered annually in Peru, including from the drug traffic, and certain Peruvian senators are waiting for the chance to ask some questions of Central Bank President Richard Webb, who should know something about about how it's done. Webb, a Peruvian-born Harvard economics professor, is probably the world expert on the subject, though he has never before been forced to discuss it publicly.

● **THE BUILDING TRADES** unions of the AFL-CIO met in Chicago at the beginning of August, and decided to put off their next meeting for five years. The meetings had hitherto been biennial. Attendance at the conference was low, as only 250 labor representatives put in an appearance.

● **PAUL VOLCKER** scares his own grandchildren, according to *Washington Magazine*. The Federal Reserve chief has a two-year-old grandson, to whom Volcker used to read the story of "Little Red Riding Hood." But when Volcker imitated the voice of the big, bad wolf, his voice was so deep and so mean, that now the child cries whenever he lays eyes on the book.

● **FIDEL VELAZQUEZ**, the leader of Mexican's trade union confederation, has blasted his government's apparent decision to join the General Agreement on Trade and Tariffs (GATT). Although the labor movement was not consulted, he said, "we have the right to give our opinion. And our point of view on GATT is a big fat NO! . . . The buying power of the people is disappearing and this could bring a social problem which perhaps will have more impact than the economic problem itself."

Study reveals 40% decline in American living standards

by the EIR Economics Staff

Just about everyone now realizes that the much-vaunted “recovery” is a colossal hoax, believed in only by the most fanatic free enterprisers in the Washington bureaucracy. But *EIR* has now established that the extent of the crisis is far worse than most had suspected. The living standards of the American population as a whole have *declined by 40%* since the 1950s, with most of the drop recorded under Federal Reserve chief Paul Volcker’s stewardship over Ronald Reagan’s presidency. These findings are detailed in our *Quarterly Economic Report*, “The Looming Bankruptcy of the United States,” which was issued on June 15. We summarize selected features of the study here.

America cannot currently, in peacetime, produce enough food, housing or clothing for itself; in case of a war emergency, the situation would be disastrous. The nation is experiencing a breakdown in family household formation, in its consumption, and in its labor force. The point of the breakdown of American consumption, of the market basket of consumer goods, is not that we no longer have things as good as they were in the good old days. Rather, America’s living standard has been slashed so dramatically that we are dying as a nation: The collapse in food production, the deterioration of housing and dangerous cuts in health care, threaten to bring on a pandemic of disease to make the 13th-century Black Death seem trivial in comparison.

Further, the decline in our standard of living, particularly since 1980—the so-called recovery years—has destroyed our capacity to produce for future generations. America has lost 74.5 million productive lives—the children who would have been born since 1950, had austerity not forced us to

abandon the family formation and child-production rates of the 1950s. That represents 74.5 million scientists and productive workers which our society has simply lost. America’s current goods output would be triple what it is today, had it the 108.5 million productive workers, rather than the meager 34 million it now has.

The consumer market basket

The *EIR* study used a unique methodology, defining “standard of living” from the rigorous standpoint of the population’s effective “consumer market basket.” The commonly accepted definition of living standards, such as that used by Harvard University or the Bureau of Labor Statistics, is that of the amoral, hedonist Adam Smith, who said in effect, “These are the goods whose consumption, makes one feel good.” By that standard, any loose combination of goods which one can afford to purchase is one’s “standard of living.”

But an economy should be treated as a flow and upscaling of energy and work performed to a higher *purpose*, and that purpose is the improvement of the cognitive and material well-being of mankind. From the scientific standard that *EIR* has applied, levels of consumption of food, clothing, housing and culture, must be at least high enough to enable the husband and wife of a family of two to four children to raise and support those children for the required number of years (between 18 and 25) for these children to become skilled craftsmen, physicists, engineers—that is, to give them the minimal skill levels to function in a technologically advanced economy.

Using this criterion, we found that a husband and wife must have a standard of living supported by an annual income of at least \$40,000 after taxes, or above \$55,000 before taxes. Less than 10% of the population has that standard of living! Indeed, the standard of living prevailing in America is so low—one-fifth of the population below \$10,000—that the idea of any family benefiting from the non-existent recovery is laughable.

By beginning from these minimal adequate levels of consumption of the basic items that make up the consumer market basket, and then costing this consumption level into dollars or amounts of goods, *EIR* found the following drops in the respective portions of the consumer market basket since the 1950s: 1) food—an average fall of 40%; 2) housing—a fall of 46%; 3) health—an average fall of approximately 30%; 4) transportation—a collapse of 51%; 5) clothing—a fall of 24%; 6) education—an estimated fall of 25-40%.

The food deficit

Let us take the case of food production. The level of food consumption in the United States is plunging. This can be measured from two standpoints: 1) what the United States consumed in the past, and 2) what it should consume.

Meat consumption provides 70% of the protein that the human being needs every day for existence, in the form of

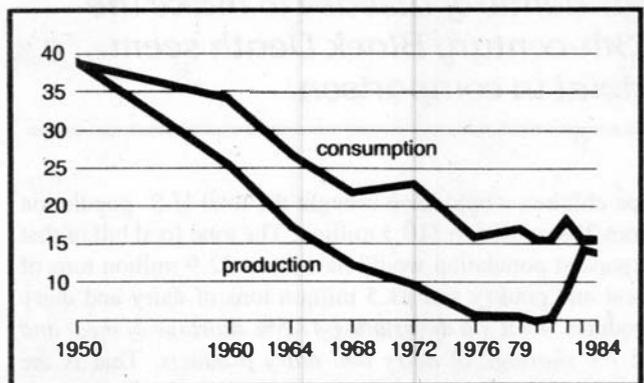


NSIPS/Stuart Lewis

The destruction of family-formation in America: A child grows up a New York City shelter for the homeless.

FIGURE 1

% deficiency in consumption and production of meat and poultry



The U.S. Department of Agriculture defines a moderate-cost food plan for a family of four, which *EIR* used to calculate minimum daily nutritional requirements. This graph shows the gap between this requirement and actual consumption and production. The decline in the consumption deficit stopped in 1976. Even more alarming is the reversal of the production curve after 1981: after achieving adequate meat production for the first time in 1976-81, a drastic collapse began. This is certain to show up in consumption trends too.

animal protein. The U.S. Department of Agriculture (USDA) defines a moderate-cost food plan for a family of four. This diet, among the thrifty, low, moderate, and liberal diet plans offered by the USDA, best provides the necessary daily protein, calorie, carbohydrate, iron, vitamins, and other minimum daily requirements, according to doctors that *EIR* consulted. In 1984, Americans consumed 22.3 million tons of meat and poultry, which on a per-capita basis is 10.7% less than the USDA moderate diet requires.

In meat production, the country moved from a 34% deficit to sufficiency between 1950 and 1976. Production remained at levels sufficient to supply the entire population with a nutritionally adequate supply of meat from 1976 to 1981, and then, the high interest rates on credit and plunging land values began to cut into production. As of 1984, we had regressed, in terms of per-capita meat production, to 1965 levels (Figure 1). Further, the beef, in particular, which we are slaughtering now, is the breeding stock for both the dairy and meat industries. Cows which can produce 20,000 pounds of milk a year are being sold for meat at \$500 a head. The results are gristle in your fast-food hamburger and a loss of productive capacity for years in the future, in some cases of bloodlines which have taken decades to produce.

What would it have cost to feed the 74.5 million children that were never born under the post-1950s zero-growth conditions? Feeding these children would have required 7.9 million additional tons of meat and poultry and 15.6 million additional tons of dairy and dairy products. These 74.5 mil-

The collapse in America's living standard threatens to bring on a pandemic of disease to make the 13th-century Black Death seem trivial in comparison.

lion children would have brought the total U.S. population from 236 million to 310.5 million. The total food bill of that expanded population would have been 32.9 million tons of meat and poultry and 81.5 million tons of dairy and dairy products. *That's a devastating 47.5% shortage of meat and 32.7% shortage of dairy and dairy products.* That is the actual deficit, which America seems to have avoided by not having these children.

Correcting this deficit can be seen to be even more of a problem when one realizes the destruction being visited upon agriculture. Without farmers, mechanized machines and farm inputs, one can make no food. America is losing that capacity. Farm-tractor production has plunged from 163,000 in 1976 to 62,000 in 1983. Lime usage, which prepares and enriches the soil when combined with fertilizer, has plunged from 38.1 million tons in 1966 to 25.5 million tons in 1983. And the number of farmers is decreasing by 1,000 per week, as the policies of Paul Volcker and the U.S. Department of Agriculture seek to convince farmers that farming is not a good profession, by bankrupting them.

Loss of productive workers

The formation of our families, the generation of our population, the production of the labor force, and the capability to carry on the needed physical transformations of our world, have all been devastated under the "post-industrial" society. The overall decay of the physical economy, and of its capability to reproduce, centers around the destruction of the production of its labor force. The traditional family unit of a husband, a wife, and several children has been the key for the successful generation of our labor force. Quite simply, it has been decimated in the last 20 to 25 years. The proportion of households that have formed traditional families has shrunk. The number of children for each of the family units that exists has shrunk. Consequently, we have produced less than half of the children that we would have needed to sustain even the moderately-successful economic development of the 1950s.

The destruction of the family, paralleled by the growth of the youth counter-culture, is the surest measure of the absolute level of austerity exacted from the population over the last 25 years. As the power of the family household has been reduced; the fecundity of the population has been lowered; the birth rate has fallen to below replacement levels; we have less children under 17 now than we did in 1960. Thus,

in turn, our next generation of workers will be much smaller than the one that is now employed. And the population of the elderly has increased, twice as fast as the growth in the overall population.

Do we have a right to forego the necessary investment to sustain the next generation? That is what we have done. Do we have the right to decide that over the next two generations, the population of America will be reduced to perhaps half its present size, barring the intervention of war, or disease? That is what we have permitted to be done.

The investment in a new generation is the investment in new scientists, new teachers, new engineers, new farmers, etc. It is the investment in new inventions, and new modes of producing the physical possibility of new generations.

The growth of the workforce-age population has far outpaced the other two age groups. Between 1960 and 1980, this population expanded 41%, from 101 million to 142 million. Since they are missing a market of 70 million children (among other populations), it is likely that the goods-producing sector was severely curtailed. In fact (as **Figure 2** shows), of the 41 million-person expansion, the productive sector grew by 2 million, the non-productive sector by 32 million! In other words, the amount of employees in the goods-producing sector, including agriculture and transportation, stagnated; the amount of employees in the service sector, an overhead category, almost doubled. We have only 19% of our adult population engaged in materially producing the means of subsistence for themselves and the other 81% of the adult population.

Who can afford a family?

It used to be the case that each family, made up of a married couple and children, of whatever number, could, in general, be supported by the earnings of one working member of the family alone, the bread-winner. This is no longer the case. This kind of family, the nuclear family, is on the verge of extinction. The wage or salary packet of the one-earner family household is no longer sufficient to meet the consumption requirements of the family household as a whole.

In 1984, for the first time, the number of family households where both husband and wife were at work exceeded the number of one-wage-earner, or one-salary families. Since 1950, the percentage of one-earner families has decreased from 66.9% to 31.9% (**Figure 3**). That is to say that the traditionally organized family household had declined to a level of only about 15% of the total 80 million American households. The one-wage-earner families, based on the working husband, have fallen absolutely from 1950 to 1984, by 51%, from 26.7 million to 13.2 million.

The reason for this is not hard to find. If one accepts what the compilers of the Labor Department's Consumer Price Index have to say about the weighted proportionalities of household expenditure, then approximately 44% of the household's disposable income is spent on housing, rent,

FIGURE 2

Productive, non-productive, and non-worker populations: 1950-84

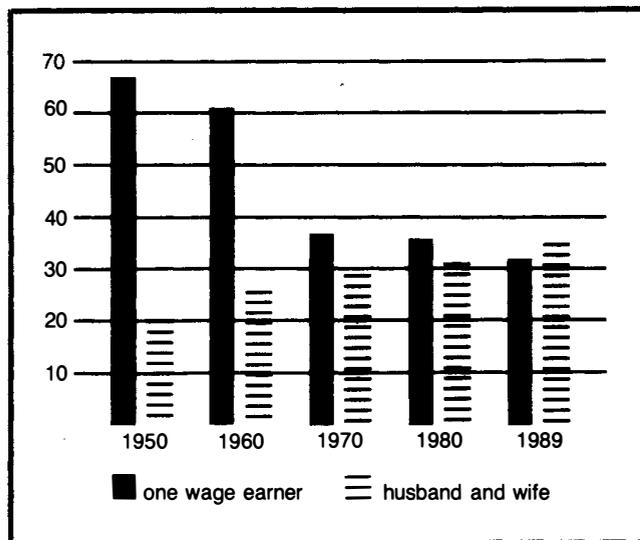
(millions)

Year	1950	1960	1970	1980	1981	1982	1983	1984
Total*	105	117	137	168	170	172	174	176
Productive	28.9	30.5	29.6	32.7	32.5	30.6	32.1	33.5
Non-productive	30.0	35.3	49.0	66.6	67.9	68.9	68.7	71.5
Non-worker unemployed	46.1	51.5	58.4	68.4	69.7	72.7	73.4	71.4
not in labor force	.3.3	3.9	4.1	7.6	8.3	10.7	10.7	8.5
65 & over	42.8	47.6	54.3	60.8	61.5	62.1	62.7	62.8
under 65	12.3	16.7	20.1	25.7	26.3	26.8	27.5	28.0
% productive	30.5	30.9	34.2	35.1	35.2	35.3	35.2	34.8
% non-productive	27.6	26.0	21.6	19.5	19.1	17.8	18.4	19.0
% non-worker	28.5	30.1	35.8	39.7	39.9	40.0	39.4	40.5
	43.9	43.9	42.6	40.8	41.0	42.2	42.1	40.5

* (Includes non-military, 16 & over)

FIGURE 3

% of one-wage-earner families vs. two-wage earners (1950-84)



fuel, appliances and so forth, another 18% on food consumption, both at home and eating out, and another 4% on the automobile. If these proportions of the disposition of income are set against what actually has to be spent, to purchase any of the indicated items, the problem becomes clear.

A family of four would need an after-tax income of more than \$40,000 a year to spend its income the way the compilers of the Consumer Price Index say they do. That means a gross income before federal, state and local taxes are collected, of rather more than \$60,000 per annum.

The median wage packet, for individuals, is in the range of \$18,000 per annum. There are only 12.5 million of the country's 80 million households who do earn more than the indicated \$40,000 per annum. But we no longer produce the goods necessary to support such a level of consumption in any case.

The health support system

Urban centers, whose flourishing has fostered every renaissance in history, and which were the nurturing and testing grounds for every new advance in technology, have turned into breeding grounds for disease and death under today's conditions of collapse. In the rotting cities, every virulent form of disease is bred, and spread rapidly because of the crowding of the population, broken-down sewage systems, poorly ventilated transport systems, and proliferating rats and other rodents, roaches and fleas.

What we are looking at is the breakdown of a health support system. The health support system is the totality of minimal levels of health, housing, clothing, sanitation, food intake, necessary to sustain a population. "Street people" are proliferating as the mental institutions are emptied out because of budget cuts, hospitals turn away the elderly, and drug-poisoned youth roam the streets. Likewise, the closing down of rat-control programs in cities such as Baltimore, where there are three rats for every person, will proliferate disease. The incidence of sexually transmitted diseases like gonorrhea, which is at pandemic proportions in parts of the United States, is an example of how the moral breakdown of the nation undermines the health support system.

The first step in the cutting of the nation's health support system is the closing of hospitals and reduction of hospital beds. The number of hospitals per 1 million persons fell by a third from 1945 through 1982, from 45 hospitals per million people, to 30 hospitals. The number of hospital beds is greatly reduced: from 9,600 per million persons in 1950, to 5,860 in 1980, a fall of 39%.

The protection of the health of the young is a significant measure of living standards in an economy. This includes an inoculation program, and in the United States, the program is now being slashed to pieces, by a shortage of serum so severe that some of the standard childhood vaccinations are not even being given.

Extreme poverty, furthermore, is killing babies. There are 45 to 50 million people in America who live below the poverty level; most do not eat properly, and some, for several days in the month, don't eat at all. Lack of adequate nutrition is the decisive cause for mothers giving birth to low-birth-weight babies, babies weighing less than 2,500 grams or 5½ pounds at birth. This feature of the breakdown of the health support system, due to lack of food, shows up, for example, in the Roxbury, Jamaica Plain, and Dorchester sections of Boston, where the infant mortality rate is 29 per 1,000, three times the national average.

Brzezinski's plot to sell out Europe and the SDI

by Criton Zoakos

The foreign and national security policies for which Zbigniew Brzezinski has been the public advocate during the last 12 months, have also been the effective, yet unacknowledged, policies of George Shultz's State Department and Robert McFarlane's National Security Council, though not those of Defense Secretary Caspar Weinberger. Should Brzezinski receive his imminently expected appointment in the Reagan administration, those foreign and national security policies of Shultz, et al., which had remained semi-clandestine and unacknowledged will come to the fore and be proclaimed official American commitments. The consequences of this would be disastrous for Europe and the United States for many years to come. The Brzezinski appointment will be in context of a broader series of gestures toward the Soviets which, made prior to the November Reagan-Gorbachov summit, are meant to reassure Moscow that 1) the United States will *not* pursue Reagan's Strategic Defense Initiative (SDI) and 2) the United States will disengage militarily from Europe and entrust the national security of West European nations to the good will of Russian military commanders.

These two points have been most vocally advocated by the Eastern Liberal Establishment, the Trilateral Commission, and, in the recent 12 months, by the Commission's former North American Director, Dr. Brzezinski.

According to persistent, authoritative reports from within the Reagan administration, the appointment of Trilateral Brzezinski, former National Security Adviser to Jimmy Carter, will be announced soon after Congress reconvenes in the fall. His appointment, forced upon President Reagan by a congressional vote crafted by Senate Republicans, will mark not exactly a change in the foreign and national security policies pursued by the State Department and the NSC, at the insistence of Senate Republicans, but rather an overt acknowledgement that the policies outlined in Brzezinski's public pronouncements are the official policies of the U.S. government, and have been so since approximately the beginning of the second Reagan administration!

And the appointment is meant to be read as a "signal" to Moscow.

Those whose political memories stretch all the way into the misty past of the



NSIPS/Stuart Lewis

A New York City demonstration by the Schiller Institute against the "decouplers" who are seeking to split Europe from the United States. On this Day of Resistance, Oct. 17, 1984, Institute supporters on three continents rallied against West Germany's fascist Green Party. While the "Green" thugs demand the ouster of the United States from Europe, Zbigniew Brzezinski, Richard Burt, and the Trilateral Commission are promoting the same policy—and calling it "strategic thinking."

1980 presidential campaign, will recall that candidate Ronald Reagan swept the country off its feet by waging a hard-hitting campaign against the Trilateral Commission of Brzezinski and against his catastrophic policies which, among other things, had caused the destruction of the nation of Iran and the emergence of Brzezinski's favorite lunatic, Ayatollah Ruhollah Khomeini.

This man is now preparing to take up his post in a new "Defense Policy Board," whose creation was voted by the Senate, at the instigation of the Senate Steering Committee, in a rider attached to the 1986 defense budget. The purpose of this Board, it is reliably reported, is to temper and slow down Defense Secretary Weinberger's drive for a strong defense based on adequate arms production, and replace that with a new emphasis on what Brzezinski and the Trilateral Commission describe as "strategic thinking."

The immediate objective of this new Trilateral insertion into the government is twofold: first, to derail and soon kill President Reagan's Strategic Defense Initiative; second, to remove the last remnants of U.S. commitment to the defense of Western Europe from Russian aggression and hand over the entire western European continent to Moscow, lock, stock and barrel.

Brzezinski and the SDI

The policies which Brzezinski has publicly advocated respecting the President's Strategic Defense Initiative represent the "consensus" at both the "liberal" Council on Foreign Relations (CFR) and the "conservative" Heritage Foundation and Georgetown's Center for Strategic and International

Studies (CSIS), as well as the Trilateral Commission itself. Brzezinski has been a ranking spokesman for three of these institutions over the years and, in the more recent period, has become a favorite of the fourth, the Heritage Foundation. All are associated with persistent efforts to "whittle away" the Strategic Defense Initiative.

Two major published items by Brzezinski, and numerous speeches, have adequately presented his proposals on the SDI. The most recent is an article published in the July 8, 1985 issue of the *New Republic*, titled "A Star Wars Solution." The earlier one, and more interesting, was published in the *New York Times* on Jan. 27, 1985 with the title "Defense In Space Is Not Star Wars." His co-author in this earlier writing was Max Kampelman, who later was appointed to become the chief American negotiator on arms control with the Russians in Geneva, where he would have ample opportunity to put to effect what he and Brzezinski had jointly advocated.

In both instances, Brzezinski represented the view that the President's Strategic Defense Initiative should be modified to become a negotiable instrument to be used for the more effective preservation of the old doctrine of Mutually Assured Destruction. Such "modification" would be put to effect if the United States decided to limit the SDI program to research, toward the development of some sort of laser-based point-defense of our existing ICBM fields, and to drop all prospects for either deploying or developing the comprehensive, global, anti-missile defense the President had originally proposed on March 23, 1983. In Brzezinski's own words:

The U.S. should drop or at least de-emphasize President Reagan's idealistic hope for total nuclear defense for all our population. We should also abandon our unwillingness to consider SDI in the bargaining process. If we implement that part of the SDI program which by the mid-1990s would enable us to disrupt a Soviet first strike, we would reinforce deterrence and promote nuclear stability. That means concentrating on terminal defense and boost-point interception.

Once we establish our determination to act on the SDI, we are in a better position to strike a bargain. We can say to the Soviets that we both face essentially two choices, one mutually beneficial, the other especially costly to them, but both stabilizing. The first choice is to renegotiate the 1972 ABM treaty to permit deployment of strategic missile defense, but without either side improving its ability to carry out a first strike. Then, in return for significant reductions in SS-24s, SS-25s, SS-18s and SS-19s, the United States would not deploy its strategic defense system.

Brzezinski's axiomatic rationale for this policy is the same as that repeatedly and *ad nauseam* emphasized by Shultz's State Department: the doctrinal integrity of Mutually Assured Destruction must be preserved. A similar obsession for protecting MAD against the implicit effects of the SDI has been displayed throughout this year by Margaret Thatcher's government in Britain, by NATO Secretary

General Lord Carrington, by the French Socialist government of François Mitterrand, and by Giulio Andreotti and Hans-Dietrich Genscher, the foreign ministers of Italy and the Federal Republic of Germany, respectively.

In the larger scheme of things, these Western opponents of President Reagan's SDI are driven not so much by any informed hostility to the technologies of the SDI, but rather by the almost religious, almost ineradicable, cultish, commitment to the doctrine of Mutually Assured Destruction. One has to dig back in history, to the immediate postwar years, to find the source of this present, obsessive commitment to MAD among these oligarchical circles. Contrary to "systems analytical" and technical rationalizations of the MAD doctrine circulated by the RAND corporation and similar "think tanks," the ranking oligarchical strategists of those years, Lord Bertrand Russell, British Intelligence chief Arnold Toynbee, the Dulles brothers, Carl Jung, Henry Cabot Lodge, and his then-protégé McGeorge Bundy had, in the heady days of the Pugwash Conferences, formulated and opted for the doctrine of MAD as their main weapon for the eventual destruction of the legal-constitutional form of nation-state organization of human affairs.

The slogan of "One World Government," in those days, was a slyly disguised presentation of a program focused more on the destruction of existing forms of nation-state government rather than simply the construction of any coherent "One World Government." The much-touted "One World Government" would simply be the informality of

Brzezinski's 'new spirit' for post-Yalta Europe

We excerpt the key proposals advanced by Brzezinski in his winter 1984 Foreign Affairs article, "A Divided Europe: The Future of Yalta," in which the reader will identify the policy thrust behind this year's State Department's deployments in Europe:

... *First*, on the symbolic plane, it would be appropriate for the heads of the democratic West as a whole, perhaps on February 4, 1985, to clarify jointly, through a solemn declaration, the West's attitude toward the historic legacy of Yalta. In publicly repudiating that bequest—the partition of Europe—the West should underline its commitment to a restored Europe, free of extra-European control. It should stress its belief that there now exists a genuine European political identity, the heir to Europe's civilization, which is entitled to unfettered expression. It should affirm the right of every European nation to choose its

sociopolitical system in keeping with its history and tradition. It should explicitly reject and condemn Moscow's imposition on so many Europeans of a system that is culturally and politically so alien to them. Finally, by drawing attention to the positive experience of neutral Austria and Finland, it should pledge that a more authentic Europe would not entail the extension of the American sphere of influence to the European state frontiers of the Soviet Union.

Second, and in direct connection with the renunciation of Yalta's burden, the West should simultaneously reconfirm its commitment to the Helsinki Final Act. This is absolutely essential, for otherwise the repudiation of Yalta could give the Soviets the convenient argument that the territorial integrity of Poland and of Czechoslovakia is thereby again endangered. The Helsinki agreements confirmed the durability of the existing frontiers in central and eastern Europe, and the eastern nations must be reassured on this score. At the same time, the Helsinki agreements legalized and institutionalized the notion that the West has a right to comment on the internal practices of East Euro-

running the world through the will of the world's oligarchical cliques, East and West, unencumbered either by the institutional constraints of the nation-state, or by natural law. "The very might of nuclear arsenals of the superpowers," the reasoning among oligarchical strategists went in those days, "will eventually become the very source of their impotence to act on the world arena. Nuclear arsenals of both sides;" the argument went on, "must so be organized as to make their use impossible. When the superpowers will thus be rendered impotent as a result, ironically, of their nuclear might, new political forces will be able to come into play and challenge both the superpowers and the political world of nation-states over which they preside."

"MAD" was then retailed by such spokesmen as Leo Szilard, Henry Kissinger, and others as, purportedly, the only possible means of keeping the peace in the age of nuclear weapons. "Keeping the peace," however, was the furthest thing from Lord Russell's mind; "destruction of the nation-state" is the ultimate objective of MAD.

This same objective animates Dr. Brzezinski's and his sponsors' opposition to the SDI.

The 'Iranization' of Europe

Some years before he was appointed Carter's National Security Adviser, Brzezinski aired the theory that the single most important task of diplomacy in the "nuclear age," was to "undo the legacy of the Peace of Westphalia." Few among those few Americans who read this were sufficiently versed

in history to realize that Brzezinski was overtly advocating the dissolution of the legal status of the nation-state, as it first emerged in the world arena out of the Peace of Westphalia, and its replacement with the earlier institution of imperial/sacerdotal system of law and government. He later put this perspective into practice when he dissolved the nation-state of Iran and, as National Security Adviser, replaced it with the sacerdotal regime of Ayatollah Ruhollah Khomeini.

A similar "Iranization" of Western Europe is the concealed intent of George Shultz's policies at this time. The rubric under which Shultz is executing these policies is called the "model of the 1955 State Treaty of Vienna," and its high point so far this year was the seven-hour meeting between Shultz and then-Foreign Minister of the Soviet Union Andrei Gromyko during May 13-16, 1985 in Vienna, during the festivities on the 30th anniversary of the treaty which established Austria's status as a neutral, poised between East and West, under Soviet military guarantees.

Shultz subsequently appointed one of Brzezinski's close, longtime collaborators, Richard Burt, to become U.S. ambassador to West Germany, with a mandate to work for decoupling Europe from the United States. At approximately the time of Burt's appointment, the State Department assigned another of its officials, Robert Keeley, now ambassador to Greece, to announce that the United States will work to "overturn" the "unequal, patron-client relations" with Western Europe which had been shaped over the entire post-war period.

pean governments and that respect for human rights is a general international obligation. Accordingly, the repudiation of Yalta's historic legacy should be accompanied by the reaffirmation of the West's commitment to peaceful East-West relations, to the maintainance of the existing territorial status quo, and to the indivisibility of the concepts of freedom and human rights.

Moreover, reaffirmation of the continued Western commitment to the Helsinki Final Act could help to resolve the potentially fatal European ambivalence regarding Germany. The fact is that, while the Europeans resent their historic partition, they fear almost as much a reunited Germany. Therefore, the renunciation of Yalta's legacy—the division of Europe—should be accompanied by an explicit pledge, through the reaffirmation of Helsinki's continued relevance, that the purpose of healing the East-West rift in Europe is not to dismantle any existing state but to give every European people the opportunity to participate fully in wider all-European cooperation. In that context, the division of Germany need not be undone through formal reunification but by the gradual emergence

of a much less threatening loose confederation of the existing two states.

Third, much in keeping with the spirit of these symbolic acts, Western Europe should strive to create the maximum number of opportunities for East European participation in various all-European bodies. There is today a number of such institutions both private and public. East Europeans should be encouraged quietly but systematically to increase their participation—even if initially only as observers—in such bodies as the European Parliament, as well as the myriad of more specialized technical agencies. The fostering in Eastern Europe of the European spirit, and of greater Eastern European recognition that there is more to Europe today than meets the eye, is clearly in the interest of all Europe. But a new burst of energy in this regard is much needed.

It would also be appropriate for the major West European nations, as well as for America, to sponsor during the Yalta year of 1985—on either private or public basis—a series of seminars and conferences on the future of
continued on the following page

Though Shultz, by means of these two ambassadorial appointments, announced to West European friends of the United States, that the old days of friendship, alliance, and cooperation are over, he had not yet decided to formulate positively what the "new days" are to bring. However, what the State Department had failed to do, surely for policy reasons, i.e., to stipulate what the new U.S. policy would be toward Europe, Zbigniew Brzezinski had already unofficially done with a major article published in the CFR's publication *Foreign Affairs*, right after President Reagan's reelection (see box).

Mikhail Gorbachov and some of his chief spokesmen have, increasingly since the middle of May 1985, issued unmistakable signals that they would be very much in agreement with Brzezinski's perspective, both with respect to the SDI and with respect to the future of Europe. On at least three occasions, the Soviet General Secretary stated that he would consider reductions in the numbers of his ICBMs, if the United States would drop the SDI. He also started employing Brzezinski's own terminology, e.g., "multipolar world," to convey what he wishes the West to believe about his strategic intentions, suggesting that one of those "poles" would be an Europe independent of the United States, and sharing a "common culture" with Russia.

Most telling were two radio dispatches from Helsinki, during the 10th anniversary celebrations of the Final Act of the Helsinki Conference on Security and Cooperation in Europe. Fyodor Burlatskii, writer for the KGB's *Literaturnaya*

Gazeta, proclaimed the "cultural unity of Europe from the Atlantic to the Urals," in an unusual repudiation of "all those" who believe Europe to consist of two parts. "Two Europes?" Burlatskii asked. "I have to admit I shudder every time I hear these words. Two social systems in Europe, that's understandable. But two Europes! What does that mean? Our European civilization has been in existence for more than 3,000 years. It is not just a geographical concept; it is a deep historical and cultural concept too. It is impossible to remove from the European his consciousness of the fact that Greek antiquity and the Italian renaissance are part of him; it is impossible to take away his truly undying love for Shakespeare and Cervantes, Balzac and Goethe, Tolstoy and Dostoevsky. . . . The great, the truly historic meaning, I would say, of the Helsinki conference of 1975 lies precisely in the fact that it was a major step along the path toward overcoming the division of Europe, along the path of strengthening the security of the whole of Europe and the development of all-European cooperation."

Closer to the political point, in response to the offers made by Brzezinski's oligarchical masters, was an article by Soviet Central Committee member Vadim Zagladin, in an early August edition of the West German Social Democratic magazine *Vorwärts*. Zagladin wrote the following, almost a verbatim quote from Brzezinski:

We in the Soviet Union are convinced that Europe's contribution to the recovery of the world sit-

post-Yalta Europe. A special effort should be made to invite East Europeans to participate, on whatever basis possible, in deliberations designed to forge during that year a wider consensus on how best to undo peacefully Yalta's legacy. . . .

Fourth, and in no way in conflict with the preceding, Europe should intensify its aid to those East Europeans who are struggling actively for the political emancipation of Eastern Europe. That struggle is the necessary concomitant and at least partially also the cause of evolutionary change in Eastern Europe. Only too often do West European well-wishers of a more independent Eastern Europe look askance at those in the East who undertake more direct forms of struggle. While cultivation of East European officials enjoys a certain fashionable prestige in Western circles, tangible assistance to those resisting totalitarianism is viewed only too frequently as somehow "in the spirit of the cold war. . . ."

. . . *Fifth*, the time has come for a more fundamental rethinking of the relationship between Western security and political change in Europe as a whole. The West can

make the needed adjustment, and America—since it plays the central military role—should take the lead to that end. America is needed in Europe to deter Russia not only from military aggression but from political intimidation. That is obvious and it justifies NATO and the American military presence on the continent. But an American military presence that reduces the incentive for the Europeans to unite politically, yet simultaneously increases the incentive for the Soviets to stay put militarily in central and eastern Europe, is a military presence not guided by a subtle political-historical calculus. A more sensitive calibration of the political-military equation is needed in order to safeguard Western Europe while promoting change in the East-West relationship.

If Europe is to emerge politically, it must assume a more direct role in its own defense. A Europe that plays a larger defense role will require a lesser, or at least a redefined, American military presence. A Europe that can defend itself more on its own is a Europe that is also politically more vital, while less challenging to the Soviet Union from a purely military point of view, than a Europe

uation could be far greater than now. . . . In order for that to happen, European policy must be organized in Europe. By this we do not mean at all that Western Europe must renounce its alliances. . . . But an alliance does not mean that the interests of Europe and its security must be sacrificed. . . . The Soviet Union is prepared for active cooperation with West Europe. It is time to bring about mutually advantageous cooperation between the European Common Market and the Comecon in economic affairs. Insofar as the European Community countries act as a "political unit," we are prepared to find a common language with them in concrete international problems as well.

Virtually all of Brzezinski's proposals in his *Foreign Affairs* article were endorsed by Zagladin. In the course of the Helsinki meetings with Shultz, the new Soviet foreign minister, Eduard Shevernadze, indicated that Brzezinski's prospect of negotiating away the SDI and decoupling Europe's defense from the United States would be an attitude against which Moscow would take no offense. The ball was then in Shultz's court.

The Trilateral Commission and other influential outfits of the Eastern Liberal Establishment and its "conservative" appendages, such as CSIS and the Heritage Foundation, for which Brzezinski has been selected to act as spokesman, have had numerous influential representatives inside the Reagan administration, including chief arms control negotiator Max

Kampelman, special adviser to Shultz Paul Nitze, Undersecretary of Defense Fred Iklé, National Security Adviser Robert McFarlane, and numerous leading persons on the President's Foreign Intelligence Advisory Board associated over the years with Leo Cherne's little-noticed but highly influential International Rescue Committee network, which straddles the divide between East and West in Europe. Virtually all of these public officials, who are now mobilized on behalf of the proposals associated with Brzezinski's signed articles, had joined the Reagan administration straight from the ranks of the Committee on the Present Danger.

Despite their pre-1980 protestations about Soviet strategic supremacy, this group not only opposes any vigorous implementation of the President's SDI, but also caused the Reagan administration to spend less on the defense of the country from 1981 to 1985 than even the Carter administration had projected as necessary. This group's current objective, best exemplified by the Trilateral Commission's pronouncements on foreign policy, is to use the opportunity of the upcoming Reagan-Gorbachov summit for the purpose of formally enshrining in protocols, secret memoranda or whatever other instruments, the proposals originally presented over Brzezinski's signature in *Foreign Affairs*, specifically respecting the fate of Europe and the SDI.

The imminent appointment of Brzezinski is meant to signal to Moscow, prior to that summit, that the United States has been sufficiently "softened" internally, to acquiesce to this historical sellout.

with a large American military presence in its very center. Such a Europe would then be better able to satisfy the East European yearning for closer association without such association being tantamount to an American defeat of Russia.

But Europe must be prodded to move in that direction. Left as it is, Europe's cultural hedonism and political complacency will ensure that not much is done. Even the modest 1987 NATO commitment to a three percent per annum increase in defense expenditures was not honored by most European states. America should, therefore, initiate a longer-term process to alter the nature of its military presence in Europe gradually, while making it clear to the Europeans that the change is not an act of anger or a threat (à la Mansfield resolution) but rather the product of deliberate strategy designed to promote Europe's unity and its historic restoration. . . .

To move Europe in this direction, the United States will have to take the first steps, even perhaps unilaterally through a ten-year program of annual cuts in the level of the U.S. ground forces in Europe. But these steps should

be taken in the context of an articulated strategy that has a constructive political as well as military rationale. Its political purpose should be openly proclaimed: to create the setting for Europe's restoration and, through it, also for a more stable East-West relationship. It would also have to make clear that some American combat forces would remain in Europe, as they do in Korea, thereby ensuring immediate American engagement in the event of hostilities. . . .

. . . security and political arrangements . . . could include demilitarized or nuclear-free zones or extension of the Austrian-type neutrality to other areas, including later even to a loosely confederated Germany. It would encourage a process of change permitting the latent or frustrated West and East European impulses for the restoration of Europe gradually to surface. Eventually, it would permit Europe to emerge, and to play a major role on the Eurasian continent, along with the Soviet Union, India and China, while helping to ensure through its links with America that no single power dominates that geopolitically vital continent. . . .

New terror wave breaks out in West Germany

by Rainer Apel

The terrorist bombing on Aug. 8 of an American air base in Frankfurt, West Germany, and attempted incendiary bombing on Aug. 12 of a U.S. Army troop train, also in Frankfurt, mark the shifting into a higher gear of the extremist activities of the anti-American movement.

Alarmed by the events during the second week of August, police and security authorities in Germany have warned of a new phase of "terrorism with a new quality of brutality," a brutality which they say "will make things possible which we have seen only in Lebanon, before."

The violent pace of events bears out *EIR's* repeated warnings of the dangerous consequences of the U.S. State Department-backed deal, that grants Moscow's favorite Middle East client state, Syria, the role of predominant power in the region. Two months after the June 14 hijacking of the TWA flight from Athens, which held the United States hostage for 16 days to Muslim fundamentalist terrorists, that deal has prevailed in actual policy—despite President Reagan's harsh words concerning the terrorists and the terrorist-sponsoring states of Libya and Iran.

Encouraged by the Syrian success in intimidating the United States, the European branch of the Terrorist International has run amok. In Germany, hardly a day goes by without an act of sabotage against NATO's military infrastructure, such as pipelines, railway tracks, and weapons depots, as well as civil infrastructure, such as electricity towers, transformer stations, and the like. The general level of terrorist activities has been brought to a density which is being taken for normal by the media, so much that many incidents are not even reported anymore.

The Frankfurt bomb

In the morning of Aug. 8, at about 7:15 a.m., a car bomb exploded on Rhine-Main Air Base in Frankfurt, killing two Americans and injuring another 19, some of them severely. For the first time, U.S. citizens in West Germany were killed by German terrorists.

According to security officials, the casualties would have

been even higher, had the detonation of the bomb occurred but a few minutes later, as large crowds would have been passing the site, including children of U.S. soldiers on their way to the day-care center situated right next to the site of the explosion.

"Since we can assume that the terrorists did a thorough checking of the site before," said Deputy President of the Federal Criminal Police, Gerhard Böden, "they must have known what the bomb could have done. I think this incident indicates a new kind of brutality, which does not care about human lives even of innocent people."

On Aug. 9, the terrorists sent a letter to Frankfurt news agencies, which justified the bomb attack as a "blow against the air base which serves as a launching-pad for military adventures of U.S. imperialism in the Middle East." However—the infrastructure of the base was not affected, only human beings were killed and injured by the bomb.

Preliminary police investigations produced the following modus operandi of the attack: The terrorists had probably used a false U.S. Army ID card to pass the security check and drive the car, an olive-green Volkswagen, into the air base a few minutes before 7 a.m. The car, which contained a powerful home-made bomb, was parked, and the terrorists left the base shortly before the detonation.

This was cold-blooded enough, but what police investigations uncovered, hours after the bomb explosion, was even more alarming. In the early morning, a young American was found dead in a forest near Wiesbaden, killed hours before by a shot in the neck. His ID card was missing, and later on, he was identified as 20-year-old Eduard Pimental, a U.S. soldier serving at a transport platoon in Wiesbaden.

Police immediately saw a connection to the Frankfurt bombing. It was suspected that terrorists had shot Pimental dead just to get his ID card, which was needed for entering the air base. As a matter of fact, the terrorists who had claimed responsibility for the bomb attack of Aug. 8, sent another letter to Reuters news agency in Frankfurt on Aug. 13, explaining the death of Pimental as the "justified execu-

tion of an agent of U.S. imperialism." A xerox copy of Pimental's missing ID card was appended to the cynical letter.

The new aspect of this combined assassination and bombing action was that it was carried out jointly by the German terrorist Red Army Faction (RAF) and the French terrorist group, Direct Action (AD). The two groups had already announced their collaboration in a public statement issued in Brussels weeks before, and proclaimed the formation of a "European-wide front against imperialism." The same proclamation appeared in the text of the Aug. 9 letter by which the two gangs claimed responsibility for the Frankfurt bomb.

Only a few days after the bomb attack at the Rhine-Main Air Base, terrorists attempted to set fire to a U.S. Army troop train in Frankfurt. Again, a letter was dropped into the mailboxes of news agencies in the Frankfurt region, containing the message that "this was just one of many other attacks on the military infrastructure of U.S. imperialism in Germany." The letter explained the targeting of this specific train as "a hit against the transportation structure, which brings GIs from the U.S. Berlin Brigade into West Germany and vice versa." The failed attack against the train was thus aimed at the American military presence in Germany, especially against the U.S. military in West Berlin.

The goal of the terrorists in Germany is undoubtedly identical to the goal already achieved in Lebanon: to drive the United States out of the country. "While it was the goal of terrorism in the 1970s to change the West German social system," the daily *Westdeutsche Allgemeine Zeitung* commented on Aug. 9, "terrorism today is primarily directed against the presence of the U.S. military in this country. While the terrorists of the 1970s hoped for the covert or overt sympathy of the left spectrum, this time they hope for the sympathy of all those who desire Germany's withdrawal from NATO and the disappearance of U.S. forces from West German territory."

Whether intended by the West German daily or not, this description of whose sympathy the terrorists hope to win, aptly characterizes the same forces that oversaw the U.S. withdrawal from Lebanon: The Soviet Union and the U.S. State Department, both of whom are working with the extremist Green-peacenik movement in Germany, from the ranks of which the hard-core terrorist killers are recruited.

Notorious in this respect is the new U.S. ambassador to West Germany, Richard Burt, who in a speech delivered the same day as the Frankfurt car bomb exploded, stressed the importance of a "dialogue" with the West German Green Party. Addressing a New York City meeting of the American Council on Germany, Burt said he hoped for a "dialogue with the Greens and the peace movement . . . which will be one of the most difficult challenges to meet" in his position at the U.S. embassy in Bonn. He added that, since he considers himself a member of the "postwar generation," he is confident he will have "less problems in starting this dialogue."

How East Germany runs Arab terrorism

Most of "Arab" terrorism is steered from the Warsaw Pact through East Germany, using networks inherited from the Nazi regime, according to a dossier put out by the West German private intelligence newsletter, *Spuren und Motive*.

The dossier shows that:

- Permanent relations between Eastern intelligence services and Arab groups go back to the 1950s. This occurred with aid provided by the Soviet KGB, using groups that had previously belonged to the foreign networks of the Reichssicherheitshauptamt (RSHA, German Security Police) and German military intelligence. After 1945, the card catalogues of the contact networks of the RSHA in Arab countries such as Iraq, Iran, Syria, Libya, Yemen, and Egypt fell into the hands of the Soviets, provided by former RSHA agents.

The groups did not want to deal with the Soviets, for religious reasons, and instead wanted to cooperate with "the Germans." The Soviet foreign intelligence service, the KGB, interposed the Ministry for State Security (MfS) in this cooperation. All meetings then took place in East Germany—in Berlin, Dresden, Gera, Leipzig, Thale, Dessau, and Berneburg: in conspiratorial quarters, homes, or in the rooms of the universities of Leipzig, in Halle in the faculty for "Workers and Farmers," in the Plant Institute of Professor Dr. Oberdorf, or in the guest-house of the regional university of Halle. So-called friendship delegations were invited for training courses. The courses dealt with methods of obtaining information, evaluation, control and counter-control, observation, cartography, micropoint photography, technical and craft techniques, code languages, weapons instruction and technologies, explosives, and laying of mines.

- The cultivation of these contacts was under the supervision of the Chief Administration Surveillance of the MfS (in particular Departments III and VII, as well as the Departments F, N and X. Department X is responsible for the contacts among the Eastern secret services of the Warsaw Pact countries. The chief responsible departments of the KGB—in direct connection with the MfS—have been Direction S (political surveillance) together with Department I (evaluations), under Lt. Col. Boris Sammodaezov, together with Department A (disinformation), Department VIII (sab-

otage), and Direction K (intelligence), and the sub-department 8b (responsible for Lebanon, Syria, Israel, and the Palestinians), under Col. Josef Kalita.

- Persons are flown into the target countries, and obtain a working-pass or permit with the relevant cover (in some cases, they travel with cover names and papers from the beginning, to guarantee full anonymity). Their permanent contact persons are their assigned MfS agents, including during short training visits to friendly countries, for example, for weapons and explosives training in Poland or Bulgaria (operational direct training). The chief of these operations for Leipzig, Berlin, and the entirety of the German Democratic Republic was Karl Speerfeld, who worked directly under Markus Wolf, the deputy director of East German State Security Service.

- The Regional Administration Leipzig has 122 full-time agents responsible for contacts between the Third World and the University of Leipzig. These agents are specialized in the diverse currents of Islam, and have at their complete disposal the large oriental studies archives, correspondence of German embassies and the Foreign Ministry of the Third Reich, and cloister and other church sources on oriental studies. Special editions of small-type editions of the Koran are given as presents, along with other specially designed propaganda material, to guests. This is also where the contacts to the various communist party groupings, e.g., Iran's Tudeh Party, are made. Foreign students, who graduate from West German universities, are directly approached, politically won over, and receive grants for studying, and—in many cases—are advised to complete their studies in the West, in order to have better opportunities for conspiratorial work in the West later.

- In South Yemen, 13 full-time MfS agents are active at the present time, under Arab names. They are fluent in high-Arabic, and have undergone the relevant intelligence service training. They have a large radio station in direct contact with the MfS center in East Berlin. Four of these 13 agents are solely responsible for Palestinians, and organize meetings throughout the Arab world. Every three months there is a meeting in East Berlin (sometimes in Prague or Frunse) with the leadership of the MfS center office. It is suspected that these meetings are also conducted in conjunction with contacts from European terror groups, who go underground in South Yemen and receive training there. International terrorists are supported by Qaddafi via South Yemen.

- One of the suspected contact persons for Qaddafi is the nephew of the former minister and deputy for State Security under Mielke, Bruno Beater (deceased 1982), Joachim Beater. Joachim Beater (who also operates under the name Ahmed Bitar) was born in 1932. His parents went to Zurich in 1935 on orders of the Comintern, in 1937 to Sweden (Stockholm), and in 1938 to Moscow. In 1953 Joachim Beater became an officer of the MfS Regional Administration Leipzig, specializing in Syria and Egypt (trips to Damascus, Cairo, and Algiers).

U.S. is withdrawing from the Pacific

by Linda de Hoyos

With the aid of the Socialist International, the Soviet Union is now making inroads into the South Pacific, where U.S. military strength has never before been contested. On Aug. 7, eight nations of the South Pacific Forum signed a treaty to create a nuclear-free zone in the South Pacific. The proposal for the treaty was introduced by the Labour Party Prime Minister of Australia, Robert Hawke, whose government has gone on record opposing the Reagan administration's Strategic Defense Initiative.

The nuclear free zone treaty was signed by Australia, New Zealand, Tuvalu, Niue, Fiji, the Cook Islands, and Kiribati. Five other members of the South Pacific Forum—Tonga, Papua New Guinea, Vanuatu, Nauru, and the Solomon Islands—have endorsed the treaty and are expected to sign it soon.

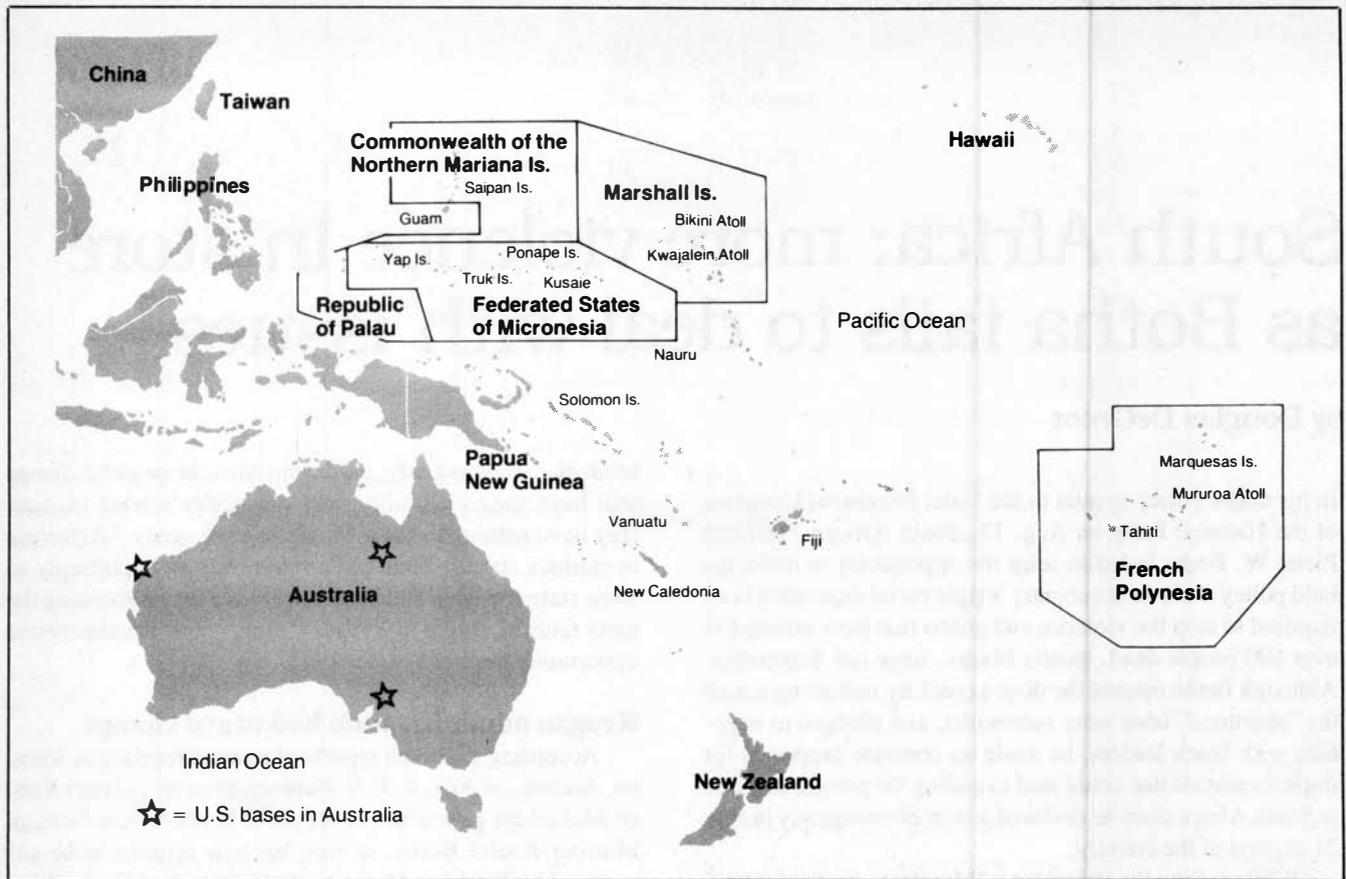
The treaty bans the building, acquisition, or receipt of nuclear weapons, and the testing of nuclear devices in the South Pacific. However, it leaves up to the individual countries whether or not to grant port rights to nuclear-carrying and nuclear-fueled ships.

The South Pacific is crucial as a front line of defense for the U.S. West Coast, and numbers of islands provide testing sites for U.S. missile capabilities. Nevertheless, Secretary of State George Shultz, while visiting Canberra in July, told Australia's Hawke he had full U.S. approval for the nuclear-free zone idea, since it would not interfere with U.S. naval operations. However, U.S. officials admit that the treaty will complicate U.S. access to the Pacific, and "will be used in a way to make it look like the U.S. is pushing its nuclear policy in parts of the world where they don't want it."

Anzus break-up almost official

Immediately after the treaty had been adopted at the Forum, David Lange, the Labour Party Prime Minister of New Zealand, announced that he will proceed to make into law New Zealand's banning of ports of call to nuclear-carrying or nuclear-fueled ships. Such action would make official the destruction of the Anzus Treaty, the 1951 security pact between Australia, New Zealand, and the United States. New Zealand has already refused port of call to U.S. naval vessels.

In a speech before the East-West Center in Hawaii in July, Secretary of State Shultz charged that New Zealand has "weakened regional stability, one of the most important links



in the effort to prevent nuclear war, and the erosion of Western unity only weakens the Western position and the chances for success in arms control. Our differences with New Zealand are specific and immediate.”

The Soviet Union has supported the formation of the nuclear-free zone, since it was first proposed at last year’s South Pacific Forum. The Soviets have waged a propaganda campaign for the zone through the Australian and New Zealand Socialist International trade unions. No matter how the participants might see it, given the Soviet military build-up in the Pacific, the nuclear free zone represents a potential major erosion of U. S. presence in the South Pacific.

Soviets creep in

Meanwhile, without much fanfare, the Soviets have made significant inroads into the South Pacific islands. Palau, the island republic off the Philippines, considered as a possible replacement site for the U.S. bases on Luzon, now has a “nuclear-free” constitution which precludes its use as an alternative to the bases.

On July 10, the Soviets acquired fishing rights from the government of Kiribati, a 33-island country 3,000 miles north of Auckland. The agreement has caused concern in Australia, since, according to one Australian official, “The Soviets have a bad record, supported by plenty of evidence over a matter of years, of using shore facilities for subversive or spying

activities in the Caribbean, the South Americas, and South Africa.” Under the cover of “fishing rights” on Kiribati, the Soviets will be able to bring their sophisticated spying equipment closer to the Marshall Islands’ Kwajalein atoll missile range, where the U.S. is carrying out tests for the Strategic Defense Initiative.

Vanuatu, to the west of Australia, is considered the “Cuba” of the South Pacific, with an Anglican prime minister who is also a Marxist. The Soviets have also now put in a bid to be allowed to fish for tuna in the 200-mile zone around Vanuatu, which is expected to be granted. Although the Kiribati agreement did not grant port rights, the Vanuatu agreement will likely include such a provision. Any decision by Vanuatu to grant fuel and water to the Soviet ships would amount to a permanent Soviet presence in the region.

In the case of most of the nations involved, the Soviets are moving into the vacuum that has been created by the lack of U.S. policy toward the region. Any Pacific country viewing U.S. policy toward the Philippines, where Clark Field and Subic Bay provide indispensable and irreplaceable services for the U.S. Seventh Fleet and for the entire U.S. command, communications, and control operations for the Pacific theatre, could only discern from State Department policy that the U.S. is pulling up stakes and heading out of the Pacific, in accordance with the New Yalta designs of the British masters of Lange and Hawke.

South Africa: more violence in store as Botha fails to deal with issues

by Douglas DeGroot

In his major policy speech to the Natal Provincial Congress of the National Party on Aug. 15, South African President Pieter W. Botha failed to seize the opportunity to make the bold policy shifts in his country's rigid racial separation laws required to stop the violence and unrest that have resulted in over 600 people dead, mostly blacks, since last September. Although Botha opened the door a crack by indicating not all the "apartheid" laws were sacrosanct, and pledged to negotiate with black leaders, he made no concrete proposals for implementation that could lead to ending the present impasse in South Africa since he declared a state of emergency in July 21 in parts of the country.

While calling his statement a "Manifesto for the future," Botha punted on the basic policy issues, and instead delivered a defiant and defensive political campaign speech designed to rally the white South African base of his National Party around him, instead of trying to lead his political base out of the policy cul-de-sac it is now caught in. "I am not prepared to lead white South Africans and other minorities on a road to abdication and suicide," Botha stated, ruling out a unitary South African government in which all its citizens had a vote.

As a result of Botha taking the option that was safest for him in terms of white South African internal politics, compromise, for the moment, will not be possible, and the South African government will now be condemned to play out the destructive role that the Western financial oligarchies who are the power behind the International Monetary Fund (IMF), as well as the Soviets, want it to play. A protracted and totally manipulated Northern Ireland-style conflict is now on the agenda. If the scenario is allowed to play itself out, South Africa will ultimately be destroyed as an industrializing nation, as part of the broader scenario of the pro-IMF financial circles, to destroy the nations of the entire continent of Africa.

Anglican Bishop Desmond Tutu, an advocate of a moderate solution to the present impasse, predicted that as a result of Botha's speech, moderates like himself will doubtless be rejected by blacks: "It's going to be very difficult to know who will avert the catastrophe that I believe we are on the

brink of. . . Obviously, those who advocate peaceful change will have their credibility very drastically eroded because they have nothing to show for all their advocacy." Referring to Botha's speech, Tutu said: "Here was an opportunity to show statesmanship and instead we saw a man addressing the party faithful, trying to win a few more votes. Another prime opportunity has been passed up."

Reagan administration had urged change

According to leaked reports of a secret meeting in Vienna, Austria, on Aug. 8, U.S. National Security Adviser Robert McFarlane gave a blunt warning to South African Foreign Minister Roelof Botha, in case the new reforms to be announced by President Botha on Aug. 15 looked like nothing more than cosmetic changes. Not only would President Reagan be unable to prevent Congress from overriding his possible veto of economic sanctions against South Africa, but also Reagan might not veto sanctions at all, if the policy speech of P. W. Botha did not contain any measures that could be genuinely perceived by South African blacks as reforms that would lead to a change in the situation in South Africa.

In response, according to reports, Roelof Botha told McFarlane that P.W. Botha's speech would open the way toward common citizenship in South Africa, and would end enforced living in black "homelands" or bantustans.

The South Africa survival faction

There are circles in the South African State Security Council and law enforcement apparatus who, for practical reasons, are more and more impatient with the slow pace of reform within the country. They fear that if substantial change is not made, the country will be destroyed in the subsequent holocaust of racial conflict.

Reflecting this factional position, just ten days before President Botha made his speech, a European source had expected him to announce a plan to form within a few years a single parliament in the country, with the number of representatives in it determined by the size of each group in the population—in effect a black government. But the violent unrest in the 10 days leading up to the speech, primarily

around Durban, stirred up fears of a right-wing backlash among whites. On Aug. 14, Andries Treurnicht, leader of the ultra-right Conservative Party, warned Botha that a move toward breaking down apartheid would "awaken the tiger in the whites" and threatened that Botha underestimated the extent of white backlash that would occur if he moved away from traditional apartheid policies.

Days earlier, on Aug. 12, Dr. Gerrit Viljoen, Minister of Cooperation, Development and Education, the ministry in charge of relations with the black community, told a National Party meeting that "The days of white domination are coming to an end," and told whites that they would face a radically different future with the black population. Viljoen, rumored by some to be next in line to succeed P. W. Botha as President, said that the apartheid laws used to keep racial separation would eventually be repealed, and that reservation of jobs for whites would eventually be replaced by competition. It is precisely these restrictive laws which stand in the way of developing a large and rapidly expanding skilled industrial workforce in South Africa, a workforce with skills beyond those required for mining, now the predominant economic activity in South Africa.

In another example of the factional policy fight, after four years, a white think-tank in South Africa, the Human Sciences Research Council, has produced a report saying that apartheid should be junked because it doesn't work. The Council is paid for by the government, has its staff made up almost entirely of Afrikaners, the base of the National Party, and is close to many of the government's strategic thinkers. The report advocates ending racial segregation in schools and residential areas, and proposes that the classification of people by race should be abolished. It reportedly also implies that the present three-chamber parliament—one per race except for blacks—must be abandoned so that people of all races could be represented in one assembly. An opinion poll in the report brings home the reality of why change should be made: 63% of blacks think violence is needed if they are ever going to win any political rights.

The unrest since September 1984 has been in response to implementation of P.W. Botha's "reforms" at that time which excluded blacks, and set up separate parliaments for Indian and colored or mixed-blood minorities in South Africa. President Botha moved only a tiny step toward the viewpoint of his factional opposition in his National Party when he pledged in his speech to negotiate with black leaders, and ruled out the formation of a sham separate black parliament. He came the closest to dismantling any of the apartheid machinery when he said that the "influx control" laws which limit the movements of blacks were "outdated and too costly," and said for the first time that the government-designated tribal homelands or bantustans that rejected the phony independence offered by the government "are South African citizens and will be accommodated within political institutions." These

latter two points—influx control and blacks forcibly belonging to homelands and therefore not considered citizens of South Africa—are part of the foundation of apartheid.

The next round of violence

As a result of the failure of P. W. Botha's speech, further waves of communal violence can be expected in South Africa, and could also spread to the United States. Denunciation of Botha's speech by Speaker of the House Tip O'Neill and others in the U.S. Congress will lead to a call for economic sanctions against South Africa. There have also been calls for violence in the United States, if the Reagan administration doesn't take stronger action to end apartheid. This "Farrakhan" race-war scenario was laid out most bluntly by Philadelphia's Rev. Leon Sullivan, who told a crowd chanting "Jail Reagan" that the violence in South Africa will escalate, and stated outright that there will be race riots in American cities "that make the 1960s look tame," if the administration fails to act. Plans are already afoot for mass campus rallies against apartheid next October.

Robert McNamara, remembered as the architect of the "body count" policy in the Vietnam War, has just made a trip to South Africa and is gleefully predicting that "a violent explosion is inevitable."

Fanatics of both the black and white varieties are necessary for this gameplan, and the killer squads that have been killing moderate blacks as well as organic leaders who are opposed to apartheid, have been preparing the way for fulfillment of this nightmare.

The Western Malthusian oligarchy, strongly represented in South Africa by the British and European continental banking establishment, is intent on giving South Africa the same genocidal treatment that it is dishing out to the rest of Africa. Thus anyone who talks of the apartheid problem without dealing with the economic reality of what is being done to the entire continent of Africa is nothing more than a controlled agent in this scenario to destroy all of Africa.

The gap created by the reduction in activity in South Africa by American banks and businesses has been rapidly filled by British interests. After Chase Manhattan put extensive limits on its activity there recently, the slack was picked up by Barclay's Bank of the United Kingdom, one of the preeminent British colonial banks. With British and mining interests predominant in South Africa, it will be a fairly simple matter to run a long-term Northern Ireland-style scenario. Ironically, P.W. Botha in his speech took a few minutes to bluster against British colonialism, and said South Africa would not tolerate solutions imposed from outside. He did not have the courage to follow through on this idea, however, and declare that he was going to throw out apartheid, which was also imposed on South Africa from the outside by precisely the same forces that are now seeking to wipe out South Africa along with the rest of Africa.

Pope, on pastoral tour of Africa, denounces 'anti-life mentality'

by Augustinus

Pope John Paul II, on the first leg of a 12-day tour that will take him to seven African countries, sharply denounced both the "anti-life mentality" being spread to justify genocide in Africa, and the international usury which is enforcing it.

On Aug. 8, the leader of the Roman Catholic Church left Italy to begin his third pastoral visit to the African continent. The first stop was Togo; the Pope then went to Ivory Coast, Cameroon, the Central African Republic, Zaire, and Kenya, where he will close the International Eucharistic Congress which is taking place in Nairobi. The last stop will be Morocco.

There are many problems on the agenda which the Pope is confronting and will confront: the poverty and famine pervading the whole continent, the indebtedness provoked by the usurious practices of the major international banks, the explosive situation in South Africa, Islamic fundamentalism, and the tendencies toward an Africa version of "Theology of Liberation," present even in that young church.

The hottest problem, that of apartheid in South Africa, was already taken on by the Pope the day before he left, during the general audience in St. Peter's Square in Rome. He said: "I cannot fail to recall with particular concern, the situation in South Africa. The latest news reached us which has aroused profound emotion in world public opinion, presenting anew to the conscience of humanity the recurring problem of the so-called policy of apartheid."

He said, "Our rejection of every form of racial discrimination is resolute and total. It is founded on the conscience of the dignity common to all men, made in the image of their Creator. . . . To those subjected to the violence of that inhuman situation, I sent my sentiments of affection and support. To all, I renew a pressing appeal for the dignity of all persons to be recognized, in a climate of respect and dialogue." This clear condemnation was then reiterated in Cameroon during the celebration of Sunday Mass for 100,000 in Yaounde, where the Pope said, "We must bring an end, without delay, to all discrimination."

In the same city, in a speech to members of the government and diplomatic representatives, the Pope made his first "political" speech of the trip. He said, "All countries, above

all those of the Third World, must take up the economic and social challenge with limited means, and they try to mobilize all their own energies. The important thing is to find a way of doing it without having recourse to an oppressive system which causes man to lose his freedom, and without allowing the economic powers to blindly and selfishly increase their weight to the sole profit of the few."

The reference to the neocolonialist policies practiced today in Africa is clear. The Pope underlined the importance of independence and national sovereignty for every country, precisely at the moment in which there are forces in both the East and West which want to redraw the map of the entire continent, by stirring up civil wars. In this regard, the Pope declared, "certain foreign interventions are sparking guerrilla warfare for the sole purpose of destabilization."

Solution must be found for debt

It was here that the Pope dealt with the problem of indebtedness, suggesting a meeting to discuss a more just solution to the problem. He said: "It is, finally, necessary that the international community continue to furnish its own aid and indeed increase it, considering the emergency state in which many African countries find themselves in terms of hunger, health, and investments. It is to be hoped that security problems between East and West will not overly polarize tensions and the investment of resources in the countries of the so-called North of the world; may they become much more concerned about the growing disparity with the so-called countries of the South, and understand that interdependency is also for them a question of survival! But the point on which the Third World countries remain legitimately sensitive is that of the context in which this aid is inscribed: They do not accept that it masks a deterioration in the terms of trade or certain injustices in the trade and investment fields. They want to be sincerely helped to get out of the inextricable problem of loans and overly onerous debts which they are induced to contract at the cost of high risks."

"Those who seek the good of Africa, whether they belong to the North or South of the world, will know how to reconsider these problems with equity and open the way to realistic

and just solutions, capable of safeguarding the dignity of countries which have the right to progress in development.”

President Biya of Cameroon, who replaced the Muslim Ahidjo in 1982, is a Roman Catholic.

Injunction of Genesis reaffirmed

Before his arrival in Cameroon, John Paul II had denounced neo-Malthusianism and the anti-life mentality which the international financial institutions wish to impose on the Africa countries as the price to pay for receiving credit or aid. The Pope totally condemned these practices, citing the passage of the First Book of Genesis: “Be fruitful and multiply, replenish the earth and subdue it,” which is the basis of Judeo-Christian civilization and the paradigmatic expression of the fight against all anti-life ideologies.

“God calls man to be responsible together with him for all of creation,” said the Pope, “but today a powerful anti-life mentality is being asserted. It is more widespread in the developed nations, but it is also transmitted to the developing nations, as if it were an obligatory step on the path of development and progress.” He went on: “Don’t listen to the ideologies which authorized society and the State to arrogate to itself the rights and responsibilities which belong to families.”

On the occasion of the papal trip, there was a great deal of talk about “Africanizing” Christianity, a kind of Africa version of the Liberation Theology which has spread throughout Ibero-America in collusion with Soviet-linked terrorist forces. In Africa it takes the form of assimilating the typical rites of ancient pagan religions into Christianity. In Lumumbashi, in Zaire, there is a Carmelite Convent where vows are taken with a “blood pact” with Christ, using a needle prick on the finger to spill a few drops of blood during the ceremony. Cardinal Joseph Malula, archbishop of Kinshasa, reportedly said, “Yesterday, foreign missionaries Christianized Africa, but today, Christians are called to Africanize Christianity.”

John Paul II responded to these tendencies by giving them their rightful name: religious syncretism. He did this in his first speech in Africa in Lome, the capital of Togo, where he made an explicit invitation to break with such traditions: “Starting with the gift of grace there is a renewal which you must complete in your personal and family life, in your customs and in your institutions.” There may perhaps be fear, “because the human tendency is to become attached to, or return to, the past. The renewal may even seem to be infidelity to the past, but yet,” the Pope said, “the novelty and freedom of the Gospel must do their work in this field,” and he concluded, “The spirit of Christian renewal must be exercised also in regard to those who bring among you the modern civilizations of the developed countries. Often it is a question of marvelous technical successes which can be utilized for the economic, sanitary, or cultural well-being of the country.”

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Book Review

Life and times of Mountbatten: an oligarch in the age of the common man

by Laurent Murawiec

Mountbatten, The Official Biography

by Philip Ziegler

Collins, London, 1982

£15. 786 pages hardbound. Maps and illustrations.

The *principle* of oligarchy needs oligarchs to manifest itself and to perpetuate itself—stating this is not a tautology but a starting point to understand how the caste of aristocrats, high-priests, and usurers arrogates itself extraordinary powers above and against the rest of society, and how it sees itself.

The life of Louis Earl Mountbatten of Burma, great-grandson of Queen Victoria, the last Viceroy of the British Raj in India, Admiral of the Fleet of the Royal Navy, and a principal promoter of the “peace movement,” provides an exemplary glance into the world of oligarchy in the 20th century, which historians, sociologists, and political scientists all present as devoid of any “aristocratic” influence. The authorized biography of Mountbatten recently published in London by retired British diplomat Philip Ziegler, besides offering a flagrant case of incompetent and lying-by-omission historiography, contributes a useful wealth of material to the case at hand.

On May 11, 1979, Mountbatten delivered an address in Strasbourg, France, on the occasion of receiving an award on behalf of an organization he had co-founded, Stockholm’s SIPRI [Peace Research] institute. The speech, which was forthwith blasted world-wide by the media, represented the culmination of two decades of its author’s efforts on behalf of “disarmament and arms control,” and an outright assault on “the arms race.” Several weeks after the speech, Mountbatten lost his life when an alleged IRA cell blew up his boat. And in January 1984, the flamboyant far-right British politician Enoch Powell charged—in a publicized exchange of

letters with a leader of the British peace movement—that it was the U.S. Central Intelligence Agency which had plotted and executed the death of his unlikely bedfellow, peacenik Mountbatten of Burma.

Queen Victoria’s offspring

What led one born immediately under the throne to become an inspiration for the appeasers of all lands, and a martyr for their cause, is the 20th century life of a member of the extended family of Saxe-Coburg-Gotha, the German noble house which became central to Europe’s reigning, uncrowned royalty and their lower-level feudal colleagues.

Mountbatten’s mother “was a radical in her ideas,” the biographer informs us, “a radical, a Marxist,” a Briton who knew her reports, and from her, Mountbatten “inherited egalitarian instincts, yet also a strong sense of caste.” How the two seeming extremes were to be reconciled we will see later. She was Princess Victoria of Hesse, herself the daughter of the Grand Duke of Hesse and Princess Alice, one of Queen Victoria’s nine children. His father Prince Ludwig (Louis) von Battenberg, from a branch of the grand-ducal family of Hesse, had a sister who married Prince Andrew of Greece, who in turn fathered the present Prince consort Phillip of Edinburgh. The immediate family circle included the royal families of Germany (Hohenzollern), Denmark, Russia (Romanov), Spain, Sweden, Greece, Portugal, Baden, and Hanover as well as of Britain—all intensely interrelated as the prolific descendance of Queen Victoria in one extended family, Saxe-Coburg-Gotha.

From his mother, young Louis learned that he was descended from William the Conqueror, and before him, from Charlemagne, not to speak of far earlier ancestors who had probably roamed the Central European forests half-naked. Genealogy—the oligarchy’s notarial account of its own legitimacy, or the projection in family form of the history of the oligarchical system—was to become Mountbatten’s enduring passion, the one that provided most of the books he read.

From his father, appointed in 1912 First Sea Lord, he took his interest in the sea, and became a Naval Cadet who nearly saw action at the end of World War I. That was his "technical" specialization in a century where even aristocrats have to learn a thing or two. But while a Cambridge student, he also firmed up family friendships which were later to provide him with swift promotion in the Royal Navy and quick ascent on the ladder of power: The closest friend of Prince Albert, the future King George VI, he was also asked by David, Prince of Wales (the future Edward VIII and Duke of Windsor) to be his aide-de-camp for a world tour.

Upon his return, he married one of the richest heiresses of the realm, the granddaughter of financier Sir Ernst Cassell, banker, financial adviser, confidante to King Edward VII, and a London associate of the New York houses of Harriman, Warburg, and Schiff. He thus entered the powerful circle of the "Edwardians," the King's circle of friends—as well as the radical-chic "jet-set" crowd of his wife Edwina Ashley, who described herself as "a Socialist" and later, "a Communist."

Young naval officer Mountbatten was the mentor of the Prince of Wales, the future short-lived, "populist" King who was to pay private visits to Hitler after his abdication in 1936. The Prince's policy was perfectly in tune with the radical-Fabian views of British Union of Fascists leader Sir Oswald Mosley, a friend of Keynes and the trendy set of the "Bloomsbury Group," and when the great crisis of 1936 which eventually ended in Edward VIII's departure from the throne erupted, Mountbatten used his radical-leftist contacts to try to start a campaign on the latter's behalf: He asked Cambridge Apostle and Communist leader John Strachey to make overtures to the editor of Communist newspaper *The Week*, one Claud Cockburn, so that the Communists influence public opinion in favor of the King.

Mountbatten was then already a politically active aristocrat, who did a lot of "liaising" with the Left. The same year, "Dickie" Mountbatten and wife made the pilgrimage to Moscow, at the height of the mock-trials. But when the new King George VI stood despondently in the first night of his reign, moaning, "Dickie, this is absolutely terrible. I never wanted this to happen. I am unprepared for it," it was he that gave the pep-talk to the newly crowned monarch.

A nobleman at war

As to Mountbatten's seafaring career, curiously for a future First Sea Lord, it proved an unmitigated disaster, with most of the ships under his command damaged or sunk by accident, recklessness, or callous and uninspired command. What he displayed was flamboyant irresponsibility, the stuff of chivalric "heroes," and an unusual ability to manipulate individuals under his command, using glamor on the one hand, and playing the role of the benign Lord, the nobleman who does not hesitate to talk to his inferiors. The age of

"democracy" required such histrionics. "Thoroughly badly commanded," the British commander in charge commented when Mountbatten's flotilla was mopped up off the coast of Crete during World War II—but that did not stop the irresistible ascent of the royal offspring, who got in succession the command of the first British aircraft-carrier HMS *Illustrious*, the command of the newly-created Combined Operations, which gave him—to the utter disgust and wrath of the British Chiefs of Staff—a seat in their meetings, and promotion to acting vice-Admiral, Lieutenant-General and Air Marshal.

As head of Combined Operations, Mountbatten built a staff that included his lifelong friend, homosexual leftist writer Peter Murphy, South African anatomist (and future star of the Club of Rome milieu) Solly Zuckerman, David Astor, of the American opium-traders who had bought themselves a British lordship and had been the center of the prewar appeasement policy of the "Cliveden Set" (named after the Astor's estate), Communist scientist J.D. Bernal, among others. With such an input, it is barely astonishing that the "output" should have been the bloody, aborted Allied landing at Dieppe, the "Operation Sledgehammer" which uselessly sacrificed thousands of (especially) Canadian crack troops to demonstrate to the American command and President Roosevelt that the invasion of Europe was impossible—and thus prolonged the war by up to two years.

India: the bloody retreat from Empire

The influence of Leo Amery, then Secretary of State for India, who was "the political heir of [Lord Alfred] Milner, head of the British Round Table, the secret society that shaped in-depth British strategies from the 1890s through the 1940s, had been at work to give Mountbatten a leg up to Chief of Combined Operations. The process was repeated for his appointment as Supreme Allied Commander for the newly-created South-East Asia theater—which formally placed him on an equal footing with General Eisenhower or General Douglas McArthur! Franklin Roosevelt's comment to his son Elliott was curt: "You know why Winston [Churchill] has Mountbatten here with him? . . . Burma. The British want to recapture Burma. It is the first time they've shown any real interest in the Pacific. And why? For their colonial empire." To boot, Mountbatten used his war-time tenure (the U.S. Army Corps of Engineers, U.S. Commander "Vinegar Joe" Stilwell and less glamorous British officers did the real job while Mountbatten was posing for photographers) as the stepping stone for his next major assignment, the last British Viceroy of India, an appointment that was also suggested by Leo Amery. Off went Mountbatten to India, after the Labour government of Clement Attlee had rubber-stamped the proposal thus coming from on-high.

"It had fallen to me to be the outward and visible symbol of the British Empire's intention to return to the attack in

Asia." Stilwell's scathing remark on the symbol makes the assessment more realistic: "pisspot, childish Louis, publicity-crazy."

What did the Symbol do? Until then, he had acquired his seat in the gallery of destructive commanders who sacrifice their men for no purpose but their own self-aggrandizement. He was now to give a repeat performance at the level of a subcontinent, both for self-aggrandizement and to ensure the partition and resulting relative impotence and mutual hatred of the partitioned parts of the Indian Raj, at the cost of one, perhaps two millions lives, and several million homeless refugees uprooted in the brutal months of the partition on communal-religious lines. Mountbatten implemented to a dot the Round-Table's pre-formulated strategy for the Raj, one that appeared in 1916 under the byline of Lionel Curtis, the founder of the Royal Institute for International Affairs (Chatham House), which called for a "rejuvenated" Empire in the form of what was to become the Commonwealth—a loose confederation of war-torn, minority-riddled, unviable states whose international credit would remain firmly centered in the City. As Mountbatten was telling young, upcoming Third World leaders gathering around him in London, "your strategic metropolis will shift to Washington, but your political capital will remain in London."

Mountbatten's craft was to make use of ties developed during the war with India's nationalist leaders, such as Krishna Menon and Nehru, which he did with the help of his wife (whose whorish way of life was so outrageous that no biographer could afford to keep silent about it. As he was to notice, in a display of what "upper class morality" is, "Edwina and I spent all our married lives getting into other people's beds.")

To fulfill his assignment, Mountbatten upon his vice-regal arrival, gave an ultimatum to the Indian leaders: They have 15 months, not a day more, to become independent—whether problems were solved or not, whether the extraordinarily delicate problems posed by transition from colonial rule to independence were settled or not. With the crass indifference of the Master Race for the Untermenschen, Mountbatten commented blithely: "A measure of transfer of population will come about in a natural way," which came about in the form of savage, protracted, bloody rioting which sent millions on the roads, Muslims and Hindus shifting locations and dying in droves on the way. But such minor events in the ant-hill are of little import to the true royalty, aren't they? Mountbatten, soon the first British Governor-General of independent India, also worked overtime to achieve his other policy aim—keep the United States out of India. The United States, he said in a 1947 interview, wanted "to sell the American industrialization to the Indians at the earliest possible moment. . . . Unless the British offer was received by the Indians before the American offer there would be a good chance that it would be too late altogether." The Noble Savage was more amenable to Empire than the indus-

trial Third World. The American ambassador was sending cables home that Mountbatten was "warning the Indians against dollar imperialism," the same dollar that was rebuilding Britain at the same moment, courtesy of the Marshall Plan.

A measure of Mountbatten's success, however, was that Jawaharlal Nehru was to dub him "a very noble specimen of British Imperialism." Churchill did not take it so kindly. Mountbatten noted in his own diary, as quoted by Ziegler, that during a 1951 dinner they had had together, he had "questioned the wisdom of linking Britain irrevocably to American foreign policy, especially if it seemed that the course followed by the Americans was likely to lead to war," in good English, a proposal that Britain should remain neutral in any U.S.-Soviet confrontation! Churchill, according to Mountbatten's diary entry:

turned to me and said: "I think you should be careful about your anti-American attitude." I repeated that . . . taken as a corporate mass, the Americans were immature, and if they were *allowed* their own way, they would probably take a course which would not only destroy their own country but would ultimately end in the destruction of their own system. He then said: "I am very sad to hear you express such left-wing views."

One seems to hear Edmund Burke commenting on the American Revolution. At the same time, however, Viscount Mountbatten, Knight of the Garter, was being charged by U.S. intelligence sources with being "deeply involved with the Communist Party," which was a naive way of expressing that his dealings with the treacherous crowd that was involved in the back-channels with Moscow made him a most suspicious character. True enough, many of Mountbatten's circle of friends were on MI5's list of Soviet agents, including the homosexual Labour MP Tom Driberg, later the protector of one Mick Jagger.

As First Sea Lord, a job he obtained a few years later, Mountbatten halved the Royal Navy's reserve fleet, discharged 30,000 seamen, and, in accordance with the doctrine promulgated by Conservative Prime Minister Harold Macmillan, the usher of arms control, disarmament, and détente, the transformation of the Navy into the tool required to fight "minor neo-colonial wars," the strike force for "cold and limited wars." In 1959, Macmillan picked him up for the job of Chief of the Defense Staff (CDS), to reorganize the British military on the principle that war was not to be fought, unless it was against the "wogs." War against Russia was "impossible" since "deterrence" had "abolished global war." Whatever scraps of traditional "Clausewitzian" wisdom remained in the British command were expressed in relentless hostility on the part of the Services to Mountbatten's sweeping reforms. And at personal level, their insight into his character was expressed with scientific rigor by Field Mar-

shal Sir Gerald Temple during a staff meeting: "Dickie, you're so crooked that if you swallowed a nail, you'd shit a corkscrew." Not without justification, Chief of Air Staff Boyle told Mountbatten: "I consider your appointment as CDS the greatest disaster that has befallen the British Defense Services within memory."

Mountbatten's credo, as he expressed in a memo circulated to his staff in the early 1960s, emphasized that neither Christianity nor democracy were to be presented as national aims, but rather, welfare, world government, and disarmament. Far from making him an outcast, these and similar views were integral to the role and influence exerted by Mountbatten in Britain and the Commonwealth. It was he who had introduced his nephew Philip of Greece to Queen-to-be Elizabeth, after having raised the orphaned princeling; it was he who shaped the rearing of Prince Charles, and remained a trusted adviser to the Queen.

Similarly, Mountbatten became something of an Elder Statesman or, as his biographer puts it, "shop-steward of the [European] Royalty," working at pulling together the scattered threads of the continent's rulers, badly mauled by the 20th century, trying to regroup them for a future regaining of thrones and powers. For one, Mountbatten was one of the acknowledged experts in genealogy of the extended family, the craft where the families of the oligarchy read their own perpetuation. And he played mentor to numerous old and young royalty, from the old King of Sweden whom he tried to push from the throne, to the beneficiary, the present King Carl-Gustav; he played a role in the royal succession of Spain and as a ranking dignitary in one of the oligarchy's major international Orders, the Order of Saint John of Jerusalem, was further present in the councils of the world's titled nobility.

In the course of his multiple activities, spanning a more than 50-year career, Mountbatten wove several networks of loyalty that converged upon his person (and policies), in the military, in the Commonwealth circles, in the United States, in the intelligence services and in the high-technology areas of science and industry; this did not constitute a "Court" in the ancient manner, but concentric circles of power and influence which superseded the institutions which the members of the Mountbatten circles supposedly served. There in particular lay his "power," one unconcerned with and unconnected to such formal (and impotent) seats of power as the House of Commons. Quasi-feudal networks of loyalties replaced and overcame loyalty to institutions as such. This mode of operation, typical of the oligarchy in the 20th century, ensured a superior form of power, one not described by parliamentary politics.

One who knew him defines him as "having held the view, inherited from his mother in particular, that he and his family were entitled by birth to great wealth, prestige, influence, and power. He also thought that Socialism, Communism, were the wave of the future. So this meant that one had to

accommodate Russia, to make a deal with them, provided of course that his family would retain the wealth, the power, etc." By birth and by function, Mountbatten had access to the highest councils of the Western world. The world of undisputed royal despotism had admittedly disappeared in the course of the 20th century, but not the ability of the same oligarchy, even if divested from royal trappings, to influence the course of events.

In fact, the hypothesis may be floated that Mountbatten devoted the last years of his life to paving the way for a regroupment of the old European oligarchy, in anticipation of the Great Agreement with Moscow which was otherwise much more than implicit in Mountbatten's sponsoring of the Peace Movement. His 1979 speech cited at the outset "against the nuclear arms race" was the international kickoff for the Peace Movement, the call to arms which was heeded by every asset of the Soviet Union in the West. It is no accident either that most of the senior members of Mountbatten's "kindergarten" during his tenure as Chief of Defense Staff, later turned up, like Field Marshal Lord Carver, among the "generals for-no-first-use" of nuclear weapons, just as his most intimate collaborator Lord Solly Zuckerman has been spearheading the pro-Soviet motion against the Strategic Defense Initiative in the West. Mountbatten's grandfather Alexander of Hesse had been the godson of the Russian Czar; his sister had married the next Czar. Connections of the family of the Grand-Dukes of Hesse with the Romanovs were multiple. It was no accident that the "Prinz von Battenberg," as Mountbatten liked to call himself, was invited to Moscow by the Soviet Prime Minister Aleksei Kosygin—"I then told him of my various ancestral relations who had married Emperors of Russia." It was to be Kosygin's son-in-law, Dzherman Gvishiani, who co-founded the key East-West policy-shaping institute, the International Institute for Applied Systems Analysis, with Mountbatten's protégé Solly Zuckerman!

Philip Ziegler's biography itself is a useful compilation of facts—carefully screened, however, for the purpose of avoiding "interpretation," i.e., history. Some of the most relevant *facts* of the subject's life have been omitted pure and simple, such as his pre-war collaboration with the "Intrepid" networks of William Stephenson, or his role as the founder of SIPRI, one of the early cornerstones of the disarmament-peace movement. This sanitized version of events also relies of the basic clichés of 20th-century political "science," in particular in the way in which it carefully edits out of history anything that would contradict the "idée reçue" that the oligarchy has disappeared from the ruling of world history. Mountbatten embodied this very oligarchy's species self-conception of itself as the "natural rulers," which Ziegler calls "a strong sense of caste," in the middle of a century too strongly influenced by "Americanism," by science, technology and progress, for oligarchs to be able to exert their power without mediation, or without controlling the very institutions they wished to destroy.

U.S. liberals target Guatemala

by Gretchen Small

The United States liberal press has ganged up with the U.S. State Department to demoralize and then destroy the armed forces of Guatemala. Their reasons for doing so are elementary. The Kissinger circles' "new Yalta" scheme to redivide the world with the Soviet Union, requires that no nation in Ibero-America shall maintain a strong defense, nor an armed forces capable of defending it.

Guatemala's armed forces, which currently rule the government, provide the primary institutional stability in a country where political parties are new and weak. Collapsing export prices and increased interest payments on the country's foreign debt have pushed Guatemala, like the rest of Ibero-America, into the worst economic crisis since the 1930s.

In a new *EIR* film released in August, "Soviet Unconventional Warfare in Ibero-America: The Case of Guatemala," Army spokesman Col. Marco Antonio Castellanos warns that the dollars which the drug mafia controls give them enormous advantage, in a situation in which legitimate economic activities face austerity, or are failing outright. In 1984, according to official statistics of the Guatemalan Guardia de Hacienda (Home Guard), over \$370 million in marijuana, opium, and cocaine were seized in Guatemalan territory. The bulk of the dope was produced inside the country, almost exclusively in remote areas under the control of Soviet-sponsored insurgent forces.

These figures reflect the wholesale value of the drugs seized, equivalent to an estimated \$3.7 billion in retail revenues on the streets of the United States. But the volume of drugs confiscated represents no more than 5-10% of the total volume that passed through Guatemala during 1984.

The Soviet-allied drug mafias have targeted Guatemala as merely a way station to the United States, which, as Col. Hector Rosales emphasizes in the film, is the real target of Soviet efforts. And yet, Guatemala is battling the drug fight by itself. "What if we get tired, and we say, 'Okay, come in—take it over. We'll join you'? Analyze the situation from that angle, and you see that you have a tremendous problem. Right now, you don't have it because we are stubborn. But, how much longer are we going to be?" Rosales asks.

Guatemala's armed forces sent a special mission to

Washington, D.C. in July, to inform U.S. officials that the marriage between the drug mafias and terrorist movements, has produced a renewed narco-terrorist insurgency, centered in the primary drug-production zones of the countryside. They requested American aid for their battle against the narco-terrorists.

Thus far, they have received nothing but stony silence from Washington in response to their requests for military training, aid, and equipment. After eight years of the ongoing U.S. military embargo against the country—imposed by the Carter administration in March 1977 under the direction of National Security Adviser Zbigniew Brzezinski—Guatemala is in desperate need of spare parts and new military hardware in order to carry out a war against narco-terrorists, who often operate with the most modern and sophisticated weaponry provided by the drug mob.

Instead, the Guatemalans are being sent to the International Monetary Fund, which is demanding military cutbacks under the guise of "budget-cutting," and are being treated to an international campaign demanding "liberalization."

On July 28, both the *New York Times* and the *Boston Globe* published "icebox" articles on Guatemala, ending a virtual U.S. press blackout on the country. The articles portrayed right-wing death squads and military brutality in Guatemala, reminiscent of the coverage during the Carter administration's "human rights" campaign.

The *New York Times* reported on the "disappearance" of "at least 60 Indian peasants" near Patzun, Guatemala, over a seven-month period, while the *Boston Globe* "predicted" the death of Dr. Eduardo Meyer, head of Guatemala's national university, San Carlos University, citing the fact that no rector at the university has survived to the end of his term since 1978.

In subsequent coverage, the *New York Times* began forecasting "complete collapse" of the economy by Jan. 1986, charging military corruption and the refusal to implement further IMF austerity programs as the prime causes of collapse. The full policy was outlined in the Aug. 11 issue: "The Guatemalan Army is running out of money, options and time," wrote the *Times*. Threats to weaken the armed forces, issued by Vinicio Cerezo Arevalo, the presidential candidate of Guatemala's Christian Democratic party, were quoted to make the point. "The army is disposed to hand over the civil government, but the real work will be to diminish the power now concentrated in the single institution of the armed forces," stated Cerezo.

Predicting an increase in political violence and inter-army factional fighting between now and the November presidential elections, the *Times* argues that Reagan administration policy is premised on forcing the armed forces back to the barracks, and out of policy-making. For the administration, "the economic crisis will provide leverage, as Guatemala seeks increased assistance," gloated the *Times*.

'Global Showdown' unnerves Izvestia

The release of *EIR*'s Special Report, "Global Showdown: The Russian Imperial War Plan for 1988," has provoked unusual hysteria from the Soviets and from their appeasement-prone allies in the West.

At a press conference held in Geneva, Switzerland on Aug. 14, two co-authors of Global Showdown, Clifford Gaddy and Konstantin George, were challenged by the agitated correspondent from the Soviet government daily, *Izvestia*: "How dare you say the Soviets are in a war mobilization?" and "You mean, you compare the Soviet Union to Hitler?"

Gaddy and George had called the press conference to counter the propaganda of the Reverend Moon sect's CAUSA International, which was holding a conference of some 200 "Soviet experts" in Geneva at the same time to attempt to prove that the Soviet Empire is "crumbling" and on a conventional war buildup—hence, there's no need for the West's beam-weapons defense program. In contrast, the *EIR* editors showed how the United States delegation to the Geneva arms-reduction talks with the Soviets should conduct the negotiations: strictly around an agreement based upon Mutual Assured Survival, the mutual development and deployment of beam-weapon defensive systems that can knock out nuclear missiles of all types.

It is precisely because the Soviets have violently rejected the offer to move the world out of Mutually Assured Destruction since President Reagan first made it in March 1983, that *EIR* founder Lyndon LaRouche commissioned the study proving how close the Russians are to achieving world hegemony in time for the 1988 celebrations of the "Christianization" of Russia. Only their determination to go to war, if necessary, to maintain those plans, could explain why they turned down what Reagan had rightly called "the best hope of our time," the shift in U.S. military doctrine later embodied in the Strategic Defense Initiative.

During their European tour, the first week of August, a box full of *EIR*'s "Global Showdown" reports was temporarily impounded by French customs officials at the Charles de Gaulle Airport in Paris. French authorities explained themselves, according to the Italian daily *Il Giornale*, by saying, "That book offends Russia, a nation that is the friend of France." The Paris paper *Le Figaro* thought the more likely motive was the report's attacks on French government official Regis Debray, whom it calls "responsible . . . for the

current status of Paris as the leading terrorist safehouse in continental Europe."

Le Figaro titled its article, "Signed, LaRouche." LaRouche's name is a byword for beam defense in Europe.

Global Showdown's co-authors have repeatedly disrupted August vacation drowsiness in Europe, with press conferences on the findings of *EIR*'s study of the Soviet war mobilization.

Their Munich seminar of Aug. 1 was attended by 63 journalists, military officers and religious leaders. Aug. 5, Radio Free Europe broadcast an interview with the two into Czechoslovakia.

Forty-three people came to the press conference in West Berlin on Aug. 13, on the anniversary of the building of the infamous Berlin Wall. Among the participants were five officials of military, government, and consulates, 13 journalists, and representatives of 10 different organizations and institutions from West Berlin.

The *EIR* team has addressed audiences including diplomats, government officials and a fair smattering of Soviet look-outs, in Paris, Brussels, and Rome. Until Geneva, however, the Soviet spokesmen managed to maintain their composure—at least in public.

The Paris event received prominent coverage Aug. 7 in *Le Monde*, which summarized a central finding of the report, that "[General Secretary Mikhail] Gorbachov and [Marshal Nikolai] Ogarkov are part of a unified team," which wants "to obtain an acceleration of economic development of their country and a modernization of its structure, to better prepare the Soviet Army for a rapid intervention war [*blitzkrieg*] against the West, and, at the same time, integrate into the Soviet Armed Forces . . . high-technology weaponry, including lasers and electron beam technology."

Il Giornale, a conservative Rome daily, on Aug. 10, reported on the previous day's press conference there, describing the report's graphics and documentation, and what the authors said about the Soviet reorganization for war and Soviet maneuvers, "not in a defensive plan, but to simulate attacks and invasions."

Il Giornale had trouble with one of Global Showdown's sharpest polemics, the link between the Soviet military mobilization and Moscow's obsession with a Russian empire—in which 1988 is a crucial year, as the 1000th anniversary of Russian Orthodoxy; this, the column calls "verging on political fantasy."

The Italian communist paper *Paese Sera*, also on Aug. 10, could not contain its rage. *Paese Sera* writer Paolo Boccacci went into a rant under the headline: "Attention! The Russians are going to attack!" *Paese Sera* attacked Gaddy and George as American "super-hawks," and expressed particular ire, that *EIR*'s local representative had suggested that citizens buy "Global Showdown" for Prime Minister Craxi and for the Pope.

Russian Church and Russian State

An outlet of the KGB and Communist Party doth protest too much about our revelations on the Kremlin and the ROC.

E*IR*'s writers were labeled "trog-
lodytes" by *Izvestia*, for daring to call
for an end to the terror of the Mutual
Assured Destruction doctrine. But
never, until now, has Moscow said
anything for or against our charge, that
the Soviet State is structured on the
Byzantine model, run from a Kremlin
whose guiding idea is that of the Rus-
sian Orthodox Church and the Tsars—
the myth of Moscow the Third Rome.

That changed with the July 31 issue of the weekly *Literaturnaya Gazeta*, notorious for its links to the KGB. One week after the release of the *EIR* Special Report, "Global Showdown: The Russian Imperial War Plan for 1988," *Lit Gaz* ran a long article by novelist Aleksandr Nezhnyi on the restoration of the ancient Danilov Monastery in Moscow, to be the new administrative center of the Russian Orthodox Church/Moscow Patriarchate.

"Western propaganda," complained *Lit Gaz*, "is circulating absurd inventions and provocational fabrications. The Russian Orthodox Church is declared to be a state church. . . ." As the only example of such "propaganda," the weekly cited "an article published not long ago in the West German *Neue Solidarität*, [from which] one can learn that 'the state has sent student brigades and teams of specialists' to work on the Danilov Monastery restoration."

The cited article was based on the five-part series in this column last spring, on the 1,000th anniversary jubilee of the Russian Orthodox Church, coming up in 1988.

The editorial introduction (the paper's editor is Communist Party Central Committee member Aleksandr Chakovskii) asserted, that the Soviet State's decision to return the monastery to the Patriarchate, in 1983, was merely "testimony to the normal relations between State and Church." Having protested against the characterization of a "state church," the Central Committee- and KGB-linked *Literaturnaya Gazeta* then printed the words of Nezhnyi, which surpass, in explicit celebration of the Church's integral place in the Soviet state, anything we have previously presented in this column!

Nezhnyi writes, said *Lit Gaz*, on "one of our traditional themes—the preservation of monuments of our native history and culture." That theme is a Russophile watchword: The Rossiya Society, the 14-million strong vehicle for Russian nationalist activism, is officially in the business of "monument preservation."

Nezhnyi set the mood: "There are times, when just one look suddenly reveals unexpected features in a seemingly familiar picture, and shakes the soul. . . . So it happened with me when, having spent a few hours within the walls of the Danilov Monastery, unhurriedly surveying its churches, which are acquiring an appearance worthy of them, and making the acquaintance of the restorer-architects and master stonemasons, who, in the space of four months, have raised a nearly 40-meter-high belfry above the front church, I found myself a few days later in the administrative head-

quarters of ZIL [a Moscow auto plant], and from the twelfth story on the opposite, right bank of the Moscow River, in a dense clump of industrial buildings, caught sight of that same belfry, those same churches and walls, and nearly gasped with amazement. The tangibility of the march of time . . . gained even greater force, from the barely perceptible movement of the black river water flowing beside. It had quietly streamed, from one end of the city to the other, from century unto century. . . . In ancient times, when it flooded, it had come up right under the monastery walls—now, . . . it only preserved in some deepest reflections, perhaps, the little hill and the wooden church on it: around 1282 its construction was ordered, by the son of Aleksandr Nevskii, Prince Daniil of Muscovy.

" . . . the work of the restorers is permeated with such conscientiousness, such striving for the truth, such passionate desire to revive what was pointlessly lost."

Nezhnyi interviewed Metropolitan Aleksii of Tallinn and Estonia, the Moscow Patriarchate administrator in charge of the Danilov project. "We aim to complete it by 1988, the 1,000th anniversary of the adoption of Christianity by Rus," said the priest.

"The Russian Orthodox Church," Aleksii beamed, "by acquiring a new administrative center, will obtain the possibility of better organizing its activity and more fully carrying out its assignment. Here there will be church conferences, . . . international meetings. . . . Without a doubt, the Church will have the possibility to develop, in still greater breadth, its patriotic activity, which was so brilliantly manifested during the years of the Great Patriotic War, and to activate its peacemaking efforts, which have won it world renown."

Ever lived next door to a bear?

The Russians have their own cute way of celebrating peace and progress among the peoples.

The Russians, in their own inimitable way, have celebrated the 15th anniversary of the Moscow Treaty by issuing a flow of threats and warnings to the German government. The Aug. 12, 1970 signing of the treaty between the Soviet Union and the Federal Republic of Germany was a milestone in then-Chancellor Willy Brandt's "Ostpolitik," the policy of appeasement toward the Kremlin.

Although current liberal Foreign Minister Hans-Dietrich Genscher maintains a direct continuity in Bonn from the old Ostpolitik, the Soviets aren't very happy with Chancellor Helmut Kohl's pro-American orientation.

Among the more prominent Soviet spokesmen who have cared to deliver their friendly, good-neighborly advice to Kohl as to how he ought to conduct his affairs, are party ideologue Nikolai Portugalov, top foreign affairs spokesman Leonid Zamyatin, and last but not least, Communist Party chief Mikhail Gorbachov himself.

Publishing an op-ed in the Aug. 8 issue of the German liberal weekly *Die Zeit*, Portugalov first lauded the importance of the 1970 treaty: "The Moscow Treaty, which is for both sides a treaty on non-violence and abstention from territorial claims, put an end to the status of the Federal Republic as a defeated country." But this achievement, which Portugalov accredited to Brandt, is threatened now by the Kohl government, which sides with the "U.S. policy of war preparation" and with the Strategic Defense Initiative.

Only a strict return to the spirit of

Brandt's Ostpolitik, demanded Portugalov, will keep relations between Moscow and Bonn on the level of sovereign states. Portugalov's making the Federal Republic's sovereign status depend on Brandt's Ostpolitik, which he complained is now being dumped by Kohl, represents a barely-veiled threat of open aggression against Germany.

At the celebration of the anniversary in Moscow, Leonid Zamyatin, in his capacity as chairman of the Soviet-German Society, accused Kohl's government, which was not represented at the celebration, of revanchist tendencies. Without any objections from the ranking representative of Brandt's Social Democratic Party (SPD) present—Horst Ehmke, the vice-chairman of the SPD's Bonn parliamentary group—Zamyatin charged that Kohl's support for the SDI project meant to join a "U.S. policy of planned aggression against the U.S.S.R.," and thus violated the spirit of non-violence expressed in the Moscow Treaty. Zamyatin warned Bonn against "attempts to redraw the borders of post-war Europe," and threatened that "any deviation from the 1970 treaty would increase the danger of war in Europe."

Both Portugalov and Zamyatin were taking their cues from the Kremlin's new would-be Stalin, Mikhail Gorbachov. The Soviet chieftain used the occasion of the Moscow Treaty anniversary to write a letter to Brandt, thanking him personally for his Ostpolitik. Gorbachev issued a veiled, but clear threat against the current Kohl government, which he said represented a danger to the Soviet Union be-

cause it allowed Germany to "be turned into a launching-ground for U.S. first strike weapons [the Pershing II]."

On Aug. 15, the SPD issued a statement in Bonn, whining that Kohl gives merely verbal support for the French civilian high-technology program Eureka, but no money, and that he covertly propagates German participation in the SDI project. Genscher has tried to fill the Eureka project with life and money, but has failed due to Kohl's reluctance, the SPD charged.

The open collusion between the SPD and the Soviets in schemes aimed at threatening or toppling the Kohl government is becoming too much even for Kohl's own timid party, the Christian Democratic Union (CDU). The SPD's pro-Moscow orientation poses dangers to Germany, several CDU spokesmen have warned.

Heiner Geissler, Minister of Family Affairs in Bonn and CDU party manager, said the SPD's increasing anti-Americanism was motivated by "nationalistic neutralism." Once again, he said, the SPD was on that "fatal track towards making Germany a middle power between East and West"—a track which "has led to catastrophes of historical dimensions for the German people."

Honest Social Democrats, who have tried to oppose the SPD's current degeneration into a mouthpiece of Soviet views, were made targets of an inner-party witchhunt, as alleged "agents of the CDU," Geissler reported.

The Deputy Mayor of Berlin, Heinrich Lummer, also attacked the SPD's anti-Americanism, as "a vital threat to the future freedom of this city and its population." He furthermore accused Willy Brandt and other SPD leaders of allying themselves with Moscow's propaganda against the Bonn government.

'Civil war' conditions in Sicily

Craxi's war on the mafia will not succeed, unless Italy breaks ties with Libya.

The Italian government's fight against the mafia in Sicily has now assumed the proportions of "an open conflict, a civil war." This was how Sicily regional President Rino Nicolosi put it, the day after yet another top police official was mowed down in front of his home in Palermo, by machine-gun fire from a 20-man mafia commando squad, armed with Russian-made weapons.

Antonio Cassarà, head of the Palermo Mobile Squad, only outlived by a few days his major collaborator, Police Commissioner Giuseppe Montana, who on July 28 was pumped full of 200 bullets, after it became known that he was on the tail of Michele Greco, the "pope" of the Cosa Nostra.

Just another mafia war? Hardly. Italian authorities now have more than ample proof of the close logistical ties between the drug-running mafia and such Soviet-directed terrorist gangs as the Red Brigades. With the Soviet Union already gaining influence over Greece, continued regional chaos in southern Italy, fed in large part by Libya's Qaddafi, is now critical to Moscow's bid to gain strategic control of the entire Mediterranean littoral.

Italian Prime Minister Bettino Craxi has vowed to use "extraordinary measures" to stamp out the mafia, and has expedited a 1,000-man reinforcement to Sicily. "This is a military challenge," he announced following the Montana murder. "It is necessary to

give severe, efficient and immediate answers."

But on the same day the mafia was eliminating Montana, Craxi's own foreign minister, Giulio Andreotti, was presiding over the Italian-Libyan Commission, with the aim of firming up economic and other ties with the Libyan government. Supporting Libya is not exactly the best way to eliminate international terrorism.

The recent murders are different for another reason. The mafia, with the help of the Italian media, has managed to direct popular rage against the police, while portraying themselves as modern-day folk-heroes.

Montana was killed some weeks after he had arrested a gang of eight, one of whom was very close to Michele Greco. It seemed sure that Greco and the other big Sicilian bosses are living in Sicily, well protected, and that Montana was on their trail.

Contrary to past assassinations, the media did not give big coverage to the event. Instead, starting on Aug. 4, the national press launched a front-page campaign covering the death of a man who was being interrogated for the murder of Montana. Some newspapers speculated that the man had been poisoned by the police while in jail.

In a major publicity stunt, the infamous head of the Italian Radical Party, Marco Pannella, flew to Palermo to comfort the relatives of the "victim," declaring that the poor chap had

died because of police torture.

The uproar forced Interior Minister Oscar Scalfaro to fire the three heads of the Palermo police, even though there was no proof of any foul play during the interrogation. The press, especially the left-liberal-Communist papers, proclaimed a "victory for democracy and truth."

Then on Aug. 6, Cassarà was murdered, during commemoration of the murder of Judge Gaetano Costa, who was killed by the mafia that same day five years before (only four days after a bomb exploded in the Bologna main station, killing more than 80 people).

Cassarà had been to Brazil to investigate the holdings of the mafia there, and had made frequent trips to the United States to coordinate anti-mafia, anti-drug operations. He was also the author of a large part of the "161 names" report presented by General Dalla Chiesa, who was murdered on Sept. 3, 1982. The Greco family was on that list.

This was too much for the Palermo police, who exploded in rage and frustration. The murder of Cassarà was presented by the media as the mafia's "revenge" for the death of the "picciotto" (mafia slang for "kid") in the police headquarters.

The ugliest incidents occurred the next day, around the funeral of Antiochia, one of Cassarà's escorts who had been killed along with him. Upon exiting the church, Interior Minister Scalfaro and President Cossiga were besieged and buffeted by a crowd of furious policemen, and could only be brought away with great difficulty by the carabinieri. According to one newspaper, this scene was followed by actual armed street skirmishes between the police and the carabinieri.

About 200 policemen asked either to be transferred from Palermo or to resign from the force. Half of the requests have been accepted.

PAN sparks violence in Nuevo León

With the aid of the ex-bankers, the PAN insists on provoking upheaval along the northern frontier.

Last Aug. 2, the Nazi-communist mafia of the National Action Party (PAN) again went on the attack against the institutions of the state, aiming a brutal blow which unnerved the new government of Nuevo León, led by Jorge Trevino, considered a supporter of the President.

The brutal PAN assault on the greenhorn Trevino government, which had just taken office, occurred on the night of Aug. 2, when ex-gubernatorial candidate Fernando Canales Clariond led a demonstration of 10,000 persons, which he called the "Demand March," to insist that Governor Trevino step down. The PAN lost in the July 7 elections, but insists that it really "won."

The march was headed by the state leaders of the PAN. As it was ending and when the leaders had "with-drawn," a shock team came out of the crowd to attack the police guarding the Government Palace. In the ensuing clash, 22 demonstrators and 17 police were injured and a gigantic campaign was kicked off in the media, blaming the government for the violence.

The riot was the culmination of the pressure campaign mounted by the Monterrey Business Group under the direction of Andres Marcelo Sada, to turn Jorge Trevino into a flunky of their interests.

The Monterrey Group delivered another stinging blow when the leaders of the private business organizations turned down the invitations to Jorge Trevino's swearing-in as governor, which was to be attended by the President of the Republic. Hearing of the refusal, President de la Madrid sent

as his personal emissary Carlos Salinas de Gortari, the Planning and Budget Secretary and a native of the state, to convince them that the President would take it as a personal affront if they didn't go. In view of this, a few did show up.

As the result of these pressures, the federal and state government had to pay a high political and economic price to the Monterrey Group to make it stop boycotting the actions of the new government. The payment was in kind, and in cash. The Trevino government gave various positions in its cabinet to political agents of the Monterrey Group, and granted broad concessions to the Group's demands in its government plan, by giving government support to assembly plants.

The Monterrey industrialists, servants of the Group, want to convert their industry, which could supply domestic consumption, into assembly plants for the big U.S. corporations. This is one of the major conditions imposed by the creditor banks of the Monterrey Group, to which they owe \$5 billion—more than the total debt of Bolivia, a country of 10 million inhabitants.

The PAN is working on the same plan to provoke violence for the inauguration of Gov. Felix Valdes in Hermosillo, in the state of Sonora, on Sept. 13. Former PAN candidate Adalberto Rosas, who got his feathers plucked because he did not win the level of votes of his PAN counterpart in Nuevo León, is now being backed by economic forces from the neighboring states of Chihuahua and Nuevo León. This has allowed him to go back on

the offensive and announce he will at all costs prevent Felix Valdes from taking office as Sonora's governor.

So the PAN is regrouping in its old stronghold of Ciudad Juárez, Chihuahua, where they control the mayoralty and now the deputies to the federal Congress. Here, on Aug. 11, they staged a demonstration that was supposed to be huge (rallying all the PAN's adherents in northern Mexico) in support of the cases of Nuevo León and Sonora. They managed to rally 15,000 people, quite a lot for a small city, and the two former PAN candidates, "Baldy" Rosas from Sonora and Canales Clariond from Nuevo León, put in an appearance.

Clearly, the PAN escalation has not slowed down, especially in Chihuahua, where the elections for governor are coming up in early 1986 and where they think the federal government will have no maneuvering room to keep them from taking the governorship—the first for an opposition party in 56 years.

Meanwhile, both the Mexican government and army have started taking measures to defuse the time bomb which is Chihuahua, in particular Ciudad Juárez. There is already talk in political circles that Gov. Oscar Ornelas, who is known for his sympathies with the Vallina Group (controller of the PAN), will soon step down. Besides, in Ciudad Juárez the army has started a campaign of taking away pistols, starting with the PAN-infested municipal police. In less than 24 hours, the army besieged the city and left the police armed only with billyclubs, arguing that a municipality doesn't need so many weapons. And since PAN Mayor Barrios was not around that day, he is now trying to raise a serious protest, because part of his orchestrated plan to provoke violence is being disarmed.

New base for the Khalistan plot?

Jagjit Singh Chauhan's rendezvous with prominent Ecuadorians in London raises questions.

On July 26 Dr. Carlos Arosemena, former President of Ecuador, arrived in London for a series of meetings with Jagjit Singh Chauhan, the self-proclaimed president of "Khalistan"—the Sikh terrorists' name for the Indian state of Punjab which they have waged a bloody war to break away and declare an independent "nation."

The rendezvous has prompted speculation that Britain, under pressure from India for harboring the Khalistani separatist nest, is maneuvering, with the likely assistance of the Israeli Mossad, to find a more convenient base of operations for Chauhan and his terrorist consort.

The schemers could anticipate a crucial nod from the new U.S. Assistant Secretary of State for Inter-American Affairs, Elliot Abrams, a "human rights" instigator identified by Sikh separatists in the U.S. as one of their most important backers.

"I am fighting to give some land to the Sikh people," Arosemena told one of the enthusiastic crowds of Sikhs assembled by Chauhan and Co. "Come to Ecuador; it's a good land for the Sikh nation. We can take 20 million."

Arosemena reportedly went to London to negotiate the transfer of a sizable chunk of land in Ecuador to the "Khalistan nation." His visit followed the Ecuadorian Foreign Minister's May pilgrimage in search of increased British investments.

Chauhan claims that Ecuador has promised to recognize a Khalistan "government-in-exile," but this is adamantly denied by Ecuadorian government spokesmen in both London

and Washington who retreated behind claims that the Arosemena entourage was on a strictly private visit.

As a former President and politically active, Arosemena is no ordinary Joe. Accompanying him in London, say some reports, was one Dr. Cristóbal Montero, a former Ecuadorian ambassador to Canada and Argentina and today associated with the foreign ministry, and a private attorney, Dr. Patricio Buendig.

Arosemena was also accompanied by one Atma Singh Khalsa, a.k.a. Mr. Adelberto Callegari, Ecuador's sole Sikh resident who was born in Milan, Italy and converted to Sikhism after migrating to the Americas. "Anyone can become resident in Ecuador by investing \$6,000," Atma Singh Khalsa" told the Sikhs in Britain.

The overseas Sikhs are a notoriously wealthy community, and the Khalistan crowd's recent accession to the international drugs-and-terrorism elite has brought new assets.

Like the typical "banana republic," Ecuador is up for sale with powerful private international mafias controlling the bidding. Besides "virgin jungle land"—which is producing increasing quantities of cocaine for export—Ecuador sells oil and bananas. Falling oil prices and depressed commodity markets have put a premium on the cocaine trade.

While the 1984 cocaine crop was estimated at 1,000 hectares, with a yield of one metric ton of leaf per hectare, according to a U.S. State Department report, the 1985 crop looks to be as much as 5,000 hectares at

triple the average yield.

Part of what Ecuadorian President León Febres Cordero calls his government's "painstaking" attempt to develop agriculture involves Cuban assistance, reportedly in developing cattle breeding, replete with personal visits by Fidel Castro's brother, Ramón. Cuba's curious role in the dope trade was highlighted recently when Castro acknowledged that Robert Vesco has found a safe haven there.

But there is another even less speculative element. Ecuador is well known on the continent as the "headquarters" for the Israeli Mossad. The relationship is deep and longstanding.

In particular, one Rehavam Ze'evi, adviser to the Israeli Prime Minister on "Warfare Against Terrorism" from 1974-77, left official government service in 1977 to fly to Ecuador and become an advisor to the government. Ze'evi's sidekick Betsalel Mizrahi, like Ze'evi himself, has been accused in Israel of being the Israeli mafia's godfather. Ze'evi and Mizrahi are alleged to have offered to arrange arms deals for Ecuador just months after the Pentagon had vetoed Israeli defense ministry attempts to sell the Kfir jet to that country.

In August 1980, immediately after the Argentine Navy, in collaboration with the Israelis, overthrew the Bolivian government and installed the "cocaine colonels," the same Ze'evi negotiated a huge arms package with that regime, which has since become a prominent dope exporter.

Not surprisingly, terrorism is alive and well in Ecuador. Now only does Ecuador has its own terrorist movement, but in early May the Cordero government was heatedly denying that it intended to grant political asylum to eight members of the Spanish terrorist group, Basque Fatherland and Liberty (ETA).

What Zaitsev packed in his bags

A dangerous combination: As the United States gears up trade war against Asia, Moscow woos Thailand with trade deals.

On the heels of U.S. Secretary of State George Shultz, the Soviets are moving full swing into Southeast Asia. Where the United States lacks concrete proposals, Moscow is trying to fill the vacuum. That characterizes the end-of-July trip made by Anatoli Zaitsev, head of the Soviet Southeast Asia Affairs Bureau, to the region. From Singapore, Zaitsev arrived in Bangkok on July 24, and left for Burma and Malaysia on July 28.

Compared to the last trip here by Soviet Deputy Foreign Minister Mikhail Kapitsa, Zaitsev—in line with the style of the new Soviet party secretary in Gucci shoes so admired by Maggie Thatcher—adopted a smooth-talking approach more to the liking of the Southeast Asians. But no one, it seemed, was duped into thinking that Soviet foreign policy had shifted from the basic aim of expanding their influence in the region while the United States is being edged out.

During his four days in Bangkok, Zaitsev tried to impress upon the Thais how important Thailand was to the Soviet Union. Bilateral talks were emphasized without ever apparently bringing up the United States or China.

Earlier in July, before the 18th ASEAN foreign ministers' meeting in Kuala Lumpur, George Shultz embraced the Khmer resistance and met with the non-communist leaders of the Son Sann and Sihanouk factions, and gave vague promises of U.S. assistance. U.S. backing for the ASEAN proximity talks proposal was extracted from Shultz only after an hour-long

discussion with Thai Foreign Minister Siddhi Savestila at the ASEAN Kuala Lumpur meeting.

ASEAN policymakers are finding it increasingly difficult to assess U.S. foreign policy intentions. This task became more exasperating, many have told us, when the U.S. Congress recently voted up a 10% cut in aid to Indochinese refugees, from \$377.68 million to \$292.95 million—hardly a friendly gesture toward an old ally like Thailand that bears the heaviest burden for the refugees. Secretary General Prasong Soonsiri of the Thai National Security Council had said at a Bangkok conference on the refugee problem that should Thailand not receive sufficient international aid, “the problem may have to be dealt with in her own way.” There are reports that Thailand may consider repatriating Khmer refugees to “safe areas” in Kampuchea.

When asked about Vietnamese reports that the Soviets had doubled their aid to Vietnam, Zaitsev only commented that the calculation method used was different, intimating that the Soviet aid was quite a bit less than Vietnam says.

Back in Bangkok for a meeting at the foreign ministry, Asda Jayanama, Thai ambassador to Hanoi, revealed to the local press that Vietnamese officials, despite official statements, were, in private, uneasy about the recent thaw between the Soviets and the People's Republic of China.

For Thailand, and for ASEAN as a whole, the test of Soviet sincerity is

what role they might play in bringing peace and stability in the region, especially by ceasing to support Vietnam's occupation of Kampuchea. But this is a far-fetched possibility, given the Soviet strategy for a global showdown with the United States by 1988.

Deputy Foreign Minister Mikhail Kapitsa, in his talk in Indonesia last April, made it clear that Vietnam was not going to pull out of Kampuchea until 1989, when the Heng Samrin government will have tightened its hold over Kampuchea. Apparently, the Indonesian scholars visiting Hanoi in February 1985 were given the same timetable.

Meanwhile, Soviet strategy is to woo Thailand into developing bilateral relations, in both trade and cultural exchanges. Thailand so far enjoys a trade surplus with the Soviet Union in two-way trade since 1979. Last year, Thailand had a trade surplus of about 1.6 billion baht with exports of maize, tapioca, raw sugar, fluorite mineral and textile products. During Deputy Foreign Minister Kapitsa's April trip, a 500,000-ton tapioca deal was signed with the Thai government, estimated at 22 million U.S. dollars. Apparently over the years, there have also been sports exchanges; this year Moscow's Bolshoi Ballet will perform in Bangkok with assistance from the Bangkok Bank.

The expansion of trade with Moscow contrasts dangerously with the protectionist spirit of the Jenkins bill, designed to shelter American textiles from cheaper Asian products. Thailand feels that the Jenkins bill will jeopardize her expected export earnings from textiles. Numerous questions are being asked here in the region: Who's boss—the White House or Congress? Has the United States, by cutting refugee aid and conducting trade war against her allies, decided to abandon her friends to her enemies?

International Intelligence

Pol Pot-style massacres discovered in Uganda

Ugandan troops have, for the last three years, been carrying out massacres like that committed by the former Kampuchean dictator Pol Pot, international investigators have revealed. Piles of bones have been found in several areas close to the capital of Kampala, in the "Luwero Triangle," where the Ugandan Army carried out reprisals against villagers suspected of supporting the opposition National Resistance Movement. A mass burial of about 1,000 people took place at Wakiso, 10 miles northeast of Kampala.

The Luwero Triangle area, once inhabited by 200,000 people, is now empty. Reporters who visited the area report that buildings are "empty shells."

Ugandan President Obote brought in British and North Korean troops to train the army. Complaints are now beginning to emerge against the British role in covering up the killings, which are estimated at 100-200,000. A missionary in Uganda for more than 15 years was quoted in the *London Times*, "There is no way they could not have known. We have been telling them. They could go and look. They just didn't want to know."

The North Koreans are renowned for their murderous tactics, and trained the dreaded "Fifth Brigade," responsible for massacres of the Matebele people in Zimbabwe, until their departure a year ago. Since then, the British have taken over the training of the Zimbabwe troops.

Kohl to assess German role in Strategic Defense

West German Chancellor Helmut Kohl announced in an interview with the daily *Die Welt* on Aug. 14 that a mixed government-industry team will tour the United States beginning Sept. 4, to gather more informa-

tion on the scope of the U.S. Strategic Defense Initiative, and the prospects for German participation in it. After the fact-finding trip, his government will decide what its official position will be.

Compatibility of the European effort with the SDI is a principal condition for German participation, Kohl stressed. He said his government objected to "any time pressure" concerning participation, but added that "this also goes for a participation in the Eureka project"—referring to French President François Mitterrand's plan for a Europe-only laser defense program. Eureka must, said Kohl, be fully compatible with the SDI, and should not be seen as an alternative to it (as the French desire).

There are also indications that Kohl favors a "European Defense Initiative," which would concentrate Europe's research on defense against Soviet missiles of shorter and medium range, which mainly threaten Western Europe. This program would be coordinated with the SDI, which would mainly concentrate on defense against the Soviet strategic arsenals, according to this scheme.

LaRouche collaborator wins election in Mexico

Patricio Estévez Nenninger, an executive committee member of the Mexican Labor Party (PLM) and collaborator of U.S. political figure Lyndon LaRouche, won a congressional seat in the state of Sonora in the July 7 elections, state officials announced at the beginning of August. Estévez was a candidate on the slate of the Partido Auténtico de la Revolución Mexicana (PARM).

Estévez won his seat in the state legislature amid the most controversial general elections ever held in Sonora. The campaign for the governorship of the state was catapulted to national and international prominence by the claim of the National Action Party (PAN) that its candidate, Adalberto

Rosas, was going to be the sure winner over the ruling Mexican PRI party.

Estévez campaigned against the scheme of Henry Kissinger and the U.S. State Department to bring the Nazi-communist PAN to power in Mexico. In January, Estévez published a book, *In Sonora, the Republic is at Stake*, exposing the plot. Ten days before the elections, the Mexican Labor Party published its own exposé, *The PAN: Moscow's Terrorists in Mexico*.

State Department funds anti-Marcos guerrillas

The U.S. State Department is financing the Islamic separatist Moro Liberation Front of the Philippines against the government of President Ferdinand Marcos, according to reliable Washington sources. This was the outcome of the Aug. 2 meeting between Moro Liberation Front leader Dumis Pundato, who resides in Libya, and State Department officials.

The condition for the funding is that the Moros must operate against the Marcos government, which has hitherto successfully defused the Moro separatist movement. Accordingly, Pundato emerged from the State Department meeting to say that if Marcos did not accede to Moro demands for autonomy by November, the Moros would take up arms with the communist-backed New People's Army.

Scandal brews over new Venezuelan police chief

Eyebrows were raised in international anti-drug agencies on Aug. 6, when it was announced in Caracas, that Porfirio Valera had been named head of Venezuela's political police, the DISIP.

Valera, hitherto the number two man in the DISIP, had made clear his interest in the post for several months, but questions from

international agencies about his honesty had stalled his appointment.

Valera's brother, José Rigoberto Valera, was named by U.S. Drug Enforcement Administration investigators as a top drug-traffic intermediary in an Orlando, Fla. drug bust in mid-1984. Valera had made headlines in Caracas in 1984, when it was reported that he had been fired from the Technical Judicial Police in 1975, after an investigation into corruption in that agency.

Valera at that time tried to hush up any scandal of DISIP corruption, *Diario de Caracas* columnist Rodolfo Schmidt reported on May 15. In April, Valera called in Schmidt and two Venezuelan congressmen, to request a "truce" on scandals around the DISIP, as those scandals were not helping his plans to become DISIP director.

Schmidt reported that he then questioned Valera on why the DISIP had played no role in the anti-drug fight after September 1983, and on his relations with his brother, who "makes frequent trips between Miami and Maiquetia [the Caracas airport—ed.], where he is received by an official DISIP vehicle. The question was justified," Schmidt added, "because José Rigoberto is cited by North American authorities as a shadowy and dubious man when it comes to the world of drugs. Porfirio Valera avoided any mention of the subject."

Homosexual ring revealed in the Bonn government

West German State Attorney Manfred Bruns, one of West Germany's highest law enforcement officials, declared in press interviews in mid-August that he is a homosexual, lives in an "open marriage," and that there are many like him in high places in the Bonn government.

"God created me as a homosexual," said Bruns, in a television interview. He declared that his phone number is published in homosexual newspapers for people who need "psychological counseling."

In an interview on Aug. 14 to Germany's largest-circulation daily, *Bild Zeitung*, Bruns stated that "ten percent of all men are homosexuals. If all would confess it openly, then we wouldn't have a government in West Germany."

Bruns personally led the prosecution in two trials against terrorists. In July he supported the demand of the Green Party for the legalization of sex with children.

The Soviet KGB is known to be particularly adept at homosexual blackmail of figures in high places in Western governments.

KGB weekly: Who says there's a Palace Guard?

Literaturnaya Gazeta, the Soviet "cultural" weekly run by the KGB, has denounced those American publications which claim the White House is run by a "Palace Guard" that warts a deal with Moscow.

The article, in the Aug. 7 issue of the weekly, was framed as an attack by author A. Stepanov against West German Member of Parliament Jürgen Todenhöfer, "The Cowboy from the Bundestag." Todenhöfer, the spokesman on disarmament for the parliamentary delegation of the ruling Christian Democratic Union, is an outspoken advocate of the Strategic Defense Initiative.

The "young and impudent" Todenhöfer, charged Stepanov, wants cancellation of all American proposals made to date at the Geneva arms talks, as too "generous."

Stepanov likened these views to material obtained by *Literaturnaya Gazeta* in the Federal Republic of Germany—"leaflets of ultra-rightist American organizations, which have permanent centers, bureaus, and other representative offices in the FRG. Their authors try to convince people, that Washington has already 'gotten entangled with the reds,' and that the White House is being run, not by the President, but by his 'palace guard.'" But, he added, "These provocateurs, evidently, have nothing to do with the U.S. government."

Briefly

● **VENEZUELAN ADMIRAL** Juan Justo Pastro Fernandez returned from a trip to the United States in mid-August to announce that international military figures will meet in Venezuela later in the month "to discuss the proposal of the U.S. Navy, of launching a war on drugs." Admiral Hector Jurado Toro, director of the Navy School, said in an interview that the navies of the continent would meet to discuss the need to sink boats of drug-traffickers, even if they were in international waters.

● **BERLIN** needs a statue of Friedrich Schiller, said Eberhard Diepgen, mayor of the city, in a speech on Aug. 13. Commemorating the construction of the Berlin Wall by the Soviet Union and East Germany 24 years ago, Diepgen said that the city should have a "freedom statue" of the great poet, and that the famous plea by Schiller's Marquis of Posa—"Do give freedom of thought!"—should be inscribed upon the monument, to remind passers-by of the ideal of freedom, which is so threatened by the Soviets in Berlin.

● **MARSHAL V.I. PETROV**, first deputy minister of the Soviet Ministry of Defense, led a delegation to Pyongyang in mid-August, for North Korea's 40th anniversary celebrations. The Soviets are getting far more attention and fanfare than any other delegation, including the Chinese. Politburo member Geidar Aliyev also attended, heading the Soviet party and government delegation, who was given a medal by the Kim Il-Sung regime.

● **EDWARD TELLER** went to Israel in August to discuss Israeli-American cooperation on the Strategic Defense Initiative. In an interview with the German daily *Die Welt* published Aug. 16, the U.S. nuclear physicist warned that the Soviet Union is ahead in laser development, and stressed that ABM technologies, not negotiations, protect against Soviet missiles.

Moscow's pre-summit offensive against the SDI

by Kathleen Klenetsky

If the White House Palace Guard has its way, President Reagan will be sent off to his November summit with Soviet leader Mikhail Gorbachov in the worst political shape of his presidency.

Judging by the much-touted "strategy session" which White House Chief of Staff Donald Regan convened on Aug. 13—and from which the President himself was noticeably absent—Regan and his cronies are now setting a course for the President which will not only bring him into violent conflict with Congress and cause a sharp decline in his political popularity, but will so weaken him that he will be highly susceptible to Gorbachov's demands that the U.S. abandon or severely limit the Strategic Defense Initiative. "We want to set the agenda for Ronald Reagan," Don Regan announced at the close of the session.

Palace Guard's agenda for disaster

The agenda which Regan and the other participants at the meeting set for the President is a prescription for total disaster.

According to Regan and White House spokesman Larry Speakes, one of the key decisions reached was to have the President launch a major offensive against domestic spending come fall, which will involve ripping up the budget compromise which the White House had reached with Congress earlier this month. Speakes and Regan declared that the President will use the appropriations process to seek deeper cuts in domestic spending than are contained in the congressional budget bill. The announcement precipitated instantaneous howls of outrage from the Hill, with House Speaker Tip O'Neill's office castigating the President for "picking a fight" with Congress.

Adding to the President's woes is the distinct possibility that the international financial community is planning to pull

the plug on the United States' economy this fall, which will cause the whole crumbling edifice to come tumbling down. This is scheduled to occur during the same time frame in which the International Monetary Fund Interim Committee holds its meeting in Seoul, where the United States budget deficit, and the alleged need for greater IMF policing of member nations' domestic economic policies, is expected to be the principal focus.

With the recovery fantasy up in smoke, Reagan will be under extreme pressure to agree to deeper cuts in defense—and to salvage his presidency by achieving a "breakthrough" in U.S.-Soviet relations.

Unfortunately, the only "breakthrough" the Soviets will allow, calls for U.S. abandonment of the SDI.

That's precisely what Regan, and Regan's pals in the Triateral Commission, want. It is a well-known secret in Washington that Regan, that "tough old Marine," opposes the SDI with the same vehemence with which he has undermined Defense Secretary Caspar Weinberger's attempts to maintain a minimum level of military spending.

In his remarks to reporters after the strategy meeting, Regan indicated that as far as plans for the summit were concerned, he wanted to ensure that nothing was done that would impede the U.S.-Soviet dialogue.

Just a few days earlier, National Security Affairs chief Robert McFarlane gave a background briefing on the summit arrangements, which indicates the kind of nonsense Reagan is being fed by his advisers. According to McFarlane, the President "wants to say [to Gorbachov] we have no hostile intentions to the Soviet Union, that you are a great power, that we don't seek to alter that, that you need not fear the U.S. trying to overthrow or fundamentally change your system," but that the United States has "some misgivings about whether you have the same benign intentions."

A further escalation by the Palace Guard came Aug. 15, when press spokesman Larry Speakes issued a statement which softened a position taken earlier by the President concerning Gorbachov's latest propaganda ploy, his invitation to the United States to join Russia's supposed nuclear test moratorium. When questioned on this in early August, Reagan had dismissed the Gorbachov "offer" as a joke, on the grounds that the Soviets had already completed tests of their new nuclear missiles, and didn't have any more to do. But in a statement issued Aug. 15, Speakes said that while the Soviets had finished testing and deployment of the SS-18s and 19s, they had only "accelerated their testing on the 24s and 25s" in advance of the moratorium announcement.

Any retreat on this issue is dangerous, given that a test ban has long been advocated by the SDI's enemies as a backdoor means of icing the program, since it would prohibit testing of SDI technology, and thus make development beyond a certain limited point impossible.

Syndicated columnist Joseph Kraft, a Trilateral Commission charter member, boosted the moratorium in precisely this way in a *Washington Post* column of Aug. 11. Kraft urged Reagan to announce, on the eve of his summit with Gorbachov, that the United States will join the Russians in a nuclear test moratorium.

"There is at least a chance Gorbachov would accept" the offer, wrote Kraft. "He would thus cut off 'Star Wars' and put a lid on the U.S. buildup." Noting that one reason some of the President's advisers oppose such a test ban is because it would prohibit testing of the x-ray laser, one of the most promising strategic defense technologies, Kraft concluded: "No doubt, some will oppose such an offer as too risky. The great majority would probably approve. But at least Reagan ought to have all the information he needs to decide whether it is a risk for peace he wants to take."

Soviet propaganda offensive: the U.S. . . .

Kraft's column is just one small element in a massive, presummit Soviet propaganda offensive against the SDI. Over the past two weeks in particular, the Soviets directly, along with their numerous assets in the West, have been churning out reams of propaganda designed to create a climate in which Reagan will have no choice but to make significant concessions to Gorbachov. For their part, the Trilateralists and the rest of the "New Yalta" crowd, are appealing to Gorbachov to concede the U.S. "right" to pursue SDI *research*, in exchange for a guarantee to put the kibosh on testing and development.

The most brazen example yet of just how far the Soviets are prepared to go with their disinformation campaign, was the advertisement which the Soviet Embassy in Washington purchased in the *New York Times* on Aug. 13. The ad, entitled "What Holds Back Progress at the Geneva Talks," reprinted a July 31 *Pravda* editorial which places the blame for the stalemate at the Geneva arms talks squarely on the United States, and reiterates that without a Reagan backdown on the

SDI, superpower relations will continue to worsen.

The Soviets have also published a book on the SDI, to which the *Times* gave free publicity Aug. 12. Entitled "Star Wars, Delusions and Dangers," the 56-page volume—which the Soviets have mailed gratis to Washington policymakers and policy influencers and members of the press—is a typical heavyhanded Soviet diatribe against the U.S. strategic defense program.

"We live in a complicated world," the text begins. "This pamphlet shows the true aims of the U.S. 'Star Wars' plan and demonstrates the substance of the Soviet and U.S. approaches to the use of outer space; it contains an estimate of the calamitous consequences for all nations of the U.S. President's 'strategic defense initiative,' which is being carried forward in the setting of a further buildup of U.S. strategic offensive arms."

The book is full of graphics including renditions of the Midgetman missile and antisatellite rocket, and a two-page spread purporting to show a "version of 'nationwide' ABM system now being developed by U.S.A. as part of nuclear first-strike capability."

Soviet efforts in the United States are being abetted by such productions as an ABC-*Washington Post* poll, released in mid-August, which purported to prove that popular support for the SDI has declined precipitously over the last few months. The poll claimed that more than 50% of the American population opposes the SDI under any circumstances, and that a whopping 75% oppose it if it means abrogating the 1972 ABM Treaty.

. . . and Europe

By all indications, these are just the beginnings of what promises to be the most intensive Soviet propaganda campaign in years, one which will go into high gear after Labor Day [see chronology below].

Soviet anti-SDI efforts in Europe are no less frenetic. Even the *Washington Post* was forced to acknowledge that in the weeks leading up to the summit, Gorbachov will try to "intensify misgivings" in Europe about the SDI, by focusing on the "potentially divisive distinction [between SDI research and testing]." According to *Post* reporter Jim Hoagland, just back from a visit to the Soviet Union, Gorbachov will do this by "holding out the possibility that the Soviet Union will agree to deep cuts in offensive weapons if Star Wars is confined to research short of systems testing." The Russians have constructed a timetable around the Nov. 19 [summit] meeting "that gives Gorbachov maximum exposure in Europe as a leader who has been proposing and implementing bans on nuclear weapons deployment and testing," reports Hoagland, including a visit to Paris beginning Oct. 2.

If Gorbachov fails to get Reagan to give away the SDI, he nevertheless has a "secondary agenda: To come away from Geneva having damaged Reagan's credibility and increased tensions both within the administration and between Washington and Europe on arms control issues."

Soviets aim campaign of lies against SDI

The weeks leading up to President Reagan's summit meeting in Geneva with Soviet leader Mikhail Gorbachov will witness one of the most intense Soviet propaganda campaigns in history, aimed at destroying President Reagan's resistance to bargaining away the Strategic Defense Initiative. The chronology below documents some of the highlights of this KGB operation, both ones which have occurred and those planned for the future:

July 29: Soviet party chief Mikhail Gorbachov announces that the Soviet Union will institute a moratorium on all nuclear testing on Aug. 6, and invites the United States to join.

Aug. 5: *New York Post* reporter Niles Lathem writes that Secretary of Defense Caspar Weinberger has come under such intense attack that he may resign his post.

Aug. 5: It is revealed that a new panel, charged with conducting a sweeping assessment of United States strategic policy and weapons development, has been mandated by Congress. A key member of the panel is Zbigniew Brzezinski, an ardent advocate of decoupling, and proponent of negotiating away the SDI.

Aug. 10: The Center for Defense Information, an ultraliberal Washington think tank headed by retired Admiral Gene LaRocque, issues a report claiming that the Soviets are not on the verge of a nuclear breakout, won't be able to threaten the U.S. submarine-based force until the year 2000, and "are not confident" of their ability to launch a first-strike against the United States.

Aug. 10: National Security Adviser Robert McFarlane tells reporters that a tentative agenda for the summit has been reached, with regional and bilateral issues, human rights and arms control being the four main areas of discussion.

Aug. 11: Trilateral Commission member Joseph Kraft writes a syndicated column calling on President Reagan to join the Soviet test ban, noting that this would put the SDI on ice.

Aug. 12: Moscow's Information Chief Leonid Zamyatin, at a Moscow event celebrating the signing of the German-Soviet Treaty 15 years ago, accuses the current Bonn government of revanchist tendencies. Zamyatin alleges that Bonn's

support for the SDI means it is joining in an "American policy of planned aggression against the U.S.S.R.," and thus violates the spirit of non-violence as expressed in the 1970 treaty.

Aug. 12: The Information Department of the U.S.S.R. Embassy in Washington publishes a large advertisement in the *New York Post* under the title, "What Holds Back Progress at the Geneva Talks?" A reprint of a *Pravda* editorial, the ad attacks the United States for impeding progress on arms by refusing to drop its strategic defense program.

Aug. 13: Mikhail Gorbachov renews his call for the United States to join the Soviet nuclear test moratorium.

Aug. 13: The *Philadelphia Inquirer* publishes a lead editorial advising that "if progress is to be made at this summit, the President must be disabused of notions that he can convince Moscow of the merits of this new centerpiece of his weapons strategy [SDI]. . . . Mr. Reagan must be aware that his European allies are nervous about Star Wars. They are listening eagerly to Soviet hints that Moscow might substantially reduce its nuclear arsenal if Mr. Reagan agreed to limit testing and development—while continuing research—on Star Wars. Such Soviet feelers should be explored at the summit. . . ."

Aug. 14: A conference on the "crumbling Soviet empire" sponsored by a Moonie front group, the Professors' Association for World Peace, opens in Geneva. In the keynote speech, R. V. Burke, professor emeritus at Wayne State University in Detroit, says that the chances for a complete breakdown of the Soviet economic system "within the next five years are probably better than ever."

Aug. 14: *Washington Post*-ABC poll is published, claiming that more than 50% of the American population now opposes the SDI.

Post-Labor Day

September: The Union of Concerned Scientists launches a national "educational" campaign against the SDI, complete with a new video tape, "Weapons in Space."

September: West Germany's pro-Moscow Social Democratic Party holds a "workshop" in Bonn on the SDI. Brother parties will send delegations, and it is rumored that Paul Warnke, Jimmy Carter's arms-control negotiator and an outspoken foe of the SDI, will be there, along with UCS members.

Oct. 2: Gorbachov begins visit to Paris, where meetings with French President Mitterrand are expected to focus on opposition to the SDI.

October: The Socialist International convenes a huge disarmament conference in Vienna, where high officials of the Soviet Communist Party are expected to be present.

Nov. 17: A meeting of political representatives of most European governments will take place in Bonn. The SPD's Willy Brandt and Egon Bahr will reintroduce a proposal for the withdrawal of U.S. cruise missiles from Western Europe.

Nov. 19: The Reagan-Gorbachov summit opens in Geneva.

Voters offered two flavors of fascism

by Susan Kokinda

In 1984, investigators for *EIR* heard a prediction from George Pillsbury, a member of the international grain cartel-linked Pillsbury family, that the Democratic Party would split into a leftist "green" component and a right-wing component. Pillsbury had been busy funding the "green" side of the equation.

In last week's issue, we reported on the demands for austerity and sacrifice which characterize the "right-wing" shift of new Democratic National Committee Chairman Paul Kirk, and on his efforts to reduce the influence of the "special interest" groups in the Party. We now examine the "left-wing" version of those same austerity policies, and how those special interest groups allegedly spurned by Kirk—the feminists, the gays, the environmentalists, the peaceniks—are coalescing around a "new populism."

Whether these populists will be brought to the point of splitting from the Democratic Party is a decision which has yet to be made by the international financiers who ultimately control both them and their erstwhile right-wing competitors.

The new populism

"Building Democratic Populism" was the theme of the annual summer retreat held by the Midwest Academy in Chicago, during July. The Academy has long been a training ground for left-wing activists and it provided a forum for a variety of attacks on the current leadership of the Democratic Party.

Libyan-backed Rev. Jesse Jackson blasted the "mainline politicians" who "are making another radical shift to the right . . . seeking the new center or the new patriotism." United Auto Workers President Owen Bieber called the new party leadership "gutless wonders, . . . the mainstream Democrats are abandoning us in droves" because they think they can "win in 1986 by dumping their so-called special-interest baggage."

The response of the left wing, or "grassroots," as it prefers to call itself, is to bring together the various state and local citizen activist groups into a national "populist caucus."

Texas Agriculture Commissioner Jim Hightower described such a movement as one which should speak to the "anti-establishment malcontents who don't like the big boys in business, in banking, the government or the press. They're

radical in their belief that equality of opportunity requires real decentralization of power."

Hightower was one of the figures in the Democratic Party identified by George Pillsbury in 1984, along with Jesse Jackson and Mario Cuomo, as the kind of person to spearhead a "green" movement in the United States. The movement would be modeled on the Green Party of West Germany, the Soviet-backed gang of "back-to-nature" radicals whose ideology is essentially that of the left, Strasser, wing of the Nazi Party.

This new populism is, essentially, an American version of "green" politics—anti-defense, anti-growth, and anti-industry. A major focus of the various citizen activists' groups, in places such as Massachusetts and Illinois, has been to cripple utility companies and ensure that they cannot carry out capital expansion or provide electricity for a growing industrial economy.

Although this populist movement purports to be anti-Wall Street, this is quickly seen to be a fraud. Not one of the national leaders involved, for example, has joined in the call,

The populists are merely the radical, left cover for the international bankers' policy of destroying industrial capitalism. The "right-wing" version accomplishes the same ends. . . .

put forward by the National Democratic Policy Committee (NDPC), to support and defend Peruvian President Alan García in his stand against the International Monetary Fund, the Trilateral Commission, and the drug mafia. The NDPC is the political action committee of "LaRouche Democrats."

Indeed, the populists are merely the radical, left cover for the international bankers' policy of destroying industrial capitalism. And they fit quite neatly in with the "right-wing" version which accomplishes the same ends through free enterprise, high-tech "post-industrialism," and austerity.

During September, some of the ringleaders of the populist movement will surface a new organization called the "New Populist Forum," which will function as a national coordinating mechanism for various local and state-level operations. Senators Tom Harkin (D-Iowa), Albert Gore (D-Tenn.), and Paul Simon (D-Ill.) are playing a major role, as are a number of Democratic members of the House of Representatives. Harkin and Gore have distinguished themselves as two of the best friends that the Soviet Union has in the U.S. Senate, when it comes to attacking the Strategic Defense Initiative, in particular, and defense in general.

Futurists come out of closet as champions of bankers' control

by Susan Kokinda

With the convocation of its "Global Economy" conference in Washington, D.C., on Aug. 9, the World Future Society laid aside its "soft" image as peace-loving protector of plant, animal, rock, and post-industrial man. The Society has now emerged as a publicist for the fascist austerity drive of the International Monetary Fund (IMF).

Since its inception in 1966, the Society has made no secret of its hatred for the sovereign nation-state and the principles of Judeo-Christian civilization upon which it is based. Nor has there been any question, to the educated observer, that the Society's commitment to malthusian policies meant genocide on a mass scale.

But now it's official: It is the IMF which is the World Future Society's chosen agency for crushing the nation-state. The deindustrialization and depopulation advocated by the Society is to be administered on behalf of the international bankers. Indeed, it was the IMF's U.S. enforcer, Federal Reserve Board Chairman Paul Volcker, who emerged as the public and private hero of the conference.

EIR has further learned that Volcker is secretly advising both the Aspen Institute and the "Global Monetary Project." Those two institutions, in coordination with the World Future Society, are examining mechanisms to better impose banker-dictated austerity on the nations of the world.

'Black hole in the ground'

The World Future Society was founded in 1966 to propagandize for a future dominated by environmentalism, world federalism, post-industrialism, and religious gnosticism. From that time to the present, the hand of the international bankers has guided the Society. Top spokesmen for the international financial oligarchy currently dominate its Board of Directors. Former Agriculture Secretary Orville Freeman represents the international grain cartels; Sol Linowitz sits on the board of United Brands, which is a major conduit of drugs into the United States; James L. Kunen represents the *Washington Post* and related insurance company interests; and former Defense Secretary and World Bank President Robert S. McNamara represents just about everything else evil in the world.

In an unguarded moment 10 years ago while being interviewed by this news service, Orville Freeman revealed the policy of the real forces steering the Society. Freeman warned that if any nation declared a debt moratorium, it would be "turned into a black hole in the ground."

At its major biannual conference in June, 1984, the World Future Society began to publicly air its policy of using the international debt crisis as a vehicle for destroying national sovereignty. At that conference, Gerald Mische, president of Global Education Associates, said, "There are few issues that so clearly demonstrate the fiction of territorial sovereignty . . . as this Debt Bomb crisis." Charlotte Waterlow, chairman of the Education Committee of the World Association of World Federalists, called for a "limited surrender of national sovereignty in specific management fields, as in the European Community."

The Society's "Global Economy" conference was a small gathering of several hundred people, not the extravaganza of kooks and computer cultists who dominate its biannual affairs. At the first session, former U.S. Ambassador to Italy Richard Gardner opened the conference Aug. 7 with a loving tribute to none other than Paul Volcker. "No one has addressed the U.S. deficit crisis with greater clarity than that great man Paul Volcker. Thank God for Paul." Gardner, who is married into one of Italy's oldest oligarchical families, distinguished himself during his tenure in Rome, as one of the dirtiest ambassadors in history, covering up for the mafia- and Kissinger-linked Propoganda-Two masonic lodge in Italy. Interviewed by *EIR*, Gardner revealed that Volcker is an important part of the Aspen Institute's "Governance in a World Economy" project, of which Gardner is co-director.

In a report issued last year by the Aspen project, Gardner, Volcker and their cohorts were blunt in their demand that the United States join the rest of the world in submitting to the dictates of the IMF. They called for the "establishment of an improved system of multilateral surveillance to review the domestic fiscal and monetary policies of the key currency countries." They attacked the United States for "manifestly violating" its obligations to the IMF.

Gardner himself advanced the "hole-in-the-ground" so-

lution of Orville Freeman. When asked about Peruvian President Alan García's unilateral intention to pay only a reasonable part of his country's debt service, he said, "If any of the big countries of Latin America, Mexico, Argentina, or Brazil, tried anything like that they would be totally cut off, isolated. But I don't think García will stick to his proposal; he will come to some face-saving compromise and back off."

The next day, the World Future Society luncheon keynote was turned over to Anne Krueger, the World Bank's Vice-President for Economics and Research. Krueger was quite blunt that new World Bank loans would only be extended to those countries making "the necessary adjustments" in their internal economies. Asked by *EIR* what the financial world's response to Alan García was, she too advanced the black-hole policy: "It is not only unlikely, but it is inconceivable that private capital flows to Peru will take place under such policies."

On the closing day of the conference, the World Future Society provided a forum for the "Global Monetary Conference," which is being pulled together by a group of largely Swiss-banker connected congressmen, such as presidential contender Jack Kemp (R-N.Y.) and Sen. Bill Bradley (D-N.J.). Conference coordinator Richard Medley, who had played a key role as a congressional staffer in forcing through various banking deregulation reforms, revealed that Paul Volcker is playing a seminal role with his group as well. The "summit" is to take place in November, and will, in part, use the facilities of the Federal Reserve Board. Central bankers and heads of state have been invited to what will be billed as "Bretton Woods II."

Medley was quick to point out that Paul Volcker in 1971, then assistant Treasury Secretary, had traveled the world putting together the post-gold-exchange system of floating exchange rates. "But, if you talk to Volcker now, he will tell you that, whatever the rationale then, we now need to take a second look at the system of floating exchange rates." Besides citing Volcker, Medley invoked his own personal deity, pointing to the forces which caused the breakdown of floating exchange rates: "Thank God for the speculators, they proved that the current system doesn't work."

The purpose of the summit, as with the Aspen World Governance project, will be to seek ways of forcing countries to adhere to supranational standards of "creditworthiness" in order to maintain the value of their currencies. Medley said that alternatives ranging from "peer pressure" as recently proposed by the IMF's Group of 10, to a modified form of European Monetary System, would be examined as alternatives to floating exchange rates.

A spokesman for the Aspen Institute confirmed that there was close collaboration between Aspen and the Global Monetary Conference, in part through Paul Volcker. Dorothy Kiley said that there is a "definite link" between the projects, "You just have to look at the fact that Paul Volcker is involved

in both, to get a sense of how much they interface. And many of the people involved in the Aspen project will also be at the November summit."

Documentation

From The Global Economy, Today, Tomorrow, and the Transition, edited by Howard F. Didsbury, Jr., published by World Future Society; excerpt from "How Do We Manage the Global Society," by Jan Tinbergen:

What we need is a set of institutions that together may be called a world social order. This means, in essence, that thinking in terms of separate sovereign entities (superpowers or the alliances with which they have surrounded themselves—NATO and the Warsaw Pact) falls short of what is needed. . . . We must tackle the problem at the world level from the start—and not by negotiations among representatives of sovereign powers, but among representatives of the various aspects of world aims. . . . Conditions of a political nature must not be accepted, however, since it is these that we want to change in our common interest.

From The Next Four Years: The U.S. and the World Economy, by Richard Gardner, William Eberle, and Ann Crittenden, published by the Aspen Institute for Humanistic Studies:

The single greatest threat to international financial stability today is the present unsustainable course of the U.S. economy.

While we tell the heavily indebted developing countries to "put their houses in order," the fact is that under present policies we could not ourselves qualify for a loan from the IMF. And we are manifestly violating our obligations under the Fund's Articles. . . .

To have any practical result, the key currency countries, including the United States, must demonstrate the political will to take seriously international factors in their domestic policy decisions. We believe the United States should now lead in the establishment of an improved system of multilateral surveillance to review the domestic fiscal and monetary policies of the key currency countries. . . . The instrument of such multilateral surveillance, in our view, should be a group such as the Interim Committee of the IMF, or possibly the smaller Group of 10. The world is not ready, obviously, for supranational control of national economic policy. . . . But we believe a group of Finance Ministers and their deputies should now meet at least every three months, and in special session when circumstances so require, to seek consensus on the changes that are needed in national policies in the interest of international monetary stability.

Junket season: Where is your congressman?

by Kathleen Klenetsky

Dozens of congressional junkets are taking place during the month-long August recess, most of them financed by government funds. But they shouldn't be dismissed merely as a taxpayer ripoff. Many of these trips could adversely affect foreign and economic policy, or result in the brainwashing of your senator or Congressman.

Senate Majority Leader Robert Dole (R-Kan.), on the eve of his departure for a tour of Japan, China, Hong Kong, Taiwan, and South Korea on Aug. 14, made it clear that his purpose is to engage in "Jap-bashing," no doubt believing that such a display will boost his presidential ambitions—even if it further alienates America's most important Pacific ally.

Dole told home-state reporters that he will use the threat of protectionist legislation to wrest trade concessions from Japan. "I think we have to be very—I don't want to say nasty—but we have to be very firm with the Japanese," Dole said. "And I'm willing to tell them . . . that unless there's some rather sharp change in the balance of trade over there very quickly, some of these [protectionist] bills are going to pass. . . . They're going to have to limit what they export to our country [and] start consuming more American goods."

The six senators traveling with Dole include Moynihan (D-N.Y.), Domenici (R-N.M.), Wilson (R-Ca.), McClure (R-Id.), Cohen (R-Me.), and Evans (R-Wash.).

The Soviet Union is a favored destination for Capitol Hill junketeers, who can be expected to be recruited to the Kremlin's pre-summit propaganda campaign against the Strategic Defense Initiative. The most important such trip is being led by Sen. Robert Byrd (D-W.Va.), who leaves Aug. 27 and will carry a letter from President Reagan to Mikhail Gorbachov. Also making the trip will be Senators Pell (D-R.I.), Nunn (D-Ga.), Mitchell (D-Maine), DeConcini (D-Ariz.), Sarbanes (D-Md.), Thurmond (R-S.C.), and Warner (R-Va.). Byrd will also stop in Budapest to promote U.S.-Hungarian trade.

Also traveling to the Soviet Union is a delegation of House Agriculture Committee members, led by Rep. Howard Volkmer (D-Mo.), which will discuss increasing U.S. grain sales to Moscow.

Sen. Jeff Bingaman (R-N.M.) returned in mid-August from a trip to the Soviet Union supposedly aimed at assessing

Russia's strategic defense program. Accompanied by two aides who both used to work for the State Department, Bingaman visited Soviet research facilities, and met with Soviet officials to discuss arms control. A Democratic liberal, Bingaman opposes SDI deployment.

Other overseas trips include:

- Rep. Steve Solarz (D-N.Y.) is visiting South Africa, Zimbabwe, Mozambique, Kenya, Nigeria, Zaire, and possibly Angola. Rep. Norm Shumway (R-Ca.) is also touring South Africa.

- Rep. Jack Kemp (D-N.Y.) will swing through the Pacific, stopping in the Philippines, Japan, Korea and Taiwan.

- Ten House Armed Service Committee members are going to Tunisia, Spain, Morocco, Portugal, and Yugoslavia.

- Senate Intelligence Committee chairman David Durenberger (R-Minn.) is traveling to Warsaw, Stockholm, Zurich, Munich, and Heidelberg.

- Sen. Phil Gramm (R-Tex.) goes to Japan, Korea, and Hawaii to study the Pacific-military command structure.

- Sen. Ted Stevens (R-Al.) was in Geneva in mid-August for conferences on disarmament and nuclear non-proliferation.

- Sen. Edward Zorinsky (D-Neb.) goes to Ottawa in early September for a meeting of the Interparliamentary Union.

- House Democratic leader Jim Wright (D-Tex.) is leading a group of 12 congressmen to Yugoslavia, Geneva, and Italy.

- Rep. Pete Rodino (D-N.J.), chairman of the House Judiciary Committee, and six other committee members, are slated to visit China, Pakistan, Thailand, and Hong Kong to discuss drug smuggling and Kampuchean refugees.

In a class by itself is the 10-day trip to Israel of Sen. Jesse Helms (R-N.C.), a powerful conservative on the Senate Foreign Relations Committee. Helms told the press in Tel Aviv on Aug. 10 that the United States should forge a defense pact with Israel modeled on NATO. He advocated such an accord because of "Israel's defense capabilities, which are of benefit to the entire free world," and recommended that much of the U.S. aid given to Israel be in the framework of a defense pact. "I hope the American people will understand that Israel is the only reliable ally we have in this region," said Helms. "It is for freedom, against communism, and its moral principles are impeccable in every way."

Helms's trip, reportedly arranged and financed by the Zionist Organization of America, should be viewed as part of an effort to brainwash the influential Senator, by the same people who have opposed him on the fundamental issues of defense, the effort to "decouple" Western Europe from the United States, and the nomination of "decoupler" Richard Burt to be ambassador to Bonn—which Helms fought in the Senate. These people are trying to push Helms into the arms of the Soviets' partners in destabilizing the Middle East, the faction of the former Israeli defense minister Ariel Sharon.

Kissinger Watch

by M.T. Upharsin

Kissinger celebrates his MADness

Among some of the more grotesque remembrances of the 40th anniversary of the bombing of Hiroshima and Nagasaki, was an interview granted by Henry Kissinger to the *Washington Post's* Stephen Rosenfeld, and printed in that paper's Aug. 11 edition.

The bulk of the interview is typical Kissingeresque betrayal and lies, in reference to statements made by former President Nixon recently. Nixon had said that there were at least four crises during his administration in which there was consideration of using nuclear weapons. And Kissinger, whom we know for a fact to have initiated at least two of the "nuclear alerts" to which Nixon refers, lies outright: Well, if there were such alerts, I certainly was not involved.

But Henry, known for his practice of stabbing his colleagues in the back, took advantage of his forum to make another point. He goes out of his way to reiterate his favorite doctrine, MAD (Mutually Assured Destruction).

The crucial section goes thus:

"If it were not for nuclear weapons, it is likely that there would have been a war between us and the Soviet Union. So it is almost certainly true that nuclear weapons have preserved the peace."

Apparently Henry no longer thinks that it is necessary to pay his obligatory respects to the new strategic doctrine, put into effect by Commander-in-Chief Ronald Reagan in March of 1983. At that time President Reagan declared the doctrine of Mutally As-

sured Destruction to be an immoral doctrine which should be overturned as rapidly as science would make it possible. He called instead for a strategy based on Mutually Assured Survival, a program of anti-missile defenses which would make nuclear weapons "impotent and obsolete."

Kissinger, in his effort to gain power within the counsels of the Reagan administration, has often publicly declared that he supports the President's program for Strategic Defense. Yet, when it comes to discussing nuclear war, he shows that he is still a MADman at heart.

What the Pugwash appeasers know

There should be no mistake about it. Kissinger's declaration that nuclear weapons prevented war, is just a re-statement of the philosophy of Lord Bertrand Russell, the founder of the Pugwash group of appeasers, and KGB agents, who still have not given up their aims for establishing world government by agreement between the two empires, Russian and Western.

Russell's argument is a total fraud, but a quite purposeful fraud. According to the British Lord, the control of nuclear weapons by one supranational government should provide sufficient conditions to end war once and for all, while imposing conditions of international feudalism on the nations of the world. Above all, Russell was interested in wiping out the nation-state, and every other resistance to suppressing the growth of "prolific nonwhite peoples."

At the time Russell first came up with this MAD doctrine, it was not yet clear that the Soviet Union would share control of nuclear weapons with the Western oligarchy. But once the So-

viets also developed the bomb, he was willing to let them in on the deal. One of the key instruments for creating the alliance was the Pugwash group, first convened in July of 1957, and including Soviet as well as Western scientists and academicians.

Pugwash's conferences proceeded every year, and the agenda was the same—how to use the terror of nuclear war to implement a one-world anti-technology dictatorship. And who was one of the regular participants in Pugwash, but Henry Kissinger, who was both a member and highly active participant in the conferences from 1961 to 1966!

It was during this period, however, that evidence came on the table at Pugwash, and across the desks of intelligence officials, that the Soviet Union was not intending to play by the Pugwash rules. No, indeed. The Soviets began during 1962 and 1963 to write about the potential for nuclear *defense*. We quote from the 1962-63 edition of Sokolovskii's *Military Strategy*:

"Possibilities are being studied for . . . the use of electromagnetic energy to destroy the rocket charge in the descent phase of the trajectory. . . . Special attention is devoted to lasers. . . ."

Thus, 10 years *before* the ABM treaty which he negotiated, Henry Kissinger knew the Soviets were pursuing the strategy of knocking down missiles, and winning nuclear war.

The Soviets are now much more advanced in their program of nuclear defense, and their timetable for achieving a defense that would allow them to totally defeat the United States is quite close. But Kissinger is still playing the Pugwash game.

Anyone who thinks Henry has left his liberal days behind, has got to be deaf, blind, dumb, or crazy.

National News

Sikh terrorists move from Mexico into Texas

Sikh separatist terrorists operating out of Mexico are using southern Texas for a conduit north, now that U.S. federal authorities have all but closed the Bahamas Pipeline into south Florida, reported the *San Antonio Express-News* on Aug. 11. Sikhs had been flying into Belize, entering the Yucatan peninsula, staging in Mexico City, moving to Monterrey, and then crossing into the United States.

Dwayne Peterson, the deputy district director of the Immigration and Naturalization Service (INS) in Miami, declared, "There is no doubt that Mexico is a staging area." The number of Sikhs being detained in Florida has dropped to a "trickle."

Gary Renick, assistant district director for investigations of the San Antonio office of the INS, said that Sikhs were first identified by the Border Patrol in the Laredo, Del Rio, and Eagle Pass sectors about a year ago, and three Sikhs are currently being detained at the Laredo detention facility run by Corrections Corporation of America.

Rangel hails anti-drug war in Ibero-America

Congressman Charles Rangel (D-N.Y.), after a fact-finding trip to Colombia, Ecuador, Peru, Bolivia, Brazil, and Argentina to ascertain the results of the ongoing War on Drugs in Ibero-America, told the press in Buenos Aires on Aug. 14, "We found a very significant interest at the presidential level. The Presidents recognize the seriousness of the problem and want to do something about it."

Two years ago, Rangel reported, most Presidents from the concerned nations would not admit the drug problem existed and they just blamed it on consumers. "Two years ago, they didn't even want to speak about

aerial spraying of marijuana crops in Colombia. Today, they are doing it."

Mexico, he reported, had a model program until 1979. "All of that positive drug effort is now suspended." He said he was worried about the "exceptional crop" of coca in South America this year. "Production is completely out of control."

Navy forms anti-spy, anti-terror command

The U.S. Navy announced on Aug. 8 the formation of the Naval Investigative Service Command, a new unit designed to combat espionage and terrorism. The command will be comprised of three separate directorates—Investigations, Security, and Counterintelligence. It will be commanded by Commodore Cathal L. Flynn, and located in Suitland, Md.

The Navy insists that the new unit was not created in response to the recent spate of espionage cases, including the Walker spy ring, but rather that formation of the new organization had been underway for some time.

DEA's Delta-9 raids a success

The Drug Enforcement Administration's three-day assault against domestic marijuana cultivation, which began on Aug. 5 and swept the 50 states, has been judged a success by law enforcement authorities. The raids, dubbed "Operation: Delta-9," utilized 2,200 federal, state, and local law enforcement agents, and resulted in the manual eradication of approximately 350,000 marijuana plants. More than 175 people were arrested and nearly 75 weapons were seized.

Attorney General Edwin Meese declared that the raids were a signal to drug-producing nations "that we will cooperate with each other and carry out our own re-

sponsibility for eradication." The United States has been the object of sharp criticism by drug-producing countries, for not implementing an effective eradication program at home. Meese told reporters, "We have had ongoing conversations with all the other countries and we have assured them repeatedly that we were going to continue eradication campaigns within this country, just as we are encouraging them to do in their own countries."

The most vocal critic of the Delta-9 blitz was the pro-dope National Organization for Reform of Marijuana Laws (NORML), which has also opposed the DEA's request to use the herbicide paraquat to destroy domestic marijuana cultivation. The DEA asserts that it is often more cost-efficient and safer for law enforcement to use aerial spraying of herbicides, than to manually eradicate the plants. NORML's Burt Neal told the *Christian Science Monitor* Aug. 9 that the raids were "nothing but a press set up," and "a photo opportunity" for Attorney General Meese.

However, drug enforcement officials here are much more optimistic about the program. Meese is currently in Mexico meeting with his counterpart Sergio García Ramírez, and had indicated, following the successful conclusion of the Delta-9 blitz, that it would be on the agenda of the Mexico talks. Just prior to Meese's departure, Mexican Attorney General García Ramírez hinted at the possibility of a U.S.-Mexican treaty—similar to the one signed between the United States and Colombia—to eradicate cultivation and narcotics trafficking.

Trilateral agent installed at Pentagon

The Trilateral Commission has succeeded in placing defense analyst Graham Allison at the Pentagon as a "special adviser," to pressure Secretary of Defense Caspar Weinberger into going along with defense budget reductions.

Allison is one of the Trilateral Commis-

sion's most active members, reputedly involved in the Commission's decision to come out against the MX missile, the Strategic Defense Initiative, and in favor of deep defense cuts. He also serves as dean at Harvard's John F. Kennedy School of Government, one of the main "back channels" to the Soviets and a hotbed of appeasement sentiment.

Allison himself says that the SDI is "not promising."

He told the *New York Times* that his Harvard colleagues have a very low opinion of Weinberger, despite the fact that he too was a Harvard grad. "They say he's not very smart, which, of course, is the worst thing you can say about someone in Cambridge," says Allison.

ADL-FBI provocateur sought in bombing case

Mordechai Levi, a shared provocateur-asset of the Anti-Defamation League of B'nai B'rith (ADL) and the Federal Bureau of Investigation (FBI), who has issued repeated death threats against associates of Lyndon H. LaRouche, Jr., is the prime suspect in a bombing that took place on Aug. 15 and left two New Jersey residents in critical condition.

According to Paterson, N.J. Mayor Frank Graves, a pipe bomb exploded on the doorsteps of the home of Tscherin Soobzokov, critically injuring him and a neighbor, and injuring three other members of the Soobzokov family.

Soobzokov was at the center of a controversy in the late 1970s, when a book written by *New York Times* reporter Howard Blum, accused the Russian emigré of wartime Nazi crimes. The Soobzokov case was one of the prime cases that led to the formation of the Justice Department's Office of Special Investigations (OSI), nominally a "Nazi-hunting" unit of the federal government, which has come to be broadly regarded as a penetration point of Soviet forgeries and black propaganda.

Soobzokov sued the *Times*, and proved in pretrial discovery that the charges against him had been based on forged documents, passed on directly from the KGB. In 1980, the OSI was forced to drop its investigation of Soobzokov, when a federal grand jury declared that there was not enough evidence to warrant prosecution.

Then in July of this year, Soobzokov was targeted by the Jewish Defense Organization of Mordechai Levi. In a press conference in Passaic, N.J., Levi issued a death threat against Soobzokov. Just hours after the Paterson bombing, Levi, in a telephone call to UPI reporter Tom Barnett, "applauded" the attack against Soobzokov.

Within hours after the bombing, the FBI took complete charge of the investigation. This raises serious questions as to whether Levi—an FBI informant—will be brought to justice, and, more fundamentally, whether the FBI's protector role over Soviet-backed terrorist groups will be exposed.

Sen. Melcher blames State for farm losses

Senator John Melcher (D-Mont.) has accused the U.S. State Department of costing U.S. farmers millions of dollars in lost agricultural sales, by placing "unreasonable" and "callous" requirements on foreign buyers, including Kenya, Liberia, the Philippines, Bolivia, and Guinea.

These requirements "follow a pattern from dictating to meddling" in the way these countries are forced to purchase American farm products, Melcher charged at a press conference on Aug. 15. "The State Department calls for the use of private business interests, even when it is impossible for any private entity to handle or store the commodities within the country," Melcher said, adding that virtually all other U.S. trading partners are permitted to handle grain sales, storage, or distribution through government agencies. Melcher announced he will begin hearings on the issue on Sept. 5.

Briefly

● **IN PRYOR, OKLA.**, the Democratic Party was so anxious to turn out the troops that they hung out a sign with the big letters: "Watermelon Festival! Free Watermelon, All You Can Eat!" Then, in much smaller letters: Democratic Party Rally. And finally, at the bottom: Congressman Synar. But somehow news leaked out, and only 30 people showed up.

● **THE SOUTHERN** Christian Leadership Conference (SCLC) passed a resolution at the beginning of August condemning the "International Monetary Fund-connected economic collapse" and calling for emergency food relief for Africa. The SCLC's 28th Annual Convention was held in Montgomery, Ala., Aug. 5-8. The same resolution, supported by the Schiller Institute, had previously been passed by the Alabama State Legislature and the National Laymen's Conference of the AME Church.

● **LANE KIRKLAND**, the AFL-CIO president, dropped in for a visit recently to the soup kitchen run in Pennsylvania's Monongahela Valley by Revolutionary Communist Party member Bob Anderson. What did they discuss? Ask Lyn Williams of the United Steelworkers of America. He was there too.

● **ZBIGNIEW BRZEZINSKI**, Jimmy Carter's National Security Adviser, is scheduled to speak soon at the oh-so-conservative Heritage Foundation, informed sources report.

● **THE PRESS** in the home town of Oklahoma senatorial candidate George Gentry, a farmer, asked him how he expects to run a Senate campaign with no money. Gentry answered, "The same way I've been running my farm for the last three years."

Editorial

For a total war on drugs

The massive drug raid carried out on the morning of Aug. 13 in the jungles of northern Peru could signal the beginning of a new phase in the war on drugs—a phase which will lead to victory if it continues to expand in the same direction, which is the direction of fulfilling Lyndon LaRouche's proposal for a strategic operation against the Western Hemisphere's drug-traffic.

Fidel Castro, who has admitted to his protection of gangster Robert Vesco, the "boss" of the South American drug kingpin Carlos Lehder, is in a corner. Henry Kissinger and his piggybank David Rockefeller, who happen to be on the same side of the fence as Castro when it comes to illegal drug trafficking, have reason to get very, very nervous.

On Aug. 13, a unified military commando action of three nations, codenamed "Operation Condor," swept down on a massive cocaine refining center run by Carlos Lehder's gang in Peru, captured the entire band of 25 drug runners, and seized a site that included 15 buildings, a network of airstrips, dams, generators, and radar and other sophisticated equipment. The complex processed at least 300 kilograms of refined cocaine per week, mostly destined for the United States. Key to the operation was information gathered through the U.S. NASA's satellite surveillance, which identified the locations of the coca growing and processing centers.

The joint action involved the Peruvian government of President Alan García, who since his inauguration on July 28 has launched a ruthless war on narco-terrorism; the Colombian government of President Belisario Betancur; and the United States government. Reportedly, the commandos included Peruvian troops, Colombian officers and aircraft, and American Drug Enforcement Administration officers, and the raid was launched from Colombia.

What occurred followed the prescription laid out five months earlier, on March 13, in a message by Lyndon LaRouche to a Mexico City *EIR* conference on the illegal drug traffic. LaRouche (the full text of his proposal was in *EIR*, April 2, 1985, pp. 36-39) stressed that "It is clear to the governments fighting the

international drug-traffickers, that the drug-traffic could never be defeated if each of our nations tried to fight this evil independently of the other nations of this Hemisphere."

LaRouche argued that "the international drug-traffic has become an evil and powerful government in its own right. It represents today a financial, political, and military power greater than that of entire nations within the Americas. It is a government which is making war against civilized nations, a government upon which we must declare war, a war which we must fight with the weapons of war, and a war which we must win in the same spirit the United States fought for the unconditional defeat of Nazism between 1941 and 1945."

LaRouche called for a treaty of alliance for the conduct of war to be established between the U.S. and Ibero-American states which join the War on Drugs alliance. Under such a treaty, provisions for actions of a joint military command should be elaborated. LaRouche also called for technologies appropriate to detection and confirmation of growing, processing, and transport of drugs, including satellite-based and aircraft-based systems of detection, to be supplied with the assistance of the United States.

The García government has started to implement another facet of the LaRouche war-plan: to investigate "the corruption of governmental agencies and personnel, as well as influential political factions, by politically power financial interests associated with either drug-trafficking as such, or powerful financial and business interests associated with conducting the revenues of drug-trafficking." Shortly before García's inauguration, the National Anti-Drug Coalition of Peru published in Lima the book, *Narcotráfico, SA*, written by the editors of *EIR*, which names some of these powerful figures.

The Peruvian government has pledged to bomb the rest of the cocaine fields in Peru. United States and other countries' backing for this operation must expand, until the LaRouche plan is fully implemented and every last vestige of "Dope, Inc." has been wiped out.

GLOBAL SHOWDOWN

The Russian Imperial War Plan for 1988



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