

EIR

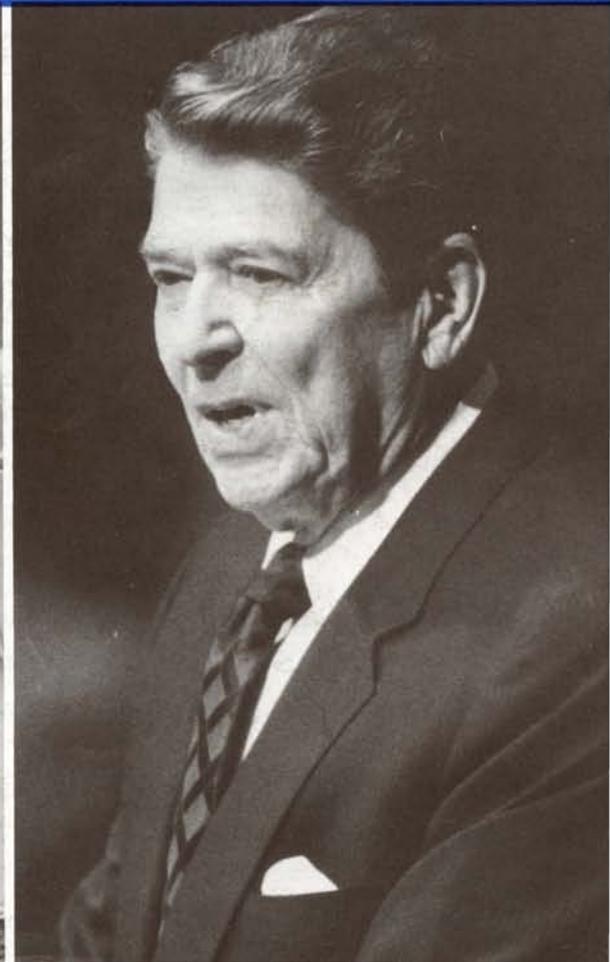
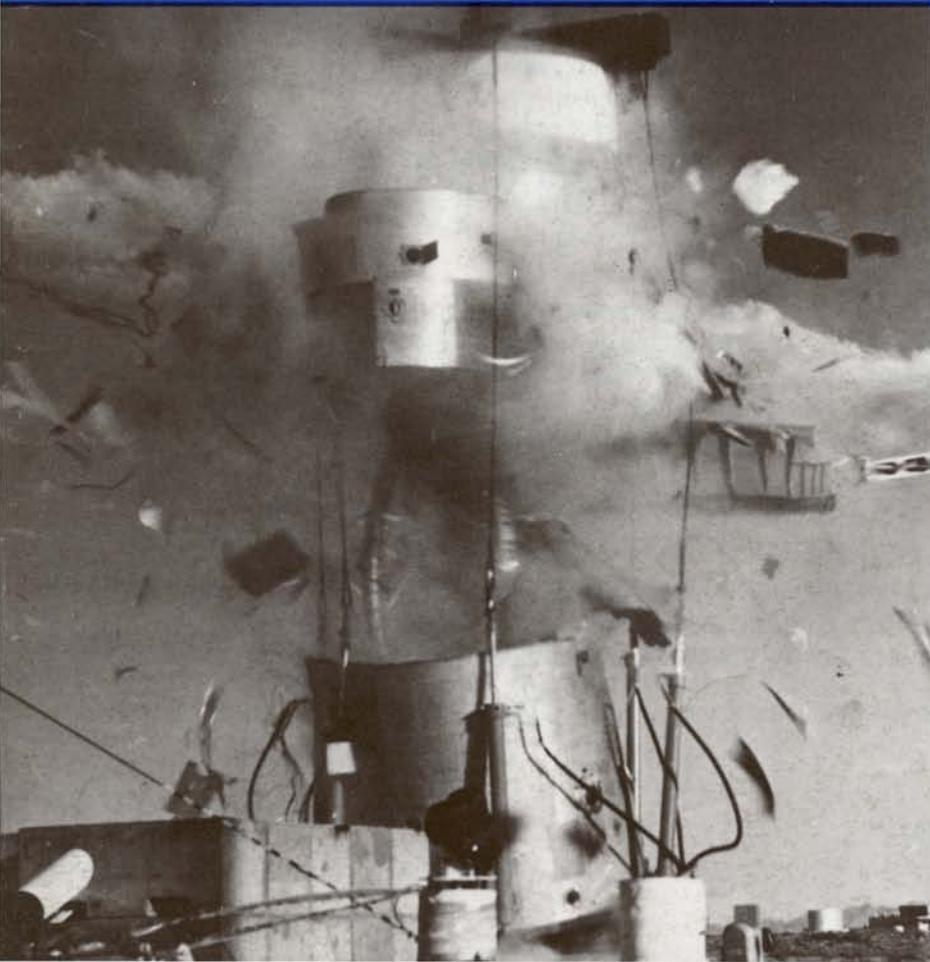
Executive Intelligence Review

October 31, 1986 • Vol. 13 No. 43

\$10.00

Interview: former French intelligence head Rochet
Gamma-ray laser breakthrough at Los Alamos
Can crash be delayed, after London 'Big Bang'?

**Conditions under which Moscow
would accept Reagan's SDI offer**





An EIR Special Report

Germany's Green Party and Terrorism

Moscow's Irregular Warfare Against the West

- **On May 17-18 of this year, the tiny Bavarian village of Wackersdorf** was rocked by well organized, unprecedentedly violent attacks on police guarding a local nuclear construction site. A first wave of 1,000-1,200 masked "demonstrators" drew police out from behind fences to make arrests. Immediately the exposed police were hit by a second wave of masked attackers, wielding killer sling-shots, steel bolts, and sharp steel splinters. Then, a third wave came in for targeted attacks on individual policemen.
- **In Hanover, 350 miles away, the convention of the Green Party** was taking place. Upon the news that 183 police had been hospitalized by the violence at Wackersdorf, the delegates cheered wildly. Rainer Trampert, party executive committee member, denounced the planned construction of a nuclear reprocessing plant in Wackersdorf as "a project to build a German nuclear bomb."
- **Only a few days earlier, Rainer Trampert had been in Moscow** conferring with President Andrei Gromyko and other Kremlin officials. The Soviet officials and the Soviet press had been steadily denouncing the Wackersdorf construction as—"a plot to build a German nuclear bomb."

125 pages
Price: \$250

From

EIR News Service
P.O. Box 17390
Washington, D.C.
20041-0390

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

European Headquarters: Executive Intelligence Review Nachrichtenagentur GmbH, Postfach 2308, Dotzheimerstrasse 166, D-6200 Wiesbaden, Federal Republic of Germany
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In Denmark: EIR, Haderslevgade 26, 1671 Copenhagen (01) 31-09-08

In Mexico: EIR, Francisco Días Covarrubias 54 A-3 Colonia San Rafael, Mexico DF. Tel: 705-1295.

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

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

EIR

From the Editor

The topic of our cover story, and its author, Lyndon LaRouche, need no introduction. Suffice it to say that since President Ronald Reagan publicly adopted the approach to negotiating on the SDI with the Russians that our founding editor proposed in these pages exactly two-and-a-half years ago, many among our allies, confederates, and even adversaries will now be eager to learn what Mr. LaRouche has to say on the circumstances in which the Russians might say yes to Reagan's offer.

This will require some shifts in Moscow, but also in Washington—notably in the area of policy toward Ibero-America. The installment of "Operation Juárez" appearing this week on page 38 complements what LaRouche has to say on that.

I would also like to call your attention to the extraordinary interviews we have been publishing in *EIR*.

Last week, we interviewed two ambassadors to Washington, from Senegal and the U.S.S.R., on the crucial issues of locust spraying in Africa and the prospects for arms-control accords, respectively, as well as the renowned French scientist Jean-Claude Chermann of the Pasteur Institute, on the status of research into AIDS.

This week I suggest that after reading the *Feature*, you turn to page 46 for the interview with Jean Rochet, former head of the French counter-espionage agency, DST. Mr. Rochet fully backs up the view, often expressed in these pages, that terrorism is not a sociological phenomenon or "liberation struggle," but a branch of irregular warfare deployed by the Soviets against the West.

Also in this issue you will find *EIR*'s dialogues with the following people: the director of Thailand's office of narcotics control; the chairman of the Christian Democratic Party's health commission in the Italian House of Deputies; Los Alamos National Laboratory's top specialist in the gamma-ray laser; and a retired U.S. judge who has also served as national secretary and legislative director of the National Farmers Union.

These individuals would not always agree with each other—nor would we always agree with them. But each brings a special knowledge and dedication to the topic at hand, and we're proud to share that with our readers.

Nora Hamerman

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Feature



U.S. Department of Defense/United Nations

Left: SDI experiment at White Sands facility in Nevada in September 1985. The second stage of a Titan missile, simulating the conditions of a Soviet missile in the boost phase, is shown at the moment of destruction, after being irradiated by a chemical laser. Right: President Reagan addressing the U.N. on Sept. 22, 1986, where he proposed parallel development and joint deployment of the new strategic defense systems.

30 Conditions in which Moscow would accept Reagan's SDI offer

If Moscow ever decides to accept the President's repeated offer of cooperation on SDI, the first preparatory step Moscow would make, if they were thinking of negotiating such cooperation with the President, would be to attempt to open a back-channel to Lyndon LaRouche.

Operation Juárez

38 An underpopulated and underemployed continent

Taking into account unemployment in agriculture and misemployment in unnecessary services, the true level of joblessness in Ibero-America is 35%. The first part of Chapter 4 of the Schiller Institute's book, *Ibero-American Integration: 100 Million New Jobs by the Year 2000*, published in Spanish in September 1986.

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Third quarter GNP results: more signs of depression

by Chris White

Third quarter results for the economy, released by the Commerce Department, highlight once again the absurdity of the government's Gross National Product accounting system. Overall, Secretary Baldrige reported, the GNP grew by 2.4%. The story behind this reported increase is raising knowing eyebrows among some of Wall Street's leading "authorities."

Among those types are some who argue that the third quarter results are further evidence portending a slide into recession by the spring of next year. On the contrary, the results just issued from Baldrige's Commerce Department, are further evidence that the U.S. economy has been, and is, sliding ever deeper into the trough of economic depression.

Consumer debt

In summary, three quarters of the total reported increase in the GNP can be accounted for by consumers going into debt to finance the purchase of automobiles, sold out of inventory, rather than current production, under manufacturers' reduced interest rate incentive programs. The largest of the producers, General Motors, ran up a loss in the quarter of about \$330 million as a direct result of the inventory-clearing incentive sales. The loss is being papered over by borrowing, to the tune of about \$12 billion, against securitized instruments of GM Acceptance Corporation. Meanwhile GM has announced plans to shut down a number of production facilities in the state of Michigan early next year, reorganize its subsidiary in Australia, and pull out of South Africa. Ford maintained its earnings in the black, by selling off its non-automotive assets.

The increase of outstanding debt to purchase out of stock-piled inventory, combined with the further phase-out of production facilities, is thus what characterizes the Commerce Department's announcement that the economy *grew* at a 2.4%

annual rate over the third quarter of the year.

The official pundits outside the administration, like Lawrence Chimerine, from Chase Econometrics, or the Wharton School's forecasting unit, speak of a "sluggish," or "do nothing" economy. Baldrige, and his buddies inside the administration, had they any shame left, ought to be red-faced with embarrassment. Their announced third-quarter results complete the discrediting of the forecast which the administration has been working from all year. To meet their projected 3.4% growth rate for the year, the Commerce Department's statisticians will have to turn in results showing 6% annual growth at least for the fourth quarter. That might even be too much for the likes of Baldrige and his friends.

This is all total nonsense, of course, and it must be assumed that those, like Baldrige, whose function within government dictates the part they play in such charades, know that it is all nonsense, too. GNP accounting methods calculate a net so-called value added for the economy as a whole, by summing the difference in value between accumulated sales and purchase transactions. In this approach to national income accounting, liabilities are actually treated as income, on the same footing as actual income. Thus, this time around, the expansion of debt to finance the sale of previous production out of inventories is accounted an increase in national wealth.

It doesn't take much to see that the people who organize economies on the basis of that kind of approach are incapable of coming up with any kind of useful conception of what national wealth is, and how it is produced. Nor does it take much to figure out that an economy which is run that way over any extended period of time is surely headed for certain disaster, at some not-too-distant point down the road.

That's what has happened to the United States. More than four-fifths of the total current dollar valuation of Gross Na-

tional Product of over \$4 trillion represents liabilities drawn against that part of the economy as a whole which is actually productive: agriculture, manufacture, mining, construction, and so forth.

But it is still worse. Beyond the current liabilities of overhead, there are the claims of one or another form of debt. Total debt outstanding in the United States, including the bankers' perversity known as off-balance sheet liabilities, is estimated at about \$12 trillion. If an overall interest rate of about 12% is assumed for that total mass of debt, then this year the claims of interest will be almost twice the approximately \$700 billion of investment and wages that is the investment input of the productive sector. The depression collapse the government is concealing with its GNP figures is also the principal cause of destabilization of bankrupt financial structures and institutions worldwide.

At the beginning of the year *EIR* forecast a collapse potential of between 15% and 25% relative to 1967 based market basket standards of output of producers' and consumers' physical goods. As results came in for primary sectors of industry in June and July, the mid-year 1985 to mid-year 1986 results conformed to the lower range of the collapse potentials *EIR* had identified at the beginning of the year.

Getting worse

Nothing has happened since then to change that estimate for the better. Much has happened to change it for the worse. The cited third-quarter results of the auto industry are exemplary. Beyond that, for two-thirds of the same quarter, the nation's largest steel producer, the former U.S. Steel Corporation, now known as USX, has been shut down in a lockout. LTV, one of the country's top steel producers, applied for Chapter XI bankruptcy protection. The USX lockout is to prepare the ground for what could conservatively be projected as a further 30% reduction of U.S. steelmaking capacity over the months ahead.

The auto industry, and its sources of supply, like the steel industry, is one of the major pillars of what the U.S. economy has become under Donald Regan's so-called economic recovery. Residential housing construction and defense are the two other major remaining supports for economic activity. The inventory pull-down under auto's financial incentive plans may well mark the beginning of the end of auto's such role. As GM's plant closure plans indicate, autos bought under the frenetic 2.9% financing binge are autos subtracted from upcoming production, and thus also from future sales. Housing construction has been in retreat since the early summer, and even with reduced interest rates for mortgage financing, is back at the levels of Volcker's heyday of usurious interest rates. Ten percent of the President's requested defense budget has been cut by Congress.

Performance over the year to date in these marker sectors of economic performance indicates that two interrelated kinds of limits are being encountered in the economy's present

mode of functioning. On the one hand, the reduced cost of credit automobile incentive programs, and the collapse of new home construction and purchases, indicate that limits are being reached for the continued growth of consumer indebtedness. On the other hand, the continued collapse of internal production capacity indicates that limits are also being reached for the U.S. economy's continued ability to absorb the imported production of trading partners such as Japan, the Republic of Korea, Taiwan, Western Europe, and Ibero-America. The combination of the two will mean significant further reductions in internal U.S. household living standards, combined with a chain-reaction type spillover into the export-oriented economies of America's principal trading partners.

That which will arguably accelerate convergence on the limits of those features of the economy's functioning which have characterized Donald Regan's recovery since 1982-83, is the tax reform bill which the President has just signed into law. During the fourth quarter of 1986 many corporations will have to adjust their book results downward to take account of the retrospective elimination of the investment tax credit. For many corporations, and it is unclear exactly how many, the law specifies that the loss of the investment tax credit be taken in one go, in the accounting period which ends Dec. 31, and not be spread out over the year as a whole.

The loss of the investment tax credit was already a disaster. The accounting provisions that go with the loss will probably begin another shake-out in the remainder of American industry by the end of the year, and must be added to the foreseeable related consequences of the tax bill, such as the elimination of tax breaks on various classes of construction activity.

The President's rhetoric on signing the tax bill into law can safely be ignored, as reflecting political obsessions rather than reality. Otherwise, it is well known that the administration's prime concern over the past weeks of the summer and into fall has been how to avoid the outbreak of a financial crisis in the period immediately before the elections. James Baker at Treasury and Paul Volcker at the Federal Reserve have been deployed to arm-twist allies in Europe and Japan into accepting a package that would delay the moment of reckoning, once again into the spring of 1987.

However, the continued erosion of U.S. overall economic capabilities, indicated by what's behind the third-quarter GNP figures, emphasizes that while such efforts may well, for political reasons, succeed in the short run, over the longer time-frame, in the sense of months, not weeks, they are simply building up the potentials for a deeper crisis to come. Unless that policy commitment is reversed, it is almost guaranteed that at some point in the upcoming future, one trigger or another will set off the collapse of the institutions associated with the bankrupt credit system. The fraud of GNP accounting methods has brought the world to that kind of pass.

'Off-balance-sheet' nightmare in London

by David Goldman

If it works up the courage, the Bank of England will announce before year-end the first disclosure requirements for "off-balance-sheet liabilities," the \$3 trillion bubble that threatens to bring down the world banking system.

Bank regulators sounded urgent warnings about the explosion of such liabilities in public statements culminating with the June 1986 annual report of the Bank for International Settlements. The public statements stopped after that, when the central banks decided that merely discussing the problem might provoke panic. Not so their concern: The Oct. 27 deregulation of the London market locks in a chain of financial obligations which, if broken, could bring down the entire banking system.

The most immediate fear on the minds of Bank of England senior staff is that cutthroat competition among new entrants into the London market will force several weaker institutions under. Since these institutions play the off-balance-sheet game along with the stronger ones, their default will leave big holes in the capital of the others. Even worse, their failure to honor obligations might collapse securities values across the board, and bring down the entire banking system.

Danger of collapse

"Off-balance-sheet liabilities" are simply financial guarantees which banks do not list on their books as liabilities, and against which they do not put up shareholders' capital. What terrifies the central banks is that the securities houses have dived into such guarantee business in a huge way over the past year; since Merrill Lynch, Salomon Bros., et al. have a fraction of the capitalization of the commercial banks, the danger of a chain-reaction collapse is that much greater.

Better, Bank of England staff believe, to cull the runts at the beginning, under central bank direction. Sources close to the British central bank say that all the institutions in the London market will be asked to disclose their off-balance-sheet obligations, and demonstrate a minimum capital adequacy with respect to these liabilities. The presumption is that institutions which have already stuck their necks out too far will be forced into mergers, before having the chance to go under in a more damaging fashion.

Off-balance-sheet liabilities are the nasty side of "securitization," namely, the replacement of international lending by commercial banks, with circulation of tradeable paper.

Securitization took off in 1984, after the collapse of the \$20 billion Continental Illinois Bank of Chicago. Like most major commercial banks, Continental Illinois turned over roughly 40% of its deposits on an average business day, and depended heavily on foreign deposits to fund its loan portfolio. The bank was doomed the moment large depositors, most of them overseas, decided to pull their money out. The same banks which had "recycled" several hundred billion "petrodollars" during their 1970s heyday, discovered they were vulnerable to deposit runs that could drain them overnight. While the Federal Reserve and the Federal Deposit Insurance Corporation found the means to contain the crisis at Continental Illinois, it was less clear that they could do so twice, let alone 5 or 10 times.

Growth of dirty-money flows

The bankers pulled in their horns, and major overseas depositors—drug dealers, OPEC countries, multinational corporations—subscribed to telex services monitoring the major banks, purporting to warn them the moment that their deposits might be in danger. Meanwhile, illegal capital flows increased at the expense of legitimate world trade. While world trade fell back to 1978 levels, the volume of the international drug traffic rose from about \$200 billion then to over \$500 billion today, not counting additional scores of billions of dollars deriving from flight capital, tax evasion, and other slightly-less-dirty money.

The dope traffickers discovered that even Swiss bank accounts were not sacrosanct when U.S. authorities could prove their case to the Swiss. However, "bearer bonds" issued across national borders ("Eurobonds"), without registration of name of purchaser, could sit undetected in a safe-deposit box anywhere in the world, drawing interest from big-name borrowers. Obliging, First Boston-Crédit Suisse and Merrill Lynch International substituted the circulation of securities, mostly unregistered bearer paper, for the normal accumulation of bank deposits and issuance of bank loans.

Over \$200 billion a year in Eurobonds replaced what had been, before 1984, an equal volume of bank loans. The problem is that the securities market could not, properly, replace the function of commercial banks. Banks are supposed to take deposits from a wide variety of sources, and

lend them to a wide variety of borrowers, obtaining the right maturity-structure of deposits, and the right distribution of loan-risks. Of course, the banks borrowed overwhelmingly short-term funds, subject to sudden withdrawal, and bankrupted their own borrowers through usurious policies, whence the system broke down.

In effect, the broad market of bondholders was asked to take the same kind of risks that the banks could no longer take. The institutions and individuals who buy bonds, particularly Eurobonds, were in no position to balance a portfolio for risks associated with wildly fluctuating interest rates, currency exchange rates, etc.

That is where off-balance-sheet liabilities come in. The commercial banks, along with the big securities houses, went into the business of writing guarantees for such "securitized" debt. Dozens of new types of securities emerged over the past two years, but all with the same feature: In return for a fee up front, a financial institution will guarantee the exchange-rate or interest-rate risk attached to a particular security. Investors can now buy securities with an interest-rate option attached (which pays a cash premium if interest rates rise, and the security's value falls, past a certain point), or "capped" or "collared" securities, in which a financial institution will pay the excess interest should the overall interest rate rise past a certain point, or a currency swap (in which a financial institution acts as an intermediary between debtors who must pay in different currencies), and so forth.

There is also a lively secondary market between the guaranteeing financial institutions, which sell each other the guarantees they have written for the bewildering variety of securities involved.

The problem is that the entire system depends upon a chain of institutions all honoring their obligations. In a world where currency rates fluctuate 40% or more within months, no one can lend money across borders without "hedging" the exchange risk. The same applies to interest-rate fluctuations. Therefore, the new wave of securities must be hedged with guarantees that become off-balance-sheet liabilities on the books of commercial banks or securities firms.

However, one man's speculation is another man's hedge. If, for example, Merrill Lynch writes a put option (the right to buy at a pre-specified price) for German marks, on behalf of, for example, Goldman Sachs' new bond issue in French francs, so that German investors may buy the bond issue, all seems well. What if Merrill Lynch cannot meet its obligations when the mark (hypothetically) soars against the French franc? The value of the bonds in question will instantly collapse, along with the value of all other bonds of the same type, for fear that other guarantors will default as well.

Potential for chain-reaction

The default of one brokerage house, eliminating the guarantees attached to a single bond issue, could collapse the illusion that trillions of dollars of debt instruments are hedged

against currency, interest-rate, or default risk. Of course, the results would be much, much messier: If one brokerage house fails to pay on its options or futures contracts, it leaves many others exposed to losses due to currency or interest-rate fluctuations, triggering possible new failures.

That is all a minor affair next to the consequences for the banking system. That is what really terrifies the Bank of England. Banks have the privilege of telling auditors what they think their loans are worth. If a borrower is in trouble, or thought to be in trouble, the bank need not write down the value of the loans until long after the borrower stops paying. As noted, the banks were forced to leave the banking business at the point that their developing-sector borrowers stopped paying, and their depositors began to panic.

To an extent not measured by the regulators, the commercial banks have replaced ordinary loans on their own books with purchases of securities, i.e., "securitized" loans. The same process at work in London can be seen among U.S. thrift institutions, which stopped issuing straight fixed-rate mortgages against deposits, for fear of being crushed between low-yielding mortgage portfolios and high-interest deposits. Now, at least 40% of their assets are "securitized" mortgages, of which the federal government guarantees close to \$1 trillion.

Whether the government can make those guarantees credible when the mortgage-guarantee agencies run out of money is another matter. But no one provides guarantees for the "securitized" offshore loans, and the corresponding off-balance-sheet liabilities on the books of the banks and brokerage firms. Fear of default by either the borrower, or the guaranteeing financial institution, will crash securities markets. But a crash of securities markets, in a "securitized" banking world, implies an instantaneous crash of the asset base of the commercial banks who have replaced their loans with securities. No longer can the banks pretend that a loan is still worth whatever the bank's accountant says it is. The value of a large portion of their portfolio is posted minute-to-minute on the exchange.

Deregulation of the London market has invited all the major U.S. commercial banks and securities houses to dive head first into "securitization," which they have done by committing \$7-8 billion of their capital to new offices, personnel, or equity in existing firms. They will all lose money by cutting each others' throats for the same business, as *EIR* reported last issue.

But the real danger lies in precisely what the U.S. institutions went to London for: to churn even faster the trillion-dollar-a-day trading volume of the now-global markets in currencies, securities, and commodities. Under these conditions, a problem anywhere in the globe can be translated into spectacular trading losses in every market in the world, and the portfolios of giant financial institutions can be wiped out before central bankers are awakened in the wee hours to hear the bad news.

Peru rebuilds idled fishing industry, while Russian net catches Argentina

by Mark Sonnenblick

The Peruvian government of President Alan García has made dramatic progress in raising the population's nutritional standards by increasing fish consumption. Fisheries' production through September was 29% above last year's levels and will increase as idle boats are being sent back to the sea. "What is revolutionary, is to make the Peruvian sea truly feed its people, and not foreign profits," García proclaimed on Oct. 31, 1985.

Argentina, in contrast, has triaged its national fishing industry, while awarding the Soviets freedom to fish in its waters. Argentine President Raúl Alfonsín is permitting 18 Soviet and 8 Bulgarian trawler factory ships to exploit Argentina's maritime resources, without paying a penny for the privilege. Nor, from all available evidence, will the Soviets turn over any of the catch to Argentina.

Such largesse toward the Soviets prevailed in Peru during the International Monetary Fund (IMF) governments that preceded García, although none went so far as Alfonsín. Even the sell-out government of Fernando Belaúnde taxed the Soviets 6% of the catch for the state fish company, Epsep, and 3% for the Navy. That was a far cry from the 50% granted Epsep for local distribution in 1971, when fleets from Poland and Cuba were first given rights to harvest the deep waters off Peru by Gen. Juan Velasco Alvarado. Epsep opened up stands in coastal cities and ran refrigerated trucks up into the barren highlands, to provide fresh fish at reasonable prices.

Velasco's priority on feeding the population was terminated when the IMF took over Peru with the 1975 coup against him. Velasco had nationalized the fishmeal industry in 1971, after over-fishing and a dramatic change in ocean currents had killed off the anchovy stock. The state company Pescaperu took over the huge bankrupt industry, to prevent its chaotic collapse from bringing down the banking structure and creating mass unemployment. In 1976, the IMF forces sought to dismantle the fledgling Pescaperu as a precedent for smashing state companies owning most of Peru's petro-

leum, copper, iron, lead, and zinc. In all cases, the argument was that the companies were losing money. The motive was to permit unrestricted looting of the country's natural resources.

It was precisely for providing data to Peru's fishermen's unions on what IMF policies would mean, that one of *EIR's* correspondents was jailed and others were expelled from Peru in 1976 on orders of then-Secretary of State Henry Kissinger.

EIR's predictions were on the mark. Shortly after Kissinger's move, most fishing workers were laid off, paid severance in boats which they could not afford to operate. Other boats were sold abroad or just left to rot. Of the 100 fishmeal plants, all but 37 were closed in 1977, and all but 5 in 1983.

A few of the boats were converted to fishing for human consumption. However, the bulk of their catch was exported. Peru paid its debts during the early 1980s by exporting canned tuna, bonito, and mackerel. The Belaúnde government in 1983 and 1984 permitted 20 of the big Soviet trawlers to fish within Peru's 200-mile limits. Those ships hauled in mackerel by the ton, cleaned it, froze it, and transferred it at sea onto Soviet freighters bound for Angola. Although the Soviet production never touched Peru's shores, it was included in the Fishing Ministry's statistics for "maritime products unloaded."

The Russian fishing fleet, *Sovrybflot*, won fishing rights through corrupt elements of Belaúnde's party. For paying bribes and other fees to the Peruvian government, Soviet frontmen received 6% of the catch, equal to the token payment given the Peruvian state. One of their frontmen, Rómulo Parodi, is the cousin of the Belaundista owner of a jungle plantation which exports coca paste and serves as a training camp for Shining Path narco-terrorists, according to Ayacucho journalist Luis Morales. Another, Augusto Angeles Ulloa, is a relative of Belaúnde's prime and finance minister, Manuel Ulloa, one of those responsible for opening

the country to the cocaine mafia. Reports documenting that Soviet fishing operations are part of their cut into Peruvian-Soviet cocaine traffic, are alleged to have been prepared by Peruvian intelligence agencies.

The monthly *Andean Report* noted in June 1985, "According to fishing sources, *Sovrybflot* prefers to arrange fishing contracts through private companies rather than directly with the State in order to keep often touchy fishing deals on a business, rather than a political basis. 'The Russians have learned from experience to look for a local group who have good connections with the government and who will come to terms on business,' says the fishing source. 'The people running the companies are not necessarily the real shareholders.'"

The nature of the contracts only caught the public eye when, in April 1985, Epsep seized one Soviet boat after months in which the Soviets or their frontmen failed to pay the token 6% fee to Epsep. The Soviets then pulled all of their factory ships beyond Peru's 200-mile limit.

García challenged Moscow's sweetheart contracts, "We are not going to be pragmatic, realistic, and tough only in dealing with Western capital. . . . How could it be that for fish which belong to Peru, our share is only 15%, and 85% is for the foreign company that doesn't even pay taxes? And we don't know anything about it?"

Feed people before banks

From the start, García saw the sea as a means of feeding the Peruvian people, rather than of paying debt. As President-elect, he told Chile's *La Tercera de la Hora* on April 27, 1985, "We can't apply colonialist prescriptions in our economies. . . . Peru needs to consume food. A Peruvian eats 12 kilos of fish per year, when he should eat 60-70 kilos, like a Japanese. He consumes 29 kilos of rice, when he could eat 50, or like a Chinese who eats 150 kilos. Our agriculture is underutilized; therefore, we will not follow the IMF demands."

His government immediately provided credit to Epsep for it to eliminate speculators by buying fish on the beach for

retail sale throughout the country. The next step was to can Pacific pilchard, an edible sardine, to feed the majority of Peruvians who are undernourished. The government reduced tariffs on imported tinplate for cans to a token 1%. It made deals with 30 private canners for them to supply Epsep with 2.7 million one-pound cans of sardines monthly. Epsep sold the cans in slum neighborhoods at 35¢ apiece and used them as part of wages for the 200,000 Peruvians in the government's emergency employment plan.

The private canneries balked, accustomed to the good old days when they would either can expensive export-oriented products like tuna or bonito. The Belaúnde government had turned a blind eye to their making a fast buck by grinding into fishmeal for export close to 2 millions tons a year of sardines. They kept on grinding sardines at such a rapid pace, that the García government had to order a stop to such degradation of human food in March 1986; it fined 36 canneries for abusive grinding.

Balking by the canneries led to 26% less fish being used for canning in the first quarter than in the same period of 1985 (Table 1). But, García's crackdown, combined with positive incentives such as tax exemptions for food fish industries, brought a dramatic turn around in the second quarter, when more than double the amount of fish went into cans than during the same quarter under Belaúnde.

As can be seen in Table 2, showing fish sales for the first half of the year, Peru put priority on feeding itself, shifting every category of fish product from export to meeting local needs. The reduction shown in frozen fish output reflects the cancellation of Soviet fishing contracts.

García has done everything possible to build up a national fishing fleet to harvest the seas previously left to the Russians. Under the Belaúnde government, almost all of Peru's mechanized fishing fleet ended up repossessed by banks and rotting at moorings. The only two craft operating were fishing off the Malvinas Islands with none of the catch returned to Peru. On Jan. 9, 1986, García declared the fish supply system to

TABLE 1
Use made of fish catch
(in thousand metric tons)

	January-March 85	January-March 86	January-June 85	January-June 86
Canned fish	39	29	60.6	77
Fresh fish	59	59	91.5	119.1
Frozen fish	58	12	109.4	25.7
Dry, salted	11	10	15.3	17.7

Source: Peruvian Fishing Ministry

TABLE 2
Peru: fish sales
(January-June, in metric tons)

Type	Local Consumption		For Exportation	
	1985	1986	1985	1986
Canned fish	10,400	15,400	9,300	5,000
Fresh fish	91,500	119,100	0	0
Frozen fish	8,400	15,100	78,100	3,100
Dry, salted	4,200	3,900	0	0
Fish oil	23,300	79,200	32,500	17,600

Source: Peruvian Fishing Ministry

be in a state of emergency, paid off all the state fishing company's old debts, authorized setting up a state fleet, and ordered state banks to hand over to it 23 boats and provide credit for their rehabilitation. The vessels were in bad shape, and it was not until Oct. 10 that the first catch from them came in. The government also eliminated all taxes and all red tape for private investors to import medium-sized trawlers, motors, nets, and other equipment not made in Peru.

Peru obtained from Holland a promise to donate seven trawlers, and from the United States Naval Reserve two obsolete cargo ships which will be refitted to turn anchovies into powdered fish milk, to be used as a high-protein additive to fruit juices and other foods.

Peru's plan is to raise per capita consumption from 12 to 20 kilos annually by 1990, which requires increasing production from 360,000 to 750,000 tons.

Soviets swallow Argentine fishing

Fishing agreements with the Soviet Union and Bulgaria, signed by the Alfonsín government in July, now face a tough ratification fight in the Argentine Congress. Opposition to the blatant give-away is mounting from labor, industry, the Navy, and from all political parties except Alfonsín's Radical Party and Moscow's Communist Party. The only benefit for Argentina named by government officials defending the accords, are Soviet purchases of supplies and repairs in Argentine ports. The Russians will set up their own colony of repairmen, it was announced during Alfonsín's mid-October visit to Moscow.

On Oct. 13, Argentina's main fishing port, Mar del Plata, was closed down by a civic strike organized jointly by the Peronist General Confederation of Labor and the fishing industry. Fishing boat owner association president Hector Fernández Blanco announced that the strike would be by "fishing industry workers in defense of their jobs. The Soviets will be allowed to catch resources that Argentine operators are not allowed to catch." Argentine fishermen, who hauled in 550,000 tons in 1979, are now effectively limited to a 450,000-ton catch.

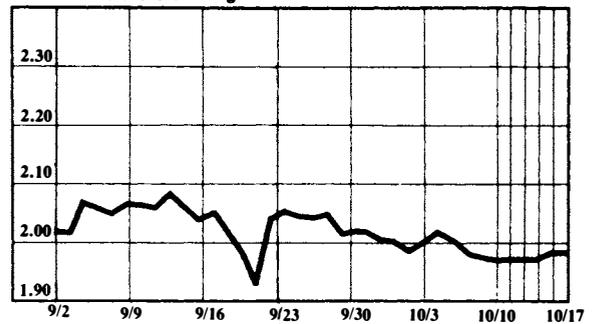
In a joint advertisement published on Sept. 23, labor and industry asked, "On the basis of what scientific data . . . does the fishing subsecretariat intend to negotiate quotas in favor of foreign fleets at the same time it systematically denies and restricts permission for local contractors to incorporate new boats under the Argentine flag? National shipyards are being prevented from building fishing ships because the applications authorities deny them fishing permits." The 30,000 unionized fisheries workers and 80,000 workers in related industries ask, "Should the failure of the fishing subsecretariat [to promote the domestic industry] oblige the country to give in to foreign pressures?"

As in the tragic experience of Belaúnde's Peru, an Argentine government which puts the interests of foreign creditors first, is wantonly undermining its own national economy and national interest.

Currency Rates

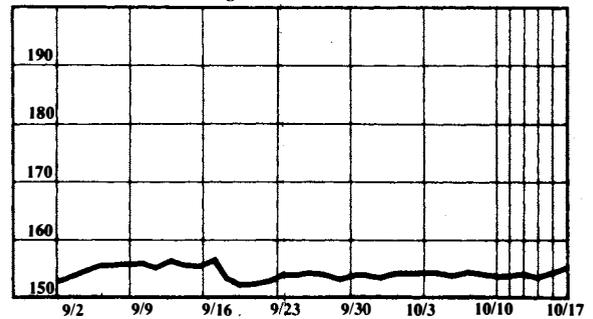
The dollar in deutschemarks

New York late afternoon fixing



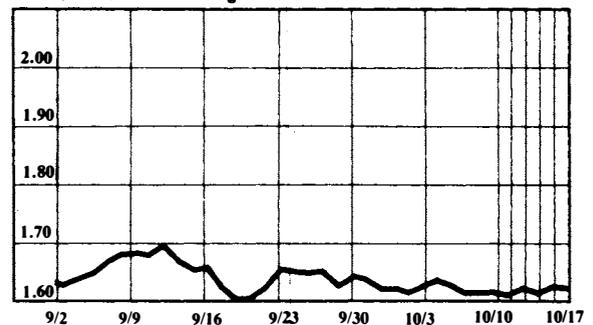
The dollar in yen

New York late afternoon fixing



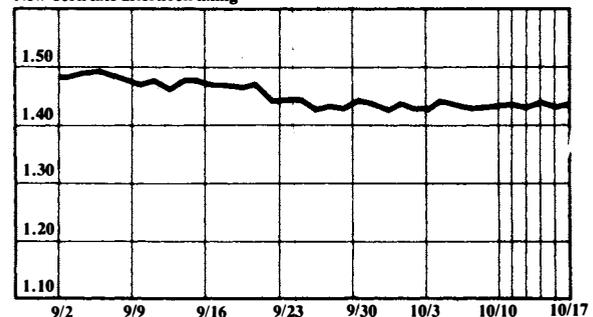
The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



Ibero-American summit maps a drive for 'continental unity'

by Valerie Rush

Alan García's Peru hosted an Oct. 16-18 summit of 26 Ibero-American and Caribbean nations seeking a common stand on the crushing debt and related economic plight of the continent. The outcome of the 7th annual meeting of the Latin American Economic System (SELA) was a solid embrace of President García's policy of linking debt payments to economic capacity, and the resolve to create an Organization of Ibero-American and Caribbean States—*independent of the United States*—which could serve as the touchstone for real continental unity.

Following 10 hours of intense closed-door debate over a two-day period, the foreign and finance ministers of SELA's member nations issued a final declaration which stated that the debt could not be paid. Period.

Or, as SELA Secretary-General Sebastian Alegrett insisted in his opening remarks, "Halting the massive flow of capital that we are transferring to the industrialized countries is imperative . . . [if] we are to retake the path of development and offer our people a future."

The common position arrived at in Lima is expected to serve as the basis for the first international debate on debt policy at the United Nations General Assembly in December of this year. Before that event takes place, however, Lima will play host on Nov. 12-14 to another major summit on the debt, this time a gathering of 120 delegates from Non-Aligned Nations of Africa, Asia, and Ibero-America, where the motion toward debtor unity begun by SELA may well be extended throughout the Third World.

Development vs. debt

The final declaration of the SELA conference states, in part: "Foreign debt is one of the most serious obstacles to autonomous regional development. And, despite the enormous internal efforts to adjust our economies at a high political and social cost, we cannot simultaneously pay debt service and achieve the region's development goals.

"This situation offers a significant threat to social and political stability. Therefore, we declare that the foreign debt cannot be paid under current conditions, nor without sustained economic development in our countries. . . . It is

necessary to adjust debt service to the real capacity of each nation to pay, limiting the service in relation to the export income or development of other economic variables. . . .

"We insist that the only permanent solution to the debt problem is a political dialogue between creditors and debtors, fundamentally based . . . on our right to development."

This statement has been universally viewed as a stunning breakthrough on the part of the Ibero-American debtor nations, who represent through SELA the entire range of political ideologies—from Communist Cuba to the Pinochet military dictatorship in Chile. In fact, the call of the Chilean delegation at the SELA meeting for solidarity with Peru's fight against the IMF serves as a chilling reminder to the international banks that, however much SELA member-nations may individually have crumbled under pressure in the past, they are prepared to join a common consensus against the "gunboat diplomacy" threatened against a country that did not crumble, Peru. The banks should remember, in this light, the lessons of the Malvinas War.

Part of the explanation for the unity consensus at SELA lies in the fact that the highly celebrated Mexico/creditor-bank deal of early October, which had countries like Argentina, Venezuela, and others drooling for the same, turned out to be a particularly vicious turn of the screw by the bankers' dictatorship. The "precedent-setting privileges" Mexico was supposed to have gotten turned out to be a precedent-setting *linkage* of loan disbursements to the country's economic performance. Top-down IMF-World Bank oversight in exchange for a 1/16th percentage-point reduction in interest rates, the "right" to go begging for new credit, and a pat on the head, were not exactly what Mexico was hoping for, not to mention Argentina, Venezuela, et al.

Thus the appeal of the "Alan García" route. Brazil is noisily insisting that interest payments on its foreign debt will be reduced from its current 3.8% to no more than 2.5% of GNP. Costa Rican President Oscar Arias is demanding a 25-year, low-interest refinancing of his country's foreign debt.

And, Salvadoran President José Duarte told reporters Oct. 14 that, due to the devastation wrought by his country's recent earthquake, his government would request a debt mor-

atorium from its creditors.

A high-level official from another pro-U.S. Central American country privately confessed recently: "We are bankrupt and the IMF program would ruin our economy. . . . We're going to have to pay by the Alan García method." Venezuela's United Nations Ambassador Reinaldo Pabón not only told that institution's Commission on Economic Affairs Oct. 17 that debt interest payments should be linked to export income, but urged a "write-down" of the "real or nominal amount owed," especially for the hardest hit of the developing-sector countries. He demanded that contingency clauses be included in all refinancing packages, to guarantee that all "adjustment" prescriptions be accompanied by economic growth.

Although the outgoing SELA president, Chilean Foreign Minister Jaime del Valle, told the press that SELA's final communiqué did not pretend to dictate debt-negotiation procedures to individual debtor nations, he did say it made for "a more concrete orientation" on the debt issue. Diplomatic verbiage aside, it was clear to all that new, unified criteria for handling the continent's unpayable \$400 billion debt had been forged.

'Institutionalizing our own destiny'

The tone of the conference was set from its first moments, when host President Alan García told the assembly of high-level government officials: "With different words, we are all in agreement that the foreign debt of Latin America and the Caribbean . . . cannot be paid under the conditions in which it was granted."

García asserted: "It may be unorthodox to say this, but continental nationalism is necessary. . . . We don't want the crusts of the world. We have the right to transform the world, we have the right to demand a more coherent and just international situation." In that context, the Peruvian head of state urged the creation of a new regional organization "to institutionalize our right to agree on our own destiny."

Ibero-America, he said, was the only region in the world whose leaders did not regularly meet to map out action on common concerns. With the new organization, said García, "thus we will have a voice and a place for political and economic coordination. There is no future in isolation. There is no other path but integration."

In a reference to the Organization of American States (OAS), which includes the United States and excludes Cuba, García said, "We are not against the United States, but we have the right to defend ourselves." He urged that the OAS be preserved "as a forum for North-South dialogue."

One hundred million new jobs

In addition to taking the boldest step yet toward formation of what some have called "a debtors' club," the SELA conference also approved its Third Program of Regional Cooperation, which promotes the formation of Ibero-American

multinational companies and would strengthen collaboration in the areas of agriculture, industry, finance, services, science, and technology.

Giving impetus to such steps toward continental integration, SELA's permanent secretary-general, Sebastian Alegrett, told the Lima press upon his arrival Oct. 13 that Ibero-America will need 100 million new jobs to meet the demands of "150 million new inhabitants of the region" by the year 2000. He added, optimistically, "We believe it possible to interest some industrialized countries or groups within them in the establishment of more equitable relations than those currently existing with Ibero-America and the Caribbean."

Alegrett's call for the creation of 100 million new jobs in Ibero-America, and for collaboration with industrialist factions in the North, coincided with the wide circulation across the continent of an explosive new book issued by the Ibero-American Trade Union Commission of the international Schiller Institute. It bears the title: *Ibero-American Integration: 100 million new jobs by the year 2000!* (EIR has been serializing an exclusive English translation since its Sept. 5 issue; see this issue, page 20). The book explores the impact of the debt crisis on the Ibero-American economy, and elaborates the potential for an integrated Ibero-America to become an economic superpower in its own right.

The Schiller Institute book also declares: "In the short term, Ibero-America would have to use all of its negotiating talents to attract those countries or industrialist factions in the developed sector which are ready to cooperate with the development of the subcontinent. . . ."

Defending export values

Still another proposal of President García's that was taken up by the SELA assembly was the creation of a special fund to compensate for the collapsed prices of Ibero-America's primary export goods on the world market. The project, which will not be voted upon until next year's SELA meeting, would be financed by that portion of the region's foreign debt service which corresponds to lost revenue from deteriorated terms of trade.

Significantly, the Schiller Institute's book devotes a lengthy chapter to the question of Ibero-America's "illegitimate debt" (see *EIR*, Oct. 3) and precisely identifies the effect of deteriorating terms of trade as one of four components which make up that aspect of the foreign debt. By comparing "neutralized" terms of trade at 1977 values to present-day trade figures, the Schiller Institute investigators determined: "For the continent as a whole, \$98.5 billion was lost due to deteriorating terms of trade [between 1977 and today]. . . . Terms-of-trade looting thus accounts for about 26% of the official foreign debt."

García's solution to this problem, converting debt-service payments into parity-subsidies for the looted producers of Ibero-America, would give the continent a powerful lever for reviving its debt-ravaged economies.

An economic policy to defend families

The Hon. Mariapia Garavaglia, from Milan, was elected to the Italian Parliament in the 8th and 9th legislatures. She chairs the Health Commission of the Christian Democratic Party in the House of Deputies, and is in charge of health for the national party.

The Italian Constitution is centered on a solidarist conception of personal and economic relations. According to the Constitution, it is "the task of the Republic to remove the obstacles within the social and economic order which would, in fact, limit the liberty and equality of citizens, impede the full development of individuals, and the effective participation of every working member of society in the political, economic, and social life of the country." The family "and particularly large families" are the intermediate social structure which the State has to support, according to Article 31 of the Constitution, "with economic and other measures."

Such a cultural orientation is evidently premised also on a political, economic, financial, and fiscal context which is still present in a country, Italy, which by tradition and political choice is located in the Western world, and intersects also the most extreme liberalist theory. The contradictions and imbalances created by these two different conceptions, the constitutional and the liberalist one, can better be seen in the case of family savings.

For some years there has been in Italy a lively debate on income taxes, over the so-called *cumulo dei redditi*, which means that not the individual income is taxed, but the accumulated income of all family members, and also over to the "minimum income" required for living. The Commission for Family Problems, formed within the Ministry of Labor, and the Commission on Poverty, formed by the premier's office—both chaired by Prof. E. Gorrieri—have stressed the deep imbalances deriving from the application of different methods used in analyzing family income. The family with one wage earner and two members, is quite different from the family which has several wage earners and many members; further, income would be calculated quite differently if, besides wages, one figured in specific kinds of support, such as unemployment allowances, disability pensions, etc.



The author in front of the Italian Parliament in Rome.

The collapse of the Stock Exchange, which was certainly foreseeable (the Treasury Ministry had many times cautioned prudence), has indeed impoverished family savings. This has also changed the political profile of social stratification, and this is not insignificant for certain political parties, whose existence is not premised on ideals, and who place their bets on the fortunes of emerging classes. The illusion of easy money derives from the logic of consumerism, rather than from allocating reserves for structural reforms, the only way that a development plan could be sustained which is linked to the rate of employment and the redefinition of those goods and public services (which are personal services). The tendency to liberalize and deregulate services is instead destroying them, feeding the inflationary spiral, and reinforcing modes of behavior which are so contrary to moral and economic rigor: drug traffic, contraband, etc.

Not by coincidence, the mafias have at their disposal enormous masses of capital, which they use solely in their own economic interests, to destabilize many countries (e. g., various countries of Latin America), masses of capital capable of altering the legal markets in every sector, and heavily influencing also the ordered organization of the labor force.

The family is sustained by the Good: not only moral, but also economic. It is not for nothing that in his Encyclical *Laborem Excercens*—truly a manual of conduct and not merely indications of abstract principles—Pope John Paul II, from the standpoint of the affirmation that labor is *for* man, asks that the family be the school of full solidarity, precisely in the sense that every member, according to his

situation (there is an ongoing thorough reevaluation also in the case of women), collaborates for the general good.

If the monetary maneuvers are attuned to shaping an effective structural development, it would be possible to respond also to the call coming from "third and fourth" countries. In his recent trip to Italy, the President of Peru, Alan García, made a request which has also come from government officials of many other countries that partake of the cultural bond of aiding and promoting human development, to be able to deal as a partner with the rich countries. Otherwise, the conflicts which are of a class nature inside a country, become the dominant forces in the relations between nations.

What has all this to do with family savings? One must consider the origins of the problem, because it is clear that social security alone does not autonomously allow for the recovery of the capacity of the family. In the Financial Law of 1987, the Italian counterpart to the Gramm-Rudman bill, there is a clause dedicated to the need to "support the family"; the dominant idea is to guarantee the intervention of the State by way of services and transfers to families that are truly in difficulty, avoiding the deregulation of services.

The family capable of spending an income without fiscal tangles, allocated to equal services for all, becomes an economic agent in truth as interpreted by the Constitution.

Interview: Edward E. Kennedy

Federal food curbs: unconstitutional

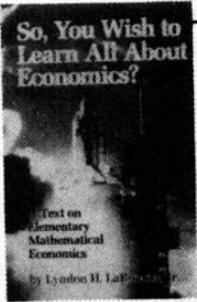
Both the current farm law, and opposition measures recently proposed by members of Congress, are based on the false premise that the root cause of the farm income collapse is the "overproduction" of food. A tireless fighter against this misconception is Edward E. Kennedy, a leading agriculture policy maker in the 1920s and 1930s, who has exposed the role of the Federal Reserve Board in undermining farm prices and farm credit. Kennedy served as national secretary and legislative director of the National Farmers Union, research director for the United Mine Workers, probate judge in Maryland, and many other leadership positions. In 1983, he released his book The Fed and the Farmer. Today, at 92, he is actively engaged in formulating emergency agriculture policies, and gave this interview on Oct. 21 to agriculture editor Marcia Merry.

EIR: In the 1930s, you fought laws requiring farmers to destroy food. From your experience as a farmer and farm leader, how did these orders affect farmers?

Kennedy: Back in the 1930s, the government was paying farmers to destroy 6 million pigs, to shoot every 10th dairy cow, to veal all the heifer calves, to plow under every third row of cotton, and plow under a certain percentage of the crops that were in the ground, like corn and wheat. For example, farmers were ordered to plow under a third of the wheat that was already growing out of the ground, which is the food and the substance of life itself.

Of course I contended, at that time I was secretary for the National Farmers Union, that the government of the United States was enforcing and paying for *the abortion of mother nature*. And this was the beginning of the Supreme Court decision. Actually there was no physical connection, except that they were testing whether or not the farmers would stand for destroying the little pigs that had been farrowed, the wheat that had been planted, the corn that had been planted, the cotton that had been planted, which was a violation of everything that a farmer believed in and that he had dedicated his life to do, that is, to create growth, to bring forth the fruits of the earth.

We got Congress to repeal the Joint Resolution No. 60 [the food destruction orders], and when we went to Kansas and got into federal court, the Department of Agriculture at



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that time knew that we were going to the U.S. Supreme Court, and have the law declared unconstitutional. What I was saying in farm meetings would curl the hair of these farm destroyers.

EIR: We have to say it again. This summer a vote was taken among U.S. wheat growers, on whether to impose mandatory wheat production quotas. A minority of U.S. wheat growers eligible participated, but those who did, voted up the idea. The vote was administered by the U.S. Department of Agriculture under the new 1985 farm act. What do you think of these present-day proposals for mandatory controls on food production?

Kennedy: It's absolutely wrong. The federal government has no constitutional right to regulate the farmer and the production of food. The commerce part of the Constitution limits the federal government to regulate and control interstate and foreign commerce. But farming is strictly an interstate operation, and not subject to federal controls and regulations.

This new farm bill that was passed in 1985 contains some 991 pages, and authorizes the secretary of agriculture to violate the Constitution of the United States in about 9 different sections. And it doesn't make any difference if the farmer voted for or against such regulation. It's still a violation of the Constitution.

And in connection with this matter, in 1939, around the time of the start of World War II, the secretary of agriculture asked the Congress to pass a law that would penalize the farmer 49 cents a bushel on the amount of wheat he produced that exceeded the quota assigned to him by the federal government.

This law, when it hit the farmer right at harvest time, resulted in the farmer getting a notice from the secretary of agriculture that he owed a penalty tax, for example, \$104.17 in one instance. And some of them ran as high as \$107.95, and so forth. That was a penalty levied. It wasn't a tax. It was a *penalty-tax* for growing wheat. It made the farmer out as a criminal. And made the production of wheat a criminal offense, without a trial by jury or due process of any kind.

So when this hit the farmers in Ohio in the fall of the year, they started to call farm meetings ad hoc. They were desperate. Why did they get this bill? In the notice, it said that the farmer couldn't sell any of his wheat in order to pay the tax because the secretary had a lien on his whole crop, so he couldn't pay the penalty unless he sold some wheat, and he couldn't sell his wheat because the secretary had a lien on it, and he couldn't dispose of the lien until he paid the penalty.

He was boxed in on all fours. At any rate, they sent for me, a group of them, and I went out and I organized 31 counties—farmers in 31 counties, and had them put up around \$1,200, and we filed a suit enjoining the secretary and the local committees from collecting the 49 cents a bushel.

I have in front of me right now the petition we filed. We had nearly a hundred farmers as plaintiffs, and the lawsuit

was to enjoin the secretary of agriculture and his agents from collecting the 49 cents a bushel. That was an unconstitutional act. The federal government has the power to regulate commerce, but not to regulate the production of food.

Anyway, we got 31 injunctions in 31 separate counties at that time, with the list of the farmers in each county as plaintiffs. In other words, in addition to limiting the production of foodstuffs—as we were about to enter World War II—they were making the production of food into a criminal act, subject to a penalty, without due process.

EIR: It's similar to today, isn't it? With the need for food today in the Western nations—in Africa and other places, we need more food production and food security, not less food security.

Kennedy: That's exactly right. [When this happened before] I was making speeches in each one of these counties, and I was telling the farmer the truth, and we were filing these suits in the Court of Common Pleas.

As soon as we walked in with our lawyer into the court, the court in every case was willing to grant an injunction. And, of course, a state court couldn't serve notice on the secretary, so we finally went down to Kansas, and filed a suit in the federal courts where we could get service on the secretary of agriculture. And, of course, the three-judge court, I appeared there as an expert witness, they questioned me for over an hour, about the fact that I had presented that there was no overproduction. There was no "surplus," and there never had been a surplus of food—as that term is properly used. . . .

So actually the Department of Agriculture has been lying to the President, it has been lying to members of Congress, and in fact the first farm bill under this administration was just the same as the farm bill back in 1933. And the farm bill of 1985, is just a continuation with more expenditure of money with the same object: blaming the farmer for low prices because he produced "too much," which of course was never true in all history. This is never true.

EIR: You know that in Western Europe it is proposed that "surplus food" should be burned.

Kennedy: That would be criminal.

EIR: Why do you think today that there are a number of farmers in Kansas and the other wheat-belt states who are so demoralized that they vote for mandatory production controls?

Kennedy: They've been lied to. And they don't have any farm organization to speak for them. They tried to bribe and browbeat me when I was secretary of the National Farmers Union, and their legislative representative, and so on. And they couldn't bribe me; I wouldn't pressure.

This is a weird story. In 1936 Huey Long was in the picture as a challenge to Roosevelt, and he had charisma. They made fun of his "share the wealth" program, but what

he was getting at was exactly the same thing that I was. And the other farm leaders were vulnerable, like the Farm Bureau and the Grange, and so on. They helped sponsor the Resolution No. 60 [food destruction—ed.]. But they couldn't do anything with me. So Huey Long had decided to make me secretary of agriculture. When his book (*My First Days in the White House*) came out, he didn't live 12 hours afterward.

The farm leaders were supposed to "go along in order to get along." But I wouldn't "go along to get along." They tried a lot of tricks. I was offered patronage. I was offered the moon, the sun, and the stars, but I wouldn't buy.

. . . It was Huey Long in the Senate who did make it possible for the farm moratorium act that I had developed and sponsored, to pass.

That was 1936, the moratorium on farm foreclosures bill. It was an amendment to the bankruptcy act in which the farmer could file a petition of bankruptcy. He'd have five years to rehabilitate himself. This resulted in saving about 250,000 farms in the United States from foreclosure.

EIR: What about the measure Congress recently passed that is supposed to do the same thing?

Kennedy: They don't want it to be effective. But this [1936 bill] was effective.

EIR: What particular features of the new farm law do you want to make known?

Kennedy: You wouldn't believe what's in this law. The bill itself and the report of the committee to the Congress was around 999 pages of print. Nobody, except the Federal Reserve, knows what's in that bill. It is their bill. It was written to their specifications. Even Senator Helms of North Carolina wouldn't sign the Committee report that reported out the bill, which is unprecedented in the history of the Senate Agriculture Committee. I think this farm bill is unconstitutional because it undertakes to regulate the farmer and the amount of acres that you use to produce food. It's unconstitutional because it gives the secretary of agriculture powers to actually shut down the agricultural plant in the United States. And that part is in the process of being consummated right now.

EIR: Have you seen the new "National Save the Family Farm" bill that would impose across-the-board food reduction quotas, in the name of increasing farm commodity prices? Senator Harkin, and the Willie Nelson-FarmAid, Inc., network are promoting the idea.

Kennedy: It's as unconstitutional as anything possibly could be. Supply and demand does not have anything to do with the price of agricultural products. The Federal Reserve Bank has complete control over the price level of agricultural products. Through their control of margin credit, and the Chicago Board of Trade futures market, they determine what they, the speculators and gamblers, will pay; that's how they control agricultural prices.

. . . Look at what the Federal Reserve did to agriculture

in the 1920s and 1930s. From my own personal experience in Iowa . . . in 1920 the Federal Reserve announced they were going to foreclose on the farm credit in Iowa. The Federal Reserve was requiring bankers to call in the farmers' loans. At that time, I had two carloads of cattle on feed on my farm. I was farming 335 acres of land, and I borrowed the money to buy the feeders on the western market. . . . The last week of May, the Federal Reserve Bank of Chicago called four regional meetings in Iowa (Ft. Dodge, Waterloo, Red Oak, and one at Ottumwa) and they called the bankers into these meetings and told the bankers to bring into the meeting about two or three of their best customers, so my banker invited me. I went up to Ft. Dodge. . . . [The end result was that they] closed out a third of the Iowa farmers. In my county alone there had been 17 banks. But before the Depression was over, there wasn't a single bank open in the county except for three in Grand Junction, that was my home. The reason that my three banks in my little town of Grand Junction survived is that I wouldn't let them foreclose on any farmers. I invented the "3 cent" operation—bid 3 cents on everything that was offered for sale. That was the days before chattel mortgages. . . .

EIR: What about the role of the grain cartel companies associated behind the scenes with the Board of Trade, the Federal Reserve, the International Monetary Fund, and so forth? What emergency program can we undertake today?

Kennedy: Well, the cartel companies, of course, have a great deal to say about the price of agriculture products all over the world. What the Congress of the United States should do, is to pass a simple law, to require all contracts for agriculture products on the board of trade to pay at least the minimum price for that contract that would reflect a real price for the farmer that would cover the cost of producing his commodity.

EIR: As was done during the Second World War?

Kennedy: Yes. Except this law should be directed to the Commodities and Exchange Commission, and require them to fix the minimum price based on the cost to produce it. I've outlined this elsewhere, in simple language, how this could be done.

. . . You know, we do not have a cabbage-patch doll economy. We live under an agricultural economy, and about 90-some-odd percent of all the goods produced in the United States come from the farm, and that is the new wealth. Nobody seems to understand. And when you would raise the level of all agricultural products by about 50% you would add about 50% to the value of the new wealth. . . .

The kind of simple law that I recommend, would require no appropriations to speak of, to administer it. The machinery is all in place, that is, the Commodities Futures Exchange and the Board of Trade—the only price fixing mechanism of agricultural products in the United States. And if this were done, it would raise the level of agricultural prices. . . .

British population backs AIDS screening

by Mark Burdman

A nationwide television show in Britain the night of Oct. 22, "AIDS—The Last Chance," featured an appearance by noted British AIDS expert Dr. John Seale and unleashed a storm of controversy over approaches to the deadly disease.

During the program, a live poll was done, through call-ins: 76% of the callers voted "yes" for compulsory screening for AIDS, and 95% voted "yes" on the government giving identity cards to all citizens on how they tested.

However policymakers may choose to treat the AIDS plague in the United Kingdom over the next months, the popular mood is clearly one of anxiety and desire that the government take firm measures against the disease.

Dr. Seale himself has been an avid campaigner for the California, U.S.A. "Proposition 64" referendum, due to be voted on November 4. The proposition would mandate that California authorities declare AIDS a "communicable disease," and treat AIDS with the kinds of public health measures that have been utilized against epidemics in the past: Isolation and/or quarantine as well as general screening of the population.

Dr. Seale toured the United States in late September-early October, testifying before the California State Senate in favor of Proposition 64, and releasing a statement in Washington, D.C. before the National Press Club, calling on U.S. President Reagan and British Prime Minister Margaret Thatcher to declare states of national emergency in response to history's first "species-threatening" epidemic. On Oct. 9, at a London Royal Society of Medicine press conference, he declared AIDS the "molecular-biological equivalent of the nuclear bomb." He protested efforts in the United States to persecute and suppress *EIR* founder Lyndon LaRouche and other supporters of Proposition 64.

All this obviously provoked a storm in official circles. Although the Thatcher government is still insisting that screening is "not practical," and although government AIDS authorities are sticking to the "Safe Sex"/high-risk groups propaganda about AIDS, matters have gotten so alarming that a special Health Minister for AIDS, Tony Newton, has been named, and the government has sent a leaflet on the dangers of AIDS to every household in Britain. During the week of Oct. 13, the House of Lords had its first-ever debate

on AIDS policy, and two members, Lady Lane Fox and Lady Sharples, raised questions about more urgent approaches to combat the spread of AIDS.

Almost every day, alarming stories about AIDS are reported in the press. On Oct. 24, dailies warned that the city of Edinburgh, Scotland, had become an "AIDS timebomb" under the entire United Kingdom. It also reported new cases of AIDS among women and newborn babies in the city of Newcastle, and elsewhere.

Watching California

California Proposition 64, also known as the "PANIC Initiative," has been getting feature attention in the British press, although, clearly, the newspapers are out of touch with the mood of the population.

On Oct. 21, from Los Angeles, the London *Daily Telegraph* ran a prominent, page-eight story, entitled, "Initiative that spreads public panic over AIDS." Proposition 64, it said, "would force State health officials to list the names of everyone testing positive for AIDS antibodies and immediately have them removed from food handling and school jobs."

Reporter John Hiscock, however, spent most of his news-space trying to cast aspersions on the initiative, and on Lyndon LaRouche, whom he labeled a "political extremist."

The "controversial" AIDS initiative, he wrote, not only has been "denounced by virtually all of the State's medical experts," but "has been revealed as part of a strategy to win international acceptance, and eventually the White House [for LaRouche], by exploiting public fears about AIDS."

Where did Hiscock get his evidence for these dark "revelations"? Aside from one cited opponent of Proposition 64, the rest of the evidence came from Lyndon LaRouche's own writings!

Hiscock quoted from a book published by Mr. LaRouche and associates last year entitled, *A Program for America*, in which LaRouche wrote: "The AIDS epidemic and the growing signs of a government coverup are beginning to move the majority of the citizens to a mood of political revolt. Those citizens, set into motion by the AIDS crisis, are a political army on the move." The "silent majority" of Americans would regard AIDS as the "last straw" in the moral and educational collapse of America, as AIDS would affect families across the nation, Hiscock cited LaRouche saying.

On Oct. 17, the *Daily Mail* ran the headline, "The vote to turn AIDS victims into lepers," which stated, "Now the world's eyes are turned to California, which may lead where others follow." As Sheridan noted, "California is not alone in its fear of AIDS."

The *Mail's* accompanying lead editorial was entitled: "An answer needed for AIDS," which warned that AIDS "has the potential to become an epidemic comparable with the great plagues which ravaged the world in former times." If the government did not take "reasoned and firm" action, there could be, in Britain, "panicky and extreme" reactions like those unfolding in California.

New oil price collapse ahead?

It could come just about the time of the London stock market deregulation, and despite the OPEC accord of Oct. 22.

Informed Rotterdam and Middle East sources have predicted the outbreak of a renewed world oil price collapse, perhaps as soon as early November. This report contrasts starkly to the apparent stabilization of prices being predicted in the wake of the Oct. 22 agreement by OPEC ministers following a two-and-a-half-week meeting in Geneva.

One well-placed Rotterdam source told *EIR*, "For the past period there has been an under-the-table deal between the major multinational oil companies and the Saudis to hold the world oil price at about \$15 per barrel. The majors have been co-operating with the Saudis to make it appear that supply and demand are in balance when they are clearly not. We estimate that in the last period world production has been 2 million barrels per day (bpd) above demand. It's being stored in terminals, tankers, everywhere, until there is simply no more space left to store it. It is at the breaking point. We give it perhaps two more weeks before this oil will flood onto markets forcing sharp price drops."

This was just hours before the OPEC agreement was announced. That accord, if anything, worsens prospects for outbreak of a new oil price crisis. After 15 days of wrangling in Geneva, OPEC failed to agree on a system of permanent quotas. Instead, they increased the existing interim quota for the 13 oil-producing nations another 200,000 bpd to 17 million bpd, through the end of December. Kuwait reportedly brought talks to the edge of collapse with its

(successful) demand for an additional 90,000 bpd. As before, the 17 million bpd figure excludes Iraq, which has been producing close to 2 million bpd. Industry sources point to the clearly fractious situation inside OPEC as an indication of the strains on the stabilization strategy, as cash-strapped producers such as Nigeria feel pressures to exceed quotas. This, added to the glut on current market inventory, holds explosive potential.

Market response has been clearly unenthusiastic. Late day trades for North Sea Brent futures for November delivery were quoted in London at \$14.60 per barrel on Oct. 22. This is a meager \$0.15 above the previous day, and a far cry from the \$18 to \$19 being proclaimed in official OPEC statements.

By Oct. 23, the price of Brent crude had dropped to \$14.05—below the level of \$14.45 a few days before the Geneva accord. Participants at a Rotterdam conference which included Royal Dutch Shell and other majors stated flatly on Oct. 23: "Geneva is nothing. It won't help."

Though details are being kept in strict company secrecy, it is clear from a variety of sources that the dramatic rise of oil from levels below \$9 last summer to the current \$14 range, has been possible only through bizarre "one-shot" gimmicks. An analyst with a leading London brokerage acknowledged market nervousness over reports of excess stockpiling in the last two quarters. "There have been extraordinarily large U.S. imports of crude in this period. They have been

significant enough that they are having a major impact on the GNP deflator figure. It's hard to believe it's all because of strong U.S. energy demand."

The reality seems to be quite the opposite. According to a spokesman for Nicosia-based *Middle East Economic Survey* (MEES), at least for the Third Quarter through end of September, best estimates of total world oil supply and demand show as high as possibly 3.3 million bpd of excess output. "I would estimate at least 2.5 million barrels excess production at the moment, conservatively, but it is a time bomb, and it is causing a lot of concern."

The timing of such a renewed oil price collapse, where traders presently estimate prices could fall again to levels of perhaps \$10 per barrel or even lower, is even more dangerous to stability of world financial markets than the process earlier this year, when headlines in every international financial paper predicted imminent bank crisis.

The Mexican \$98 billion debt crisis is directly tied to oil exports. The economies of large regions of the United States from Texas to Alaska hinge on the oil industry. Some well-informed London sources report evidence of strong U.S. intervention in the summer to influence a Saudi deal which would keep the U.S. banking system from the brink of crisis for a few weeks more. Suspiciously, the timing of the OPEC agreement has postponed a new banking crisis until past the November U.S. elections, where reportedly the Republican strategy has been to postpone major financial crisis till then, at all costs.

But, as one London analyst put it, "The latest Geneva accord will last for at best seven weeks, until the next OPEC summit on Dec. 7."

Twenty AIDS cases in nursery schools

The situation explodes in the north Italian city of Vicenza. When will it blow up in Milan, Rome, Bologna, or Naples?

On Oct. 18, the auditorium of the Astra movie theater in Vicenza is overflowing with furious mothers: They want to be sure that their babies are not infected by the Plague of the 21st century, AIDS. "You left us in a situation of intolerable ignorance." "You cannot use our children as guinea pigs." Boos, shouts, and insults are directed at the Public Education Commissioner of the City of Vicenza Marino Quaresin, the head of the infectious diseases department of San Bartolo Hospital, Prof. Giuseppe Ielasi, and other speakers.

The truth, which had been kept hidden for many months by the "AIDS lobby," has exploded in the quiet city near Venice, known until now for the Renaissance palaces of Palladio. Let us try to reconstruct what happened.

A few weeks ago, the health authorities of Vicenza, an industrial town of about 100,000, had the courage to begin doing clinical tests on the children who attended two nursery schools: the San Rocco, which is also an orphanage, and the Dal Sasso. This was all perfectly normal. The bombshell went off when local laboratory analysts and a teacher revealed that two children at the San Rocco orphanage/nursery school and one from Dal Sasso had been declared "healthy carriers" of HTLV-III, commonly known as the AIDS virus. The number turned out to be 20, out of 500 tested.

When the news got out, all hell broke loose.

Vicenza's health authorities called a meeting to attempt to calm down the

parents of the children who attended the two nursery schools in question, but it had the opposite effect. A thousand parents protested because they felt shut out: "It is intolerable that the personnel of the two nursery schools were informed, but we were not," and, "They did not inform us about what they had decided—they kept us in the dark." The Vicenza mothers are repeating the same protest phenomenon that started a couple of years ago in the United States.

When doctors present tried to pass off the line that AIDS is not transmittable in day-care or school environments and that it is contagious only for "high-risk categories," one parent produced a clipping from the *Washington Post*, which reported on the battle won by a group of parents in Los Angeles who succeeded in expelling from a nursery school a child infected with AIDS who had bitten one of his schoolmates. The crowd in the Astra theater was in no mood to listen to quotes from luminaries denying the risks of "casual" transmission.

But it is not necessary to go all the way to Los Angeles to discover that AIDS-infected children have been preventively distanced from nursery schools. In Campli, a village in the boondocks near Teramo in south-central Italy, Mayor Edmondo Di Pietro removed Robertino, a five-year-old boy infected with AIDS who was attending the local day-care center, after parental protests. The child had apparently become infected from his parents, who were drug-addicts.

In Vicenza, what most enraged parents was the total absence of politicians at the meeting. They not only kept the extent of the damage hidden, and took not one single emergency health measure—they did not even show up. The local politicians' attitude reflects the national one. The *National Epidemiological Bulletin* of March 6, 1986, published by the Italian Ministry of Health, explains why the politicians were absent:

"... In the case of children who are healthy carriers of the virus, they can be permitted access to every type of schooling, including nursery schools," and they must be "guaranteed their anonymity, as it is not recognized as necessary to inform the parents of the other children." This incredibly irresponsible statement is echoed by the Health Office of the City of Milan, where Prof. Carlo Volpato stated his reaction to the Vicenza situation. "The phenomenon of baby-AIDS exists in Milan but it is better not to discuss it." Why? "If we were to say which schools, we would unleash general panic." Professor Volpato has gone further, to stonewall against universal testing in the Milan schools: "We cannot impose such tests, because they would be anti-constitutional."

On the contrary, Article 32 of the Italian constitution states: "The Republic safeguards health as a fundamental right of the individual and interest of the collectivity, and guarantees free treatment to the indigent..."

The Italian state ought to launch a "crash" health and science program and a serious information campaign on the AIDS problem. As the protesting mothers of Vicenza said at the Astra movie theater: "Not all the doctors are in agreement that the danger is nonexistent."

Business Briefs

Agriculture

Soviet fertilizer plant to be built in Argentina

The Soviets will build a fertilizer plant in Argentina, Argentine President Raúl Alfonsín announced in a Moscow press conference Oct. 16.

The Soviets will finance the deal, build it with Argentine private companies, and utilize Argentina's gas for production, he reported. All the Soviets are asking is the guarantee that they get 100% of the production.

Argentina will provide agro-industrial equipment to the Soviets, and "has firm hopes that we can work together with third countries to introduce equipment in this area," Alfonsín added.

South Africa

Black U.S. bishop attacks business pullouts

Washington, D.C.'s black Episcopal Bishop, John T. Walker, has broken with the official position of the Episcopal Church and launched a personal campaign to encourage U.S. companies to provide more training for their black employees rather than merely withdrawing their companies from South Africa.

Walker, in an interview with the *Washington Post* in mid-October, said that he has not changed his opposition to South African racist policies, but says he is attempting to find a more "pragmatic" approach to the issue that could lay the groundwork for a peaceful transition to majority rule, while avoiding an economic collapse, which would be a disaster for South African blacks.

"If the alternative [for U.S. companies] is to simply pull out and turn over their operations to the South African government or someone who is not in concert with the notion of the destruction of apartheid, then I'd say I'd rather have them stay because we can work with them," Bishop Walker said.

One concern is that the "Sullivan Rule," a code adopted by virtually all major U.S.

companies requiring them to provide non-segregated facilities and equal pay to their black employees, would simply be ignored by the new owners of the former U.S. companies.

Leon Sullivan, for whom the Sullivan Rule is named, was interviewed on Oct. 19 on ABC-TV, and defended the GM pullout recently announced, asserting that "moral principles" are more important than the risks of job losses for African blacks.

The *Wall Street Journal* of Oct. 22 commended Bishop Walker's stand. "The elimination of the American business presence in South Africa is a great victory for America's militants. It comes at no cost to themselves, at little cost to the businesses, and in all likelihood at great cost to South Africans of all races," the *Journal* wrote.

East-West Trade

Soviets will open up for business

At a meeting hosted by Trilateral Commission member Kurt Biedenkopf, Yigor Guriev of the Western Trade Section of IMEMO told German economic experts during the third week of October that 15 government ministries and about 70 business corporations of the Soviet Union would soon be authorized to sign individual trade contracts with Western governments and industries.

He said that there would be "very good prospects for German industries to capitalize on this liberalization."

Guriev's announcement was evaluated as "sensational" by German businessmen and government officials.

Foreign Debt

Talks to begin on Philippine rescheduling

Philippines President Corazon Aquino said negotiations with foreign creditor banks began in New York the last week of October on rescheduling part of the nation's record \$26.2 billion debt.

The talks, beginning Oct. 27 were focused on the rescheduling of about \$3.6 billion in maturing loan amortizations from 1987 to 1992. The government also hopes to renegotiate terms of about \$5.7 billion in loans that began coming due between 1983 and 1986 and were rescheduled in the final years of the regime of deposed President Ferdinand Marcos.

Aquino said she hoped to secure better terms and lower interest rates for the previously rescheduled loans. The government program is aimed at lifting the country from the worst economic crisis since World War II, and is a critical component of Aquino's plan to counter a communist insurgency with economic growth and increased employment opportunities in the countryside.

The International Monetary Fund, Aquino said, is expected to approve shortly a stand-by credit that will provide \$508 million in additional financing during the next 18 months, with about \$300 million available by Oct. 31 or Nov. 15. She said approval also would allow the final release of \$350 million in fresh commercial loans previously negotiated with the nation's creditors. A World Bank economic "recovery" loan of \$300 million also is expected to be approved by December, Aquino said.

Technology

Japanese organize Denmark SDI meeting

Tokai University of Japan held an international symposium on the U.S. Strategic Defense Initiative Oct. 21-22, "Space Development and International Cooperation," at its European Center in Copenhagen, Denmark.

The seminar occurred during the celebration of the 15th anniversary of the Tokai European Center. It provided the opportunity for private discussions between Japanese, U.S., and Soviet government officials.

The first day's discussions were introduced by the Japanese ambassador to Denmark, and by Dr. T. Matsumae, a member of the Japanese Senate's foreign affairs committee. Discussion focused on the stra-

Briefly

tegit, technological, and economic implications of the SDI and the Eureka project.

Participants were introduced at a traditional tea ceremony. Featured speakers were Uwe Henke v. Parpart, representing the Schiller Institute; G. Andreani, head of the French Foreign Ministry's Office of Strategic Affairs; T. Sasagawa of Japan's Strategic and International Affairs Research Institute; D. Sanders of Britain's University of Essex; Ole Noergaard of Denmark's University of Aarhus; and Thomas Ries and Jan Skorve of the Norwegian Institute of International Affairs.

Noergaard, reporting on the Soviet response to the Chernobyl disaster, discussed Soviet defense, industrial, and social organization. Ries and Skorve reported on Soviet activities and construction projects on the Kola Peninsula. Comments by others introduced discussion of Soviet military, social, and cultural-response capabilities to SDI.

The second day's proceedings featured presentations by T. Sakata and H. Shimoda of Tokai University Research and Information Center. They discussed remote sensing and global satellite monitoring. Sakata presented computer-enhanced imaging of the Chernobyl site, Vladivostok, and the Kurile Islands.

International Trade

Kissinger warns about mercantilism

Henry Kissinger told his audience at a Milan meeting organized by Montedison, the Italian industrial conglomerate, that "even if the economists are saying that the free market is the most effective way to optimize the international distribution of resources, the mercantilist phase has already begun. It means that the actual problem is to deal with the existing nets of protectionist barriers," according to *La Repubblica* on Oct. 17.

Kissinger said that in the medium term, an energy crisis is likely, and, in spite of that, nobody is worrying about it.

Martin Feldstein, former head of the President's Council of Economic Advisers, former German Chancellor Helmut Schmidt,

Montedison's Mario Schimberni, former Japanese Prime Minister Takeo Fukuda, and Isamu Miyazaki, Daiwa securities research institute president, all participated in the meeting.

Biological Holocaust

African nations ask for AIDS help

African nations have requested international help in fighting AIDS, reports the *London Guardian*. African health ministers are reported to have told the British representative at the Commonwealth health ministers' meeting in Nassau that they need a "massive injection of funds" to buy basic medical equipment to curb the spread of the disease.

Money was needed for tests to screen blood donors, for syringes, for equipment to stop infections spreading in hospitals, vaccination programs against diseases like malaria which weaken people's defenses against AIDS, support for children orphaned by the epidemic, and research to develop epidemic control programs.

Debt

Bankers say war on African misery is lost

"Anglo-Saxon economic circles think the battle against misery in Africa has been lost," the French newsletter *Lettre d'Afrique* reported in mid-October. The explanation given by the bankers is the "galloping population growth" in Africa.

The newsletter points out that, this year, more than 100 million Africans are suffering from malnutrition, compared to 80 million in 1980.

It also reports a fact that undercuts the bankers' own self-serving explanation: While emergency food aid worth 26 billion francs were given to Africa in 1985, the very nations hit by famine reimbursed a total of 55 billion francs in debt payment.

● **SWITZERLAND** has instituted a regulation requiring registration of AIDS victims, the *Daily Mail* reported on Oct. 17.

● **BRAZIL** has stopped construction on its ANGRA 2 and 3 nuclear plants. A Nuclebras official said there is only 5% of the required funds in the 1987 budget. The long-completed Angra 1 is not permitted to function because of environmentalist objections.

● **TWENTY-TWO** percent of Mexico's population suffers chronic malnutrition, and 40% suffer from severe malnutrition, Ismaél Pacheco Monárrez, investigator for the University of Guadalajara, said on Oct. 18. In San Luis Potosí, Martha Miranda of the Autonomous University there said that more than 900,000 inhabitants of the San Luis Potosí countryside suffer malnutrition. She revealed that annually the region suffered a deficit of 21 million liters of milk and 40 million eggs to satisfy internal demand.

● **JAPANESE** investment in U.S. real estate almost tripled between 1984 and 1985, rising from \$630 million to \$1.5 billion. According to one expert, "It is now predicted that the Japanese will surpass the British as the largest overseas holder of U.S. real estate."

● **SCOTLAND YARD** discovered a \$30 million U.S. drug smuggling and money-laundering operation during the investigation of a 1983 gold robbery at Heathrow Airport. Eleven people are charged with importing more than 100,000 pounds of marijuana and running a money-laundering operation in the Virgin Islands and the Isle of Man.

● **BANK OF BOSTON** has bought 10 Bank of America branches in Argentina, and another 20 are going to Citibank. Bank of America will remain the "biggest American bank in Argentina," with 40 branches.

A graser breakthrough at Los Alamos

Besides realizing the President's goal of making nuclear weapons "impotent and obsolete," the graser promises a revolution in science and economy. Charles B. Stevens reports.

As I wrote in the last issue of this magazine, the most promising laser technology being developed for deployment as a strategic defense system is the free electron laser. On a more long-term basis, however, work on the gamma ray laser (graser) offers the potentiality for a completely new range of applications, strategic, scientific, and technological. Gamma radiation is electromagnetic radiation at wavelengths shorter than those which usually characterize x-rays. The short wavelength graser is the next step beyond the x-ray laser.

In a May 9 press release, Los Alamos National Laboratory reported on a major new development which would allow them to realize the shorter wavelength gamma ray laser, a device which has a potential, directed-energy firepower millions of times greater than the x-ray laser. Besides its obvious military applications, truly realizing President Reagan's goal of making offensive nuclear weapons of mass destruction "impotent and obsolete," the graser promises to provide the means to increase general economic productivity by more than 100-fold. It will revolutionize every aspect of science and technology and generally create the basis for harnessing more coherent forms of nuclear energy than those existing today, such as nuclear fusion and fission. Based on their recent breakthroughs, Los Alamos scientists report that

the first graser prototypes could be developed in as little as three years.

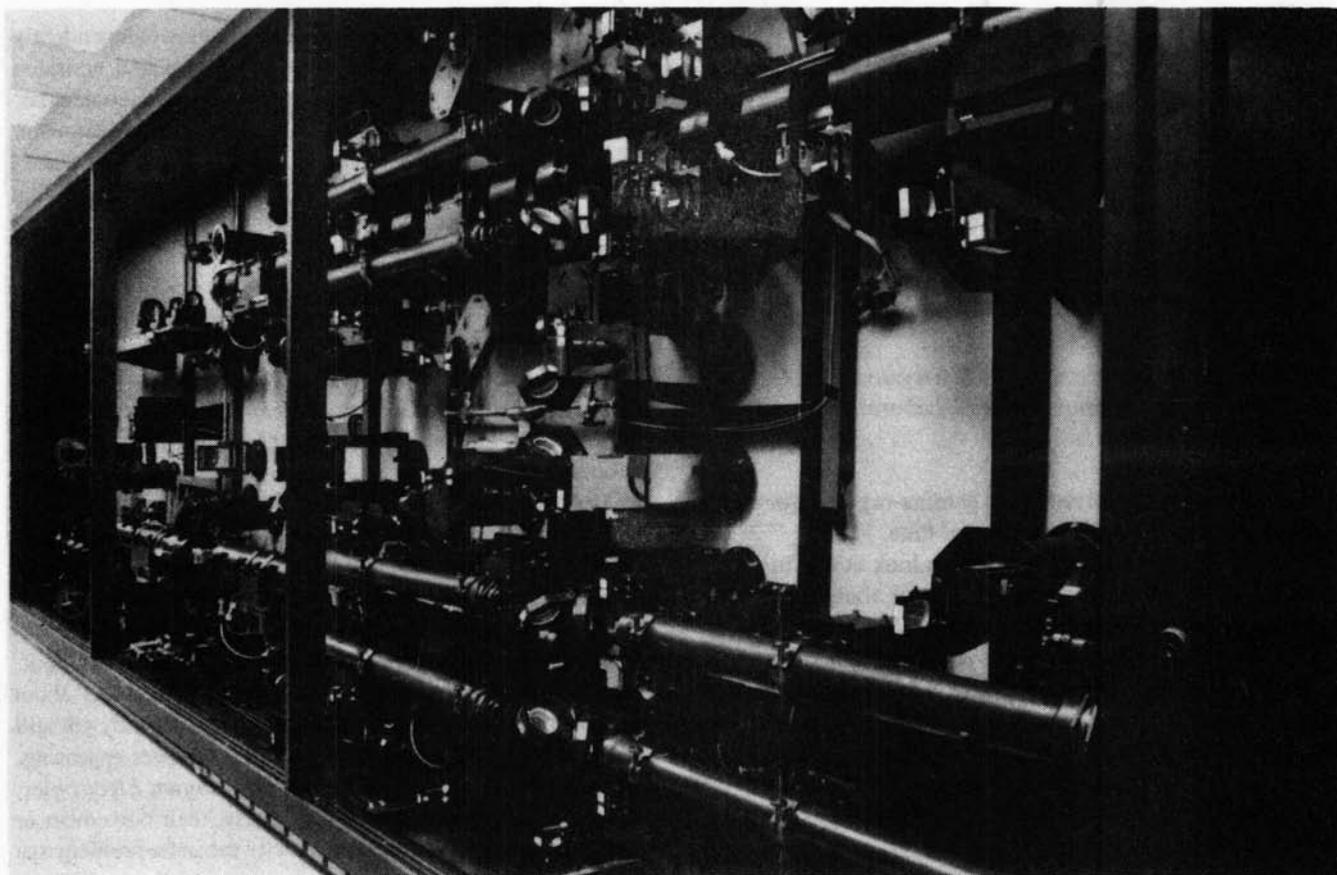
Scientists working under the direction of Dr. George Baldwin, the father of the U.S. graser effort, have successfully completed the first of a crucial series of experiments that can lead to the world's first nuclear laser. The device would generate a coherent and intense beam of gamma rays.

The particular experiment involved was aimed at purifying the materials that would power the graser, and represented the first of a series of "proof-of-principle" tests in largely uncharted scientific domains. A graser would be directly powered by nuclear transitions, or what are scientifically termed isomers. (An isomer is an atomic nucleus that has been put into a metastable "excited" state due to neutron irradiation in a nuclear reactor.)

In order to construct a graser, scientists must find the right isomer and be able to purify it. Until now, no one has been able to purify isomers.

The experiment

The Los Alamos experiment consisted of purifying an isomer of mercury—the material found in ordinary thermometers. This was achieved by irradiating mercury with beams



Lawrence Livermore National Laboratory

Isotopel isomer separation: Above is shown the corridor for the dye laser utilized in the Atomic Vapor Laser Isotope Separation process. More than 2,000 optics are shown in the photograph. Excited isotopes—isomers—must be separated from unexcited ones to construct the material medium for crystal gamma ray lasers.

from a conventional laser. The incident laser light vibrated the mercury atoms. By tuning the incident laser light to the proper wavelength, the Los Alamos scientists were able to get the excited mercury isomer to vibrate more than the others. The result was that the desired mercury isomer “broke free” from the rest.

According to Los Alamos scientists, the next step will consist of incorporating the purified isomers into a solid crystal that would be the heart of the graser. When that is done, they will then have to develop a way to pump energy into the isomer sufficient to catalyze gamma ray lasing, without destroying the crystal. The graser beam would then be emitted from the crystal.

Applications

The potential applications and implications of the graser are vast and wide-ranging. First, as a potential beam weapon against offensive nuclear weapons of mass destruction, the graser would be without equal. It possesses the “least action” quantum of energy for disabling nuclear weapons, through shock effects, because of the extremely high density of the energy which it is capable of depositing upon a missile. The coherent beam of gamma rays can be directed over ranges of

millions of miles and tuned to penetrate and instantaneously disarm nuclear warheads through nuclear transmutations. The highly penetrating gamma rays would selectively zero in on heavy elements like uranium and plutonium. It could also conceivably even penetrate and disable warheads on missiles in underground silos.

Most exciting is its scientific potential: The graser will provide the essential tool to see inside the atomic nucleus itself. This could reveal and harness entirely new forms of “coherent” nuclear energy. In the same manner as is being developed for the x-ray laser, the graser could provide the means for making three-dimensional, atomic-scale moving pictures of living matter—except, naturally, with much finer temporal and spatial resolution. The same techniques can obviously revolutionize our understanding of the dynamics and structure of non-living matter, too.

It could also perform delicate surgery in place of scalpels and other surgical tools, in a manner similar to today’s lasers, but again, with far better refinement. Because of its short wavelength, the graser offers to provide the means for increased worldwide communications and eventually, even interstellar data links with satellites engaged in exploration of space beyond the solar system.

Needed: a broad research program

This interview was given to Charles B. Stevens by Dr. George C. Baldwin of Los Alamos National Laboratory in July of this year.

Q: You have been involved in the gamma-ray laser, or what is called the graser, for some period of time.

Baldwin: That's right. We first took a look at this in early 1961, as did a number of other groups at about that same time. It was rather obvious then, with the Mössbauer effect, and the existence of lasers that covered the range from the microwaves through the visible, that we could go into the gamma-ray region by extending the same principles. But we didn't make much progress then.

Q: What's the difference between these other types of lasers that we now see and the graser?

Baldwin: The differences are quite pronounced. There's very little in common between, for example, an ammonia maser and a ruby laser, or a big laser fusion train, or the gas laser. They're all quite different, as far as physical construction goes. However, they operate on a common principle; that is, stimulated emission, known theoretically ever since Einstein pointed it out in 1917. All of these different devices use quite different physical arrangements to achieve stimulated emission.

Q: Is the gamma-ray laser much different from these other types of lasers?

Baldwin: It would be an entirely different device, because, first of all, while all of the other stimulated emission devices use either molecular or atomic systems as the system that radiates, the gamma-ray laser would use a nuclear transition. Nuclear transitions have some unique properties, which bring some problems that other systems don't have. The major problems are the much higher energy of the transition, which means shorter wavelengths, and also the long lifetime of the transitions, which means that, although you can store energy over long periods of time, it will be difficult to release it rapidly.

Q: Are you talking about coherent nuclear energy?

Baldwin: I am talking about using the stimulated emission process to enable one to get coherent emission from a large number of nuclei, rather than the usual incoherent sponta-

neous emission where each nucleus radiates independently of all the others. The essence of any stimulated emission device is simply to get a large number of atomic, molecular, or, in this case, nuclear systems to radiate in synchronism. The radiation that they produce thus has a common phase, and it's the common phase and the extreme purity of the waves—spectral purity—that makes it possible to have the large number of applications of lasers.

Q: Could you tell us something about some of the other groups working on gamma-ray lasers, for example, in the Soviet Union?

Baldwin: I used to be in pretty close touch with people there; in particular, as you may know, there have been two joint publications I've had with Russian co-authors. In 1975 we had a paper with Rem Khokhlov, who died a few years after that. I've had a very good working relationship with Vitalii Golidanski of the Institute of Chemical Physics, and we published a review article in 1981. He has published articles separately on gamma-ray lasers.

For some reason that you and I can only speculate about, I've had no correspondence from anyone in Russia about their work for the past two years. I know that they are still working on the subject, because I still see papers appearing. There's one in the *Soviet Journal of Quantum Electronics*, an article that was published in, I guess, their November or December issue, that looked at exactly the same problem that I'm looking at right now.

So they're right up there, maybe a little bit ahead of us as far as conceptual work is concerned. As for what they're doing experimentally, I have no idea. In this country in the past year, I guess, largely because there's some hope of an SDI application (which, of course, I'm open-minded about), there have been some others interested. Carl Collins at the University of Texas at Dallas has a program, but I think he's overselling it because it neglects certain critical areas, especially the areas of crystal optics. It's a brute force approach and I think one has to be very subtle in this thing, that brute force methods just won't work. But I wish him well, and I hope he succeeds in what he is trying to do. Perhaps he may be right, I don't know, but it's not the route that I would take.

There are a number of other places where people are interested in specific aspects of the problem, now that we've begun to define them pretty well. The group at Rochester University, the Laboratory for Laser Energetics, is interested in what they can do in this field. There's a nuclear physics group there at the same university under Harry Gove, that is working hard looking for nuclear candidates, or at least he is proposing to do this. He has some very good facilities for that purpose.

Q: I believe the scientists in the People's Republic of China had published proposals some years ago on an accelerator-pumped laser.

Baldwin: That's an entirely different idea. That's not a gam-

ma-ray laser. But you are quite right. In fact, that was something I took a look at when one of our heavy-ion nuclear physics people came to me and asked, "Why can't you make an x-ray laser by pumping ions with a laser, using the Doppler effect, pumping a beam of heavy ions that are in a storage ring?" We worked it out and published it, and someone said, "I've seen that idea somewhere before!" Sure enough! It turned up in the first issue of *Chinese Physics*! They had done almost the identical system!

That shows how, if an idea has any merit at all, a lot of people are going to stumble on it independently. But we haven't pursued that further, and, to my knowledge, no one else has. I think someone should be looking at it. There are lots of approaches of course, besides this Mössbauer one that I'm involved in. It is so demanding of one's time and money, because of the many facets of science and technology involved, that I don't have time really to look at any of these others.

Q: The Fusion Energy Foundation has completed a study indicating that the gamma-ray laser or graser may indeed be what defines technology for the next century or more.

Baldwin: I wouldn't go quite that far. I've tried to be rather modest about this. Our program has been very objective and honest. We haven't minimized the difficulties at all; we've said, rather, let us identify them and bring them out into the open, let's find out what we have to do.

The fact is that we would hope for coherence lengths of meters rather than microns (which the x-ray laser people now are happy to have). Once you have generated such short wavelengths, and stored energy at such high concentration, there are going to be many, many applications. But what they will be, I've consistently declined to speculate about. I'm sure they're there waiting for us.

Most of the applications that optical lasers have today—nobody knew what they would be when lasers first appeared on the scene. Many of them, I think, would have been dismissed as utterly fantastic at the time—things like eye surgery, holography, nuclear fusion, any of those applications would have seemed so remote in 1955! In comparison, we're somewhere back where the laser people were in the 1950s.

Q: It does appear that gamma-ray lasers would open up the prospects for doing much finer spectroscopy of nuclear states.

Baldwin: Exactly. The same sort of breakthroughs that have taken place in the understanding of the atom, I think could occur in nuclear physics. Instead of going to higher and higher energies, I think there's a great deal to be learned by just working in the lower energy region with nuclei in their normal states rather than in the extremely abnormal conditions that exist in accelerators. The nonlinear effects that have made atomic physics such a rich field, which the laser opened up, are going to be there in nuclear physics as well, I am sure.

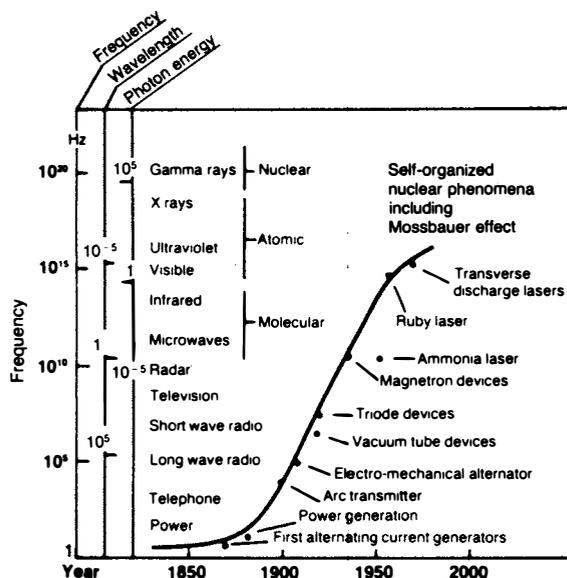
Q: What do you think now is probably the best approach to

constructing a gamma-ray laser?

Baldwin: That has changed over the years. Originally we thought the same as everyone did back in the 1960s, that nuclear transitions with very long lifetimes could be easily pumped by radiochemical processes and then made to lase. Finally we discovered that could not be done. Although there were some ingenious ideas proposed in Russia during the 1970s, to get around what seemed to be the problem that prevented those long-lived transitions from lasing, the kinetics of the process is such that there would be no way that you could induce lasing before you had lost the population inversion—however pure you had prepared it. So, long-lived transitions are out.

On the other hand, there were proposals to use short-lived transitions, that we know from the Mössbauer effect would lase if they could be pumped. But there is no way that we can

FIGURE 1.
The electromagnetic spectrum



The points along the historical axis of the graph show the dates of the first development of devices for generating coherent electromagnetic (EM) radiation in the ranges shown on the vertical axes to the left. The three vertical axes (going from left to right) are: 1) the frequency of electromagnetic radiation in cycles per second (Hertz-Hz); 2) the corresponding wavelengths in centimeters; and 3) the energy of the quantum of action (photon) associated with a particular wavelength. Various ranges of the electromagnetic spectrum in terms of physical interaction with matter appear as self-similar octaves like those found in music. For example, the frequency range through to microwaves primarily affects "free" or weakly bound electrons to cause the generation of electrical currents in an antenna, which is then amplified to reproduce the original output signal. Beyond the microwave frequency, electromagnetic radiation begins to interact on a molecular level. In the next octave of frequencies the interaction is focused down to the atomic level. And the next level is that of the nucleus.

pump those transitions with any existing source, to produce a population inversion, that would not destroy the conditions that make the Mössbauer effect possible. So that approach has been discarded. Right now, everyone, our Russian friends as well as ourselves, is looking at a hybrid approach where we prepare a long-lived transition and then, with a small amount of energy, pump it into a state that could emit a Mössbauer line and lase. That way, by reducing the pumping energy, we could still maintain the condition for a Mössbauer effect.

An essential feature we have to have is a recoil-less line. For that, we have to have a solid host that is still solid after we have pumped. The approach, therefore, is to reduce the pumping requirements as much as possible by finding a transition where there is a long-lived nuclear state very close to the one which you want to lase. That, of course, brings in a whole set of problems that we are only beginning to solve now.

The main problem up to now has been convincing people that it is worthwhile trying to solve those problems, that there is a chance that you might succeed; that has been the main obstacle. Now, the obstacles are the physical ones of solving those problems of finding the right nuclide, separating the isomer that you have pumped radiochemically, carrying out that transfer step, and ensuring that you can do that under conditions where you will still have the Mössbauer effect.

Q: Could you describe what you've done recently?

Baldwin: What we have done so far is only the first step. We have taken a typical case, one where we had enough information at the beginning so that the experiment could be straightforward, and we have used an optical laser to separate two different states of the same nuclear isotope, the same nuclide. We have demonstrated that, in principle, at least in this one case, we could separate a long-lived isomer from other products of the nuclear reaction. That way we could prepare the pure material that would later be used for a laser.

However, what we have separated is unlikely to be a graser candidate. It happened to be a nuclide, mercury-197, where it was a very straightforward process to demonstrate that the principle of isomer separation, that we would use ultimately on any graser, was a feasible principle. So that answered one of the major questions: Can you separate an isomer if you've prepared it radiochemically? However, there still remain the problems of transferring rapidly from an isomer level of long lifetime to the short-lived level of the laser. First we have to have the candidate nuclide; at present, we don't have one.

Q: Could you explain the radiochemical process?

Baldwin: In the radiochemical process there are many options. Nuclear reactions have a wide variety of types. Perhaps the most straightforward one would be to activate something in a reactor. However, in the case of mercury-197, we prepared it by bombarding gold with deuterons from an accel-

erator. Accelerator, reactor, fission products—any such way by which radioisotopes are prepared might be useful. What the method for working grasers will finally be, will depend on the results of our search for candidate nuclides: depend on their chemistry, on their nuclear properties, and on the availability of the raw material.

Q: Are there any prospective candidates at this point, any ones that look like they have a possibility?

Baldwin: There are no specific nuclides that we have identified, for a very good reason: We don't yet have the resolution that is needed to establish the energy levels accurately. We know that we are more likely to find them in certain regions of the periodic table. That is being worked on and will be reported in due course. At this time, however, we have only certain areas of the nuclide chart where a more intensive look has to be made. So far, this is all theoretical; the experimental work that will confirm that there is indeed a nuclide with a proper level scheme won't be ready for a year or so.

Q: What sort of resolution are you looking for?

Baldwin: That's the problem. The direct measurement of gamma-ray energies involves detectors whose resolution rarely is better than about 500 electron volts. We'd like something with 10-electron-volt resolution. And that's a very tall order for the instrumental people.

Q: Yes, aren't the gamma rays in a range of millions of electron volts?

Baldwin: Actually, because of the requirement that you have a Mössbauer effect, the gamma rays we're interested in for the graser would have to be somewhere between about 5 and 100 kilovolts. That would be wavelengths from about 2.5 angstroms down to about a tenth of an angstrom. For that you're going to have to use some other principle, because the Mössbauer effect is pretty much limited to those lower gamma-ray energies, and it alone gives you the sharp, intense line with the very high interaction cross section you'd need in order to stimulate it.

Q: From what you said, there appear to be four steps to a gamma-ray laser. The first would be the location of a long-lived isomer, then the ability to separate and concentrate that isomer, then to be able to form a crystal, a Mössbauer crystal out of that isomer. . . .

Baldwin: Yes, the crystal is very important. I'd like to talk some more about that in a minute. But the real \$64 question is: Once you've made that crystal, can you carry out the transfer step to a lasing level?

Q: In other words, can you pump it?

Baldwin: Yes. And in order to firm up the numerical requirements that would guide a candidate search and would guide a transfer operation, we have to coordinate all of that



Graser crystals: The harmonic properties of crystals are currently utilized to transform the frequencies of electromagnetic radiation in the optical spectrum. For grasers, both the generation and propagation of the output, coherent gamma ray pulse will strongly depend on these crystalline harmonic properties. Shown above is Dr. Stephen Craxton, who demonstrated that KDP crystals could frequency-triple infrared light into light at ultraviolet wavelengths.

and make kinetic studies that look at the probable behavior of hypothetical systems.

Gradually, as we acquire more information, we'll begin to look at more and more real systems. But as we are doing those kinetic studies, we may revise our requirements considerably for the candidate nuclides and for the hosts in which we have to place them, as well as for the crystal structure that those hosts have to have. All of those are very closely inter-related problems. It's an extremely interdisciplinary subject.

Q: You are ranging from nuclear physics to laser atomic physics to crystals.

Baldwin: That is one of the main reasons why we have been so slow about getting around even to looking at this. Scientists tend to overspecialize these days, and people who are skilled in laser technology have no time to study nuclear physics, and vice versa. That barrier is breaking down though, and I am happy to see that there are people beginning to look at both fields, because that's what we need.

There's chemistry, crystallography, nuclear physics, laser physics: There's hardly a branch of technology here that doesn't enter in. For example, one of the subjects that I am particularly turning my attention to now is the optical properties of crystals for gamma rays, and whether we can preserve those while we pump. That brings in the question of how does a solid in an ordered structure respond to the energy that you are suddenly going to pump in? Because of inefficiency of the transfer process, that is going to heat the solid, which is why that transfer step has to be low energy. It's also

why the nucleus that we are going to pump has to have a very close pair of states of quite different lifetimes. That, of course, is why the nuclear physicists, then, are going to have to develop a higher resolution type of spectroscopic application. So you see how closely coupled all these things are.

Q: I understand that with ordinary visible photons, you have a photoelectric effect, and then at shorter wavelengths, you begin getting into inverse Bremsstrahlung absorption, and then later on a Compton scattering becomes primary. What is it that allows a gamma ray to actually be able to propagate through a crystal?

Baldwin: First of all, in the Mössbauer effect, we observe resonant interactions of gamma rays with nuclei in which the cross section can be hundreds of times higher than the cross sections for the photo effect and the Compton scattering. That's because the line is extremely narrow, has nearly its natural width, and the cross section for stimulated emission goes as the square of the wavelength. Now, the cross section for the photoelectric effect varies as the cube of the wavelength. For the Compton effect, it varies directly with the wavelength. So there's a region where, before the Compton effect takes over, there is actually less nonresonant loss due to the photo effect than gain from stimulated emission. As you go to shorter wavelengths, the situation actually gets better there for a while. But eventually, because of the Compton effect, which does vary directly with the wavelength, and because stimulated emission cross section varies with the square, eventually Compton scattering is going to prevent lasing. The losses will then exceed the gain.

That's not true in this region from a few kilovolts up to almost a million electron volts (MeV). I wrote a paper on that about 12 years ago, on whether there was a high frequency limit to laser action. The conclusion was that, if there is one at all, it's got to be somewhere above 1 MeV, but not very far above it. So we've got a long way to go yet.

Q: To get the isomers into a lasing state, wouldn't you have to pump the crystal very efficiently so as not to destroy it?

Baldwin: That's right. It would have to be done very efficiently. We have some new ideas here that also come from crystal optics. So let me talk about the properties of crystals for a moment. In the somewhat longer wavelength region where the x-ray laser people are working, you have no choice but to work with plasmas. In the gamma-ray region, however, we're hoping that by taking advantage of this property of long-lived isomers that have another state close together, one can lase and still preserve the crystal.

A crystal with its ordered array of atoms and nuclei can act as a resonator. For longer wavelength x-rays, they're going to have to make resonators by making artificial crystals with large lattice spacings that correspond to those longer wavelengths. In the gamma-ray region, the wavelengths are comparable to crystal dimensions and crystal spacings; that, of course, is the basis for x-ray diffraction, and we've known

of that for almost 75 years. Now, in a very well-ordered crystal, the Bragg reflections that take place can set up modes which are just like the standing wave modes in the distributed feedback resonator that is used in some kinds of lasers. The crystal itself then becomes a very high Q resonator.

Those modes that will be guided down between the lattice planes of the crystal will avoid the atoms, so that they're not producing photo electrons, which would deplete the wave. Still, at the same time, they do undergo magnetic interactions. Most transitions of low-energy nuclei are magnetic transitions rather than electric. So the wave stimulates nuclei, but is not depleted by the photo effect. That was pointed out about 10 years ago by George Trammell and his people at Rice University, and we collaborate closely with them. I certainly would like to give credit to their contribution, because they've been very helpful in this, just as Michael Feld and his people at MIT have been helpful to us on the isomer separation. We are collaborating with those people and we hope that we'll open up other avenues of collaboration where the expertise is needed.

Q: What would this crystal resonator do for you?

Baldwin: At the same time that the crystal resonator reduces those photoelectric absorption losses, it actually enhances the magnetic interaction with the nuclei. The practical effect of it is that if a graser body is a perfect crystal, the requirement for lasing—the number of nuclei that have to be transferred into that host crystal—can be lower by a factor of almost 20 or so, than it would be in bulk material. So that is a gain of a factor of 20.

There's a lot of work going on now, and there is even a new journal devoted to the study of superlattices; that is, artificial crystals that are built up with a large lattice spacing, by these micro-fabrication techniques that have become so important in electronics. Suppose now that, to build our graser material, we have a host crystal which is a very good crystal, and one that happens to be such that we can dope it with the isomer that we have prepared radiochemically. We dope it in a periodic array, which superimposes, then, on the regular crystal lattice a much larger spaced crystal. We adjust that spacing so that it is a resonator for the radiation we need to induce the transfer. For the same reason that we have reduced the excitation requirements for lasing, we have increased the effectiveness of the transfer radiation. We have also concentrated it into a mode that interacts strongly with the nuclei we want to transfer and only weakly with other atoms. We are hoping, then, that that will reduce the requirements for transfer. We will then have attained a double advantage on the transfer step, because we don't have to transfer as many nuclei, and whatever radiation we use for transfer will be used more efficiently.

Now, that's the hope. I think that you can see from what I've been saying that this is by no means a simple, straightforward problem where there's an easy "quick fix." We're not going to make a graser tomorrow. I don't think that I'll

even be around by the time that we have finally solved all of these problems, but I think that the time is long overdue for us to get busy and solve them.

Q: Have you seen the work of Dr. Charles Rhodes, of the University of Illinois?

Baldwin: Yes, I have, and in fact I'm very interested in that. If what he's saying about what he is doing is correct, this may give us a new approach to interlevel transfer. In fact, we want to do some experiments where we try to duplicate the conditions that he has and look for the excitation of the nuclear state.

Q: You mean his multi-photon absorption by atoms has a possibility of being extended to the nucleus?

Baldwin: The only problem, you see, is that we need an example of a nucleus like our storage nuclide for experiments. There is one particular case: Uranium-235, of all things, has its first excited state at only 75 electron volts above the ground state. Rhodes claims that he has observed multi-photon absorption of several hundred electron volts, so that he excites x-rays from inner shell vacancies. We want to look and see if we can excite that uranium-235 nuclear state. If so, then the transfer step should be feasible.

It may be a very difficult thing to do. It's an electric octupole transition that has a very, very narrow radiative width, but perhaps through this collective mechanism of Rhodes we can excite it. We have a consultant at Duke University, Larry Biedenharn, who is working on the theory, and he believes that we really can excite that nuclear state. Peggy Dyer, who has been working here with me on isomer separation, Bob Haight, and Steve Wender are planning an experiment to see if they can excite that uranium-235 state with a set-up like Charles Rhodes has.

Q: It sounds very exciting. You are using the frontiers of a number of areas.

Baldwin: As a matter of fact, keeping up with the literature that might bear on this is getting to be a major preoccupation. I spend about a half-hour every day going through the recent literature, and every once in a while I come up with a gem that immediately suggests a possible route to a solution of some problem here. But don't let me minimize the difficulty of all of these problems. We're trying not to make any promises that we don't think can eventually be kept. We have an honest, objective program; we have nowhere near enough manpower, and certainly not enough money, to attack on all of these fronts that were presented here. We need other people to be interested. We need recognition that scientific dividends will come from this work, not just the directed-energy applications that military people might be interested in, but the scientific applications as well. They justify a really broad program of research. I think it's going to come, but I can't say when, and I certainly don't want to minimize either the difficulties or the enormous payoff that success will bring.

GLOSSARY

Ammonia maser. A device for generating coherent microwaves by means of stimulated emission. MASER is the acronym for Microwave Amplification by Stimulated Emission of Radiation. The first (1954) generators of high frequency (as opposed to vacuum tubes, thyratrons, etc.), coherent electromagnetic radiation were masers. When, in 1958, their extension to optical frequencies was proposed, the term "optical maser" was introduced. Eventually, the term LASER (Light Amplification by Stimulated Emission of Radiation) won out.

Bragg reflection, Bragg angle, etc. Bragg's law for reflection and refraction of radiation emerges when the incident electromagnetic radiation wavelength becomes significantly less than the interatomic spacing (D) of the planes of a crystalline material. At wavelengths significantly greater than D , all angles of reflection and refraction are apparently equal. When the wavelength is less than D , only specific wavelengths are permitted, as given by

$n\lambda = 2D \sin \alpha$. Where n is any whole number, λ is the incident radiation wavelength, D the interatomic spacing of crystalline planes, and α is the permitted angle.

Doppler effect. Like the train whistle which varies in pitch as the locomotive approaches or leaves the station, the wavelength of the radiation emitted by an atom or molecule in a gas or a solid will vary depending on whether it is coming toward or receding from the relatively stationary observer.

Electron volt. A unit of energy. It is also used as an equivalent unit of mass and even temperature. One electron volt (eV) is roughly equivalent to one billionth of a proton mass, 1.6×10^{-19} joules, $11,000^\circ$ K.

Electric octupole transition. Atomic and nuclear dynamics are sometimes represented as oscillations of a spherical surface. These can be either simple mechanical motions or changing concentrations of discrete electrical charges, and/or continuous electromagnetic fields. The normal modes for these spherical oscillations are, in general, determined by the Platonic solids. For example, in an electric octupole transition, the eight points determined by the 8 vertices of a cube inscribed within the oscillating sphere define 4 diameters along which the greatest amplitudes of the octupole oscillation is seen.

Ground state. In a cyclic or, rather, harmonic system, the ground state is the least action (a.k.a. minimum energy) state in which the internal dynamics of the system appear to be force-free. A more rigorous definition would include that the physical system, such as an atom, nucleus, or force-free plasma filament, is configured to be commensurable with the prevailing curvature (quantum structure) of space-time. When excited above such ground states, the system has the potential of transforming the transfinite ordering of the prevailing space-time curvature. In the ground state, harmonic orderings are never congruent with divisions determined by the so-called rational numbers. Only transfinite, or at best, transcendental orderings obtain.

Isomer. In nuclear physics, an isomer is a nucleus whose chemical and isotopic configuration remains essentially the same, but whose harmonic structure has been driven into an excited state, like that of the electric octupole transition.

Mössbauer effect. Normally when an excited nucleus emits gamma rays, the nucleus experiences a significant recoil motion like that of a firing cannon. This motion generates a Doppler shift in the wavelength of the emitted gamma rays. In 1957, R. L. Mössbauer discovered that if the emitting nuclei are placed in a properly configured crystal, the crystal lattice as a whole will absorb the recoil. This means that the Doppler shift is significantly suppressed.

Photoelectric effect. The least action (minimum energy) generation of electric currents in matter by incident electromagnetic radiation. For the existing spectrum of chemical elements, as determined by the presently prevailing space-time curvature, the ultraviolet portion of the electromagnetic spectrum produces photoelectric currents most efficiently. It follows that this wavelength range is also, therefore, most efficient for inducing changes in chemical potentials.

Spontaneous emission. The emission of a photon by an atom in an excited state without any apparent external stimulation. Actually, the transition involved is from a state in which the atom has a greater potential for transforming the curvature space-time to a force-free configuration congruent with the prevailing space-time curvature. The more appropriate term would be quantum space-time induced emission.

Stimulated emission. A process in which a sample of atoms or molecules in excited states are externally induced to emit photons coherently. In other words, individually excited atoms or molecules are macroscopically ordered into force-free geometries capable of producing potential transformations in the curvature of space-time, such as seen in laser-induced nuclear fusion. Alternatively, the resulting net laser pulse can be thought of as being the creation of a new quantum of action, not previously available to the previously prevailing, lower transfinite ordering of quantum space-time.

Conditions in which Moscow would accept Reagan's SDI offer

by Lyndon H. LaRouche, Jr.

Probably, if Moscow ever decides to accept the President's repeated offer of cooperation on SDI, I will be the first to know. The first preparatory step Moscow would make, if they were thinking of negotiating such cooperation with the President, would be to attempt to open a back-channel to me personally.

"Unbelievable! The Soviets hate LaRouche probably more than any other person living today!" would be the automatic, understandable reaction, among well-informed U.S. figures. The Soviets have made that hatred clear to U.S. and other diplomats, and through Soviet "back-channels" such as those of Soviet agents Armand Hammer and Georgii Arbatov. The current reading is, that Moscow would rather have me dead than deal with me. That estimate is accurate, but only up to a point.

Under certain conditions, Moscow would regard its own continuing hatred of me as irrelevant. The reason for this, is a very simple one. Except in lunatic asylums, and some Western "strategic think-tanks," peace negotiations are always conducted between bitter adversaries.

Moscow is operating currently on a strategic war-plan best described as the Andropov-Ogarkov war-plan. According to its own military doctrine, the Soviet empire is currently operating in a state of pre-war mobilization for early general (thermonuclear first-strike) warfare against the United States. Its escalation of international narco-terrorism, is a part of the various shooting and other measures of "irregular warfare" being deployed as part of the preliminary phase of Soviet general warfare against us. We are already in a state of war, such that, in fact, those who are giving aid and comfort to the Soviets presently are committing treason.

If Moscow should decide to back down from its present commitment to war, it is probable that the first signal the United States would receive, would be Moscow's efforts to open up private discussions with me.

The reason Moscow is dead set against a U.S. SDI, while the 17-year-old Soviet build-up of their own SDI is in full-steam-ahead mode, is that Moscow views itself as in a state of war against us. Currently, all Soviet diplomacy is



Statue of Theodore Roosevelt outside the center of Nazi race science in America, New York's Museum of Natural History. To achieve peaceful relations between the U.S.A. and the U.S.S.R., both sides must shift policies toward Central and South America, the strategic center of the world today. That means the United States must junk the "Teddy Roosevelt" policies.

merely a helping hand of deception, in aid of Soviet military and related warfare objectives.

In this state of affairs, Moscow has no serious interest in U.S.-Soviet arms-control agreements, except as propaganda exercises used to manipulate the liberal Soviet appeasers within the Congress and other Western liberal and social-democratic circles. President Reagan could offer them the "kitchen sink" in nuclear-weapons demobilization, and Moscow would only laugh at such offers. At the present time, as they showed at Reykjavik, they are really not interested.

Moscow would wish to negotiate the President's SDI offer only as part of a Soviet decision to pull back from its own present escalation of preparations for general nuclear warfare. If Moscow were thinking of such a de-escalation, one of its first thoughts would be, to seek to open a "back-channel" to me.

How the Soviets would approach LaRouche

Any Soviet approach to me would be based on two key points. First, Moscow regards me as the intellectual author of the SDI. Second, Moscow's only alternative option at present, is a document of mine published in the April 17, 1984, edition of *Executive Intelligence Review*, "The LaRouche Doctrine: Draft Memorandum of Agreement Between the United States of America and the U.S.S.R." Any Soviet approach to me, would be based chiefly upon those two points. To be more precise, Moscow's agenda for discussions with me would be an updated version of the agenda presented in my April 1984 "trial balloon."

That negotiating agenda would be dominated by four

points of agenda: 1) Cooperation on SDI; 2) Cooperation in the exploration and colonization of space; 3) Establishment of a new, gold-reserve-based international monetary system, in which Moscow would participate as a cooperating, rather than member-nation; and 4) Cooperation in conquering the species-threatening pandemic, AIDS. The general principle, which Moscow would reluctantly consider for adoption, is the doctrine of absolute sovereignty of nation-states. Agreement in the four indicated areas of potential cooperation, would be premised upon common agreement to this doctrine of sovereignty.

If Moscow were to make such an approach in my direction, this would occur early during the 12 months ahead. This would occur only on condition that Moscow estimated that it had become impossible to sabotage the U.S.'s SDI. In that case, Moscow's strategic planners would estimate that the Andropov-Ogarkov doctrine for early Soviet world-domination had become more or less inoperable. Moscow would not consider seeking a discussion-channel to me, unless it assumed that such a condition is probable.

Otherwise, Moscow would prefer that I die as soon as possible, preferably "taken care of" by the circles associated with U.S. Attorney William Weld's backers. As long as the currently operational Andropov-Ogarkov doctrine is in effect, I am a threat to Soviet strategic interests, a threat of varying importance to them in various parts of the world. What they fear is not so much my direct personal influence, as my capacity to generate influential ideas tending to frustrate Soviet operations. They wish to stop my generating new and influential ideas; therefore, they demand that circles such

as Weld's backers "take care of that problem."

However, if they were to wish to shift to cooperative war-avoidance with the U.S.A. and our allies, they would wish to thrash out such policies with me, rather than kill me. They would still hate my guts, and pour out vituperations against me, but, under those precise circumstances, they would deal with me "realistically."

Some well-informed circles in our government would generally agree with the picture I have just sketched. There are those who watch every Soviet feint in my direction. These aspects of Soviet behavior are studied as a signal of current trends in Soviet policy-making. For example, a stepped-up Soviet operation against me and my friends, is a sure sign that the Soviets are committed to a very hard line against the United States, in current negotiations and other operations. Any Soviet probe for discussions with my circles, indicates that alternative Soviet policies toward the United States are being considered by at least some influential circles in Moscow.

We are watching for such signals. The absence of such a signal means that President Reagan will get nothing useful from negotiations with Moscow; the existence of such a signal indicates that some interesting possibilities may be developing. Since March 23, 1983, the most precise reading on Soviet policy toward the United States has been obtained by careful study of the shifting patterns of Soviet attacks on me and my friends.

Soviet classification of LaRouche

To understand why and how the Soviets would seek a "back-channel" opening to me under specific circumstances, the following background is helpful. This information is essential to our intelligence and counterintelligence analysts, and useful to concerned citizens generally.

The earliest reading on a precise sort of Soviet classification of me appeared in the East bloc's computerized filing-system about 1977. Since that time, I have been classified "ideologically" by Moscow as an "ideologue of late capitalism." Sometime during the early 1980s, Moscow assumed that I am a Roman Catholic traditionalist in philosophical outlook, although Protestant by confession.

By "ideologue of late capitalism," a frequent phrase used in connection with my name in KGB-linked publications, Moscow states that it means that my work in economics has the effect of offering the Western capitalist system a new lease on life. They view me also as a well-informed critic of Karl Marx on all counts, especially my criticisms of the central fallacies in Marx's economic doctrines. They regard me as criticizing Marx from the standpoint of Alexander Hamilton's so-called "mercantilist" economic principles, the American System of political-economy, as named by Hamilton, and as otherwise defined by the influences of France's Jean-Baptiste Colbert, Gottfried Leibniz, the two Careys, and Friedrich List.

This is essentially an accurate thumbnail characterization

of my standpoint in economic science.

They view me as philosophically Catholic because of my emphasis upon the special quality of Platonism established by the work of St. Augustine. As a Protestant, this places me in the same general area as the Gottfried Leibniz who has had the greatest single intellectual influence on my life.

This latter is very annoying to Moscow, for the same reason that Moscow admires such "Liberation Theologists" as Hans Küng and the local, controversial Father Curran as the sort of nominal Catholics more agreeable to Moscow. The Western currents tending most closely to Moscow's own philosophical standpoint are the British empiricists, such as David Hume, the proto-fascist professor of law Friedrich Karl Savigny, and the proto-fascist sociologist Max Weber. Moscow denies the existence of a universal natural (moral) law commonly applicable to all peoples. Moscow bases itself, as Hitler's Nazis did, on the "collective will" of a specific race or nationality. Hence, Moscow's repeated propaganda-appeals to "the will of the Russian people" or "world public opinion."

During the 1980s, Moscow came to view me, resentfully, as something of a genius in economics. Two sets of facts were of utmost practical importance to them in this connection. First, Moscow recognized that *EIR's* LaRouche-Riemann forecasts had been accurate, where Moscow's own, as well as those of most Western forecasters, had been way off the mark. Second, Moscow recognized earlier than all but a few in the West, that my 1982 design for a strategic ballistic missile defense was based primarily on profound and accurate economic-scientific principles: the effect of "spillovers" from SDI research in fostering high rates of growth in Western economies.

If Moscow should elect to negotiate the kind of SDI cooperation President Reagan has offered repeatedly, Moscow's prime strategic concern in those negotiations will be, effecting rates of "spillover" within the Soviet bloc economy matching approximately the rates in the West. My economics expertise would be of special concern to them under such circumstances.

Moscow "trusts" me more than any other public figure in the West, in two special senses: 1) It "trusts" me to the degree that it believes that my actions will never deviate from the philosophical standpoint I represent; 2) It views me as the most "universal mind" among well-known public figures of the West. It estimates that I am the Western figure whose views on the all-sidedness of a general policy are the most reliable for purposes of policy-planning.

América Latina versus LaRouche

The case of my influence in Central and South America, provides a good illustration of this practical side of the Soviet view of me as a policy-thinker.

At this moment, and over several years to date, my intellectual influence in Central and South America has been the central focus of all Soviet operations against the United States

in these regions. The official voice for Soviet policy in these regions is the Soviet magazine *América Latina*, directed by the Asia-Latin America ethnology section of Soviet intelligence, under aging Evgenii Primakov. Today, all Soviet operations in Central and South America are principally focused against me and my friends in that quarter. The policies for these targetings of my friends and me, are spelled out in detail in *América Latina*.

The Soviet intelligence services have two principal allies in these operations: Willy Brandt's Socialist International (SI) and the AIFLD/ORIT social-democratic organization, the latter nominally a joint operation of the U.S. Department of State and Irving Brown's International Department of Lane Kirkland's AFL-CIO bureaucracy. Both the SI and AIFLD/ORIT are currently following the *América Latina* line exactly, and both are working in intimate collaboration with Soviet forces in the region.

AIFLD has a long pedigree as a partner of Soviet operations, dating back to an assortment of firms headquartered at 120 Broadway, Manhattan, where Secretary Shultz's father was employed, during the period of the Bolshevik Revolution. In short, AIFLD is an outgrowth of the U.S. branch of a Soviet intelligence organization formerly known as Chicherin's and Dzerzhinsky's "Trust," the same arrangement which gave us John Reed, Sidney Reilly, Sergius Riis, and Soviet agent Armand Hammer. AIFLD-linked W. R. Grace's links to Soviet intelligence date from this period at 120 Broadway.

The aging mentor of AIFLD is the former head of the Communist Party U.S.A., the Jay Lovestone operating out of the New York City headquarters of the International Ladies Garment Workers Union (ILGWU). Lovestone left the formal employ of Joe Stalin approximately 1938, to become a "State Department socialist," and entered into the Central Intelligence Agency circuits under the auspices of the Office of Policy Control, during the famous fight between the military and the bankers over control of the future political-intelligence services of the U.S.A. Lovestone was allied with the Kermit Roosevelt, Miles Copeland, Frank Wisner, H. "Kim" Philby, John J. McCloy "bankers' CIA" faction, where his circle's power in our intelligence establishment has been based ever since.

Similarly, according to various documents, eyewitness reports, and declarations of John J. McCloy himself, Willy Brandt became an asset of McCloy in postwar Berlin. According to eyewitnesses, it was McCloy, as early as 1963, who began grooming Egon Bahr-guided Brandt to become the future Chancellor of West Germany. Brandt, according to a high-level eyewitness, played a key role to Khrushchov's advantage in the 1961 Berlin Wall crisis, but with backing from high levels inside the U.S. government!

The ordinary citizen in the street may pooh-pooh reports that certain banking interests and a leading element of the AFL-CIO bureaucracy are functioning as open Soviet-intelligence allies in Central and South America today. Contrary

to those foolish people who deny any facts contrary to their ignorant prejudices, it is a plain fact that this arrangement exists, and that this arrangement has very deep roots. This is one aspect of what the Trilateral Commission's Zbigniew Brzezinski means when he insists that U.S. foreign policy and U.S. strategy must be subordinated to "global society" agreements reached between Moscow and New York City.

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Most important, the Soviet dictatorship is intimately aware of such arrangements with what Soviet officials at the highest level describe as "our liberal friends" in the West. Any Soviet calculation of policies, and policy changes, toward the United States, is based on consideration of the effect of such a Soviet policy change on these special arrangements with Kissinger's sponsors in the West.

It must be understood, that although the "bankers' CIA" faction seems often to work for Soviet advantage, against vital U.S. strategic interests, these fellows generally are not Soviet agents. They are not agents of the Soviet regime, but its business partners, as they have been ever since George Shultz's father was employed by the 120 Broadway division of the Soviet "Trust," at the close of World War I.

This "bankers' CIA" faction is essentially a creation of the Morgan interests, whose intelligence arm was developed around the extended family of President Theodore Roosevelt. This organization existed long before the CIA was founded, decades before the 1917 Bolshevik Revolution. It appeared in its modern form during the 1890s, with the founding of the Cleveland Civic Federation by Morgan's Mark Hanna; this was the kernel for the formation of the National Civic Federation, the predecessor of the Council on Foreign Relations (CFR), and the political-intelligence arm of U.S. bankers during World War I. Early, this National Civic Federation was the U.S. adjunct of the London Round Table; it was merged into CFR during the 1920s, with the establishment of CFR on the initiative of London Chatham House (Royal Institute for International Affairs), both British entities the

Fabian Society's left wing of the United Kingdom's intelligence community, and the section of the British Establishment traditionally closest to the Soviet "Trust."

This entity in our national life has been variously described as "Force X," "The Secret Team," "the bankers' CIA," and so on. "Bankers' CIA," the least exotic of these descriptions, is also the most accurate shorthand term. A more precise description would be, "Teddy Roosevelt's extended family."

Although the 'bankers' CIA' faction seems often to work for Soviet advantage, these fellows generally are not agents of the Soviet regime, but its business partners, as they have been ever since George Shultz's father was employed by the 120 Broadway division of the Soviet 'Trust,' at the close of World War I.

Although the Boston crowd, descendants of Aaron Burr's treasonous cabals of the 1776-1814 period, and the Morgan offshoot of the Perkins "opium-trading" Syndicate, are the center of financial power of this establishment, the extended family of Teddy Roosevelt has played a crucial role on the side of the intelligence community. The "financial-aristocratic" marriages of members of the Roosevelt family, into key Wall Street law firms, such as John J. McCloy's Milbank, Tweed, plus the faction of the intelligence community dominated by members of this extended family, plus the Georgia-based "mafia" of the Bulloch and Root families. This is the heart of that part of the U.S. policy-shaping and intelligence communities with the principal, longstanding partnerships with Soviet intelligence. Harvard University's law school, has been a center of this connection to Soviet intelligence, since the earliest period of the Bolshevik dictatorship.

Everything which Hispanic-American patriots have hated in the United States during the 20th century, and quite justly so, is associated with the name of Teddy Roosevelt and the Georgia "mafia" of Elihu Root's Coca-Cola.

The recent antics of Sen. Jesse Helms (R-N.C.) are typical of this.

The most obvious pro-Soviet influence operating on the inside of Helms's Washington, D.C. office, is one Jon Speller, the leading U.S. collaborator of the Soviet-directed international narco-terrorist gang, the Canada-based Khalistan

Liberation Front, the organization which claimed credit for the assassination of Prime Minister Indira Gandhi. Speller and the Anti-Defamation League (ADL), are leading backers of that narco-terrorist gang today, and the two influences on Helms responsible for his own letter endorsing these drug-pushing terrorists.

Helms has also backed the ex-Nazi Party of Mexico, the National Action Party (PAN). Former Hitler-lover, and still-professed anti-Semite José Conchello, the senior figure of the PAN (and an honored guest at the 1984 Republican Convention!), is a Soviet asset, working in open collaboration with the Soviets' official Mexico party, the communist PSUM. In Panama, Helms has backed Arnulfo Arias's former official Nazi Party of that country, a party which is a witting collaborator of Soviet Western hemisphere operations today. Pull the files of U.S. military intelligence on Soviet and Nazi operatives in the Caribbean basin during the 1930s and early 1940s, all Soviet assets today, and Helms's office is found energetically backing many among those factional forces today.

The ADL, Speller's partner in influences upon Helms's office today, is also openly an agent of the Soviet intelligence services. The ADL specializes in targeting anti-Soviet groups in the U.S., picking targets designated for such attacks by Soviet and East German (VFN) intelligence. Anti-Soviet Tschirim Soobzokov was assassinated after being fingered by ADL asset Mordechai Levy, on the basis of documents forged by the Soviet KGB. Missile scientist Arthur Rudolph was also victimized on the basis of KGB forgeries, with ADL assistance, as part of Soviet operations against the SDI. Innocent, but anti-Soviet John Demjanjuk was targeted also on the basis of KGB forgeries. The terrorist assassination of California Reagan supporter Alex Odeh, is part of this same operation. ADL works most closely with a Soviet nest within the U.S. Department of Justice, around Mark Richards and the Office of Special Investigations (OSI).

However, Helms's problem is not merely the corrupting influence of Soviet assets such as Jon Speller and the ADL.

Speller was professedly trained by a famous agent of the Soviet intelligence services, Commander Sergius Riis. Riis was a personal collaborator of Leon Trotsky during the pre-1923 period, in setting up U.S. bankers' participation in the Soviet intelligence organization known as "the Trust." Riis was an asset of the "extended Roosevelt family's" 120 Broadway organizations during that period.

Strictly speaking, Sen. Jesse Helms has become "the Jimmy Carter" of Republican North Carolina, an asset of the same Coca-Cola "mafia" which produced Jimmy Carter the politician out of the great-ape brainwashing facility at Emory University's Yerkes center, the agency behind Jimmy Carter's "psychological adviser," Dr. Peter Bourne. Since Helms went sour, as many of his former backers put the point, he has been a consistent supporter of the policies of the Teddy Roosevelt mafia in U.S. politics. Soviet asset Speller is rightly seen as merely one aspect of the Teddy Roosevelt links of

Senator Helms.

Helms's actions in support of Soviet operations of destabilization in the Caribbean region, are run in support of the Teddy Roosevelt mafia's policies, and in cooperation with that mafia, including the Fabian League for Industrial Democracy (LID), LID's ADL offshoot, Lane Kirkland, Elliott Abrams, and J. Peter Grace: all offshoots of the Soviets' National Civic Federation "Trust" cronies, at old 120 Broadway.

Teddy Roosevelt was not the "conservative" the popular myths credit him with being. In domestic and foreign policy, Roosevelt, like Woodrow Wilson, was a raving Fabian; in terms of organizational alignments, he was a tool of the Fabian Society backers among U.S. financier circles, linked to "Trust"-relevant law firms, such as Cravath Swaine and Moore; and Paul, Weiss, Rifkind, Wharton and Garrison; Milbank, Tweed, et al. The Georgia side of Roosevelt's mafia, centered around the families of his mother, a Bulloch, and Elihu Root, is the "southern strategy" side of this Wall Street Fabian crowd.

Helms's current policies fit neatly into the current policies of the "southern strategy" side of the Teddy Roosevelt mafia.

This Morgan-Harvard-Roosevelt mafia, is the most important element of Soviet influence inside the U.S.A. today. The Communist Party U.S.A., for example, was merely an asset of Morgan representatives such as Corliss Lamont. It is these nominally conservative, and powerful elements of the "bankers' CIA," on which Moscow really depends to influence U.S. policy, domestically, strategically, diplomatically.

Any takedown of current Soviet strategic doctrines toward the U.S.A. would mean a Soviet break with the revived "Trust" arrangements inside the U.S.A.: a break with the extended family of Teddy Roosevelt. Presently, Moscow is using the Morgan-Harvard-Roosevelt mafia, the "bankers' CIA," in an effort to kill LaRouche and wipe out circles and persons linked to me. William Weld, a business partner of the Communist China People's Liberation Army, is merely a tool of this mafia, carrying out such Soviet orders.

To negotiate peaceful relations with the U.S.A., Moscow would be obliged to take up the agenda LaRouche sent up as a trial balloon in the April 1984 *EIR* piece. This would represent a virtual break with Moscow's Teddy-Roosevelt-mafia assets; the clearest feature of that break is the Roosevelt mafia's current policy toward Hispanic-American republics.

A new international economic order

The keystone of any durable agreement to peaceful relations between the U.S.A. and the U.S.S.R. is a fundamental change in both U.S. and Soviet relations toward Central and South America. Essentially, this would mean U.S. adoption of the policies set forth in my 1982 "Operation Juárez," plus Soviet supporting posture toward such a change in U.S.-"Latin American" relations. It would mean, on the U.S. side, junking the "Teddy Roosevelt" policies of the Soviets'

AIFLD, J. Peter Grace, Citibank, allies. It would mean, on the Soviet side, dumping Soviet-directed destabilization in the Western hemisphere, and reversing the current KGB policies expressed by the Primakov-Mikoyan *América Latina* periodical.

In this respect, Central and South America are today, strategically, the center of the world. Objectively, Western Europe is the linchpin of U.S. defensibility against the Soviet war-plan scenarios. However, the ability of the U.S.A., Canada, Western Europe, and Japan, to develop an effective strategic depth for the long haul, depends upon a radically changed relationship between the OECD and developing nations generally. "Latin America" is the keystone for such a change in strategic policy.

"Latin America" is a very bad, although popularized term. The term came into existence during the 1850s and 1860s, as a direct outgrowth of the efforts of Napoleon III to transform Hispanic America into a French empire. Napoleon III used the pro-feudalist, "Carlist" radicals of Spain and the Americas as his wedge for this attempted takeover of Hispanic and Portuguese America. The Spanish efforts to reconquer Peru and Mexico, during the 1850s and 1860s, and Napoleon III's Spanish-Britain-backed placing of a bloody Hapsburg dictator on looted Mexico's back, were the central event in this process. The term "Latin America" was coined during this period, as a code-word for this process of attempted conquest.

The mistaken use of the popular term, "Latin America," tends to prevent policy-analysts from even beginning to understand the strategic significance of Central and South America.

The populations of Central and South America do not have a "Latin culture." The languages of the republics are dialects of an Italian spoken by the ordinary Roman legionnaire of the period of the Roman republic, prior to the "Syrianization" of the legions under the Roman Empire. Spanish is recognizably a dialect of Italian today, such that Spaniards can easily learn to read Italian without formal education in Italian, and Italians can similarly learn Spanish almost in days of becoming acclimatized to the slight differences learn Spanish almost in days of becoming acclimatized to the slight differences in accent and vocabulary. Portuguese is a related case. French, too, is a dialect of Italian. The majority of the population of France, like François Rabelais, spoke a recognizable Italian into the 19th century; "Parisian French" is a synthetic transformation of Italian French, begun in the French court during the 17th century, but not really popularized until the middle of the 19th.

The myth, that French, Spanish, Portuguese, and Romanian, are "vulgate" dialects of Latin, was an absurdity popularized at the beginning of the 19th century. This myth was concocted as part of an effort to frustrate the work of Prussian ambassador to Rome, Wilhelm von Humboldt's effort to include in-depth studies of Italian under his classical philological treatment of Indo-European languages. Italian



The poet Dante Alighieri (1265-1321), who formed Italian as a literary language with his "Commedia." The culture of the Ibero-American republics is based on the revolution in statecraft effected by the influence of Dante's and Petrarca's work on the Italian Renaissance.

is a language at least as old, perhaps older than the Latin originally spoken by tiny colonies near the Tiber and in the region known today as Venice. Italian is the language which the ordinary Italian legionnaire-settler, usually an Italian-speaker, carried into France and Iberia, to form the basis for modern French, Spanish, Portuguese, and so forth, as the Sardinian Italian dialect is recognizably the father of Romanian.

The relevance of these corrective distinctions, is that the Hispanic republics of the Americas, most emphatically, have a distinct Roman Catholic culture derived from the evolution of the Italian-speaking heritage. It is this cultural heritage which makes these republics, as a group, of such decisive strategic importance today.

Most broadly, the culture of these republics is Augustinian. More immediately, their culture is based upon the revolution in statecraft effected by the influence of Dante Alighieri's and Petrarca's work upon the 15th-century Italian Golden Renaissance. Although the most sensitive poets and other writers worked to introduce classical Greek influences into the Spanish poetry from the 17th century onward, the reconstruction of Spanish as a modern form of literate language was based chiefly upon the Italian literary models of the 14th and 15th centuries.

What this means, is that the populations of Hispanic America, most emphatically, have the highest relative potential for high rates of technological and related progress in any part of the developing sector today.

Also, all complicating, contrary influences aside, the political culture of the Hispanic republics of the Americas, is a Roman Catholic version of the same principles motivating the U.S. Declaration of Independence. With these qualifications, the republics of Hispanic America are the nations closest to roots of our own, historically and culturally, as well as geographically.

These two considerations make the republics of Central

and South America the strategic pivot of proper OECD nations' policies today. To a large degree, the Philippines are also more or less an Asian extension, culturally, of Hispanic America. Among developing nations generally, after these Hispanic nations, the national culture with the greatest potential is the Vedantist current of India.

Hence, because of these combined political, cultural, and geographical considerations, what the world might become during the 21st century, will be decided by our policy toward these Hispanic republics today. What we decide, respecting Hispanic America, will determine our relations with Brazil, and also the policy-matrix governing our relations with the nations of Africa, the Middle East, and Asia generally.

From the U.S. side, our policy toward the republics of the Americas must be based upon a revival of two crucial elements of the early decades of our republic's existence: 1) "Mercantilist" economic relations among sovereign states, congruent with Alexander Hamilton's specifications for the American System of political-economy; 2) The revival of the original 1823 Monroe Doctrine, as expounded by Secretary of State John Quincy Adams, and as correctly interpreted by Argentina's minister Luis M. Drago: the "Drago Corollary."

This is the policy articulated as an alternative to international financial collapse, in my 1982 "Operation Juárez." This is the direction of policy of President Alan García's Peru today, and is the thrust of the doctrine adopted by the multinational association of Hispanic American republics, SELA, repeatedly, and again most recently.

This is also the policy affirmed in the August 1976 closing resolution of the Non-Aligned Nations organization, at Colombo, Sri Lanka. It was reaffirmed, under Prime Minister Indira Gandhi's leadership, in the March 1983 Non-Aligned Meeting at Delhi, and affirmed again at the most recent Non-Aligned meeting in Zimbabwe. In principle, it is also the policy affirmed by former Israeli Prime Minister Shimon Peres, as his "New Marshall Plan" proposal, as echoed in parallel statements by the government of Egypt.

The principles which must be affirmed are chiefly these:

1) All nations of the world are absolutely sovereign up to the point of warfare to defend their sovereignty against external attacks upon that sovereignty. No foreign agency, including supranational agencies, has the right to dictate the internal affairs of a sovereign state.

2) All states have the obligation and right to pursue technological progress in an energy-intensive, capital-intensive mode, to the effect of serving the general welfare of present populations and their posterity. They have the right to reasonable access to credit and trade arrangements, as may be necessary to serve these purposes.

3) It is to the advantage of states sharing common principles of universal moral law, to assist one another in maintaining their respective sovereignties and in fruitful pursuit of technological progress in conditions of general welfare of their populations.

Upon those three simple principles of international law, all good things within practicable reach can be achieved. If the U.S.A. achieves such an order of affairs among states within this hemisphere, most of the world must soon follow.

However, such principles mean an end to present Soviet policies toward developing nations, and also an end to the Teddy Roosevelt mafia's policies.

Since 1974-75, Moscow has been consistently an adversary of every effort by the Non-Aligned Nations to introduce what that organization has described as an equitable form of "new international economic system." Moscow has organized internal sabotage of the Non-Aligned Nations' efforts through its agents within those nations, and in collaboration with allied Anglo-Saxon influences within the Commonwealth group.

I do not exaggerate in the least. In each of the relevant events, I was in part a direct participant, and otherwise present through the role of close friends. Each time, we seemed near to agreement on action, it was Moscow which intervened to sabotage agreement. This was the case in 1974-76. It was conspicuously Moscow which neutralized the work of the 1983 New Delhi meeting, and Moscow which deployed against President Alan García, and attempted to wreck the Non-Aligned group entirely, at the 1986 Zimbabwe meeting. Moscow has never been a friend of developing nations' welfare.

Moscow's attitude toward developing nations has been twofold: 1) Always to intervene on the side of the "bankers' CIA" against proposals for a new international economic order; 2) Always to exploit the social ferment fostered by economic misery, to use developing nations against the United States.

Moscow understands very well what I am writing here. In private, Moscow would agree absolutely with my strategic assessment on this point, although from a position directly opposite to my own.

Moscow understands my April 1984 trial balloon in *EIR* very well. In that, I stress that the possibility of durable war-avoidance between the two thermonuclear superpowers depends absolutely upon a common commitment to what Dr. Edward Teller named, in 1982, as "the common aims of mankind." These common aims center around two: 1) Economic justice, at long last, for the peoples and nations of the developing sector; 2) Common efforts for the exploration and colonization of space. Cooperation on SDI's deployment, is subsumed under these two principal, long-term, common aims.

Were Moscow to elect such an agenda of war-avoidance negotiations between the superpowers, this would mean Moscow's abrupt break with its friends of the Teddy Roosevelt mafia. This would require a direct approach to President Reagan and leading circles in Japan, Western Europe, and the developing sector, opposing the Teddy Roosevelt mafia and its like on these issues. My case aside, many other figures and circles with much more explicit power and in-

fluence than I possess, are relevant leaders on many of the particular aspects of such an agenda. My special relevance is simply that I am the one person in today's world at the center of all the items of this agenda; I am the intellectual center, at which all threads of other elements of the agenda find a common point of union.

The likelihoods

Moscow will not give up its present war-plan, if either of two conditions are probable during the foreseeable future: 1) That Moscow can conquer the world by default, by decoupling the United States strategically from Western Europe, as Kissinger and Brzezinski propose this; 2) That Moscow can envisage its reaching an early point, at which Soviet first-strike and defense capabilities, combined, enable it to conquer the United States militarily. Only if both these options seem not likely, would Moscow consider dropping its present war-posture for negotiating measures of durable war-avoidance.

The only condition likely to bring such a change about, is a more energetic U.S. commitment to a global SDI deployment, emphasizing intimate partnership in this with Western Europe and Japan. Such partnership would stimulate an economic recovery in the OECD nations as a whole, would nullify the Kissinger-Brzezinski decoupling efforts, and would neutralize Soviet first-strike war-plans. In brief, energetic development and deployment of SDI has the effect of pushing current Soviet war-plans back to the drawing board.

That is why the Soviets are treating President Reagan's arms-reduction negotiations as a bad joke; only the SDI is of concern to them. Nothing but SDI is of any profound strategic importance to them.

If the Soviets sense that SDI-centered actions have virtually contained the Andropov-Ogarkov war-planning actions, they are forced to consider a new period of long-term coexistence between the OECD and Soviet empire. Their imperial interests demand that they not lose strength during an extended period of restrengthening of Western economies and strategic capabilities. They will turn toward hard negotiating, seeking every technological and economic concession they can get out of the new world-pie so ordered.

The precedent for a Soviet conditional break with the Teddy Roosevelt mafia, is found in the Moscow Trials, and the bitterness of the 1938-53 period of Stalin's rule. Stalin butchered much of the "Trust" apparatus inside Russia, by eliminating the power-structure of the Left and Right Oppositions of the Communist International. About 1955, Nikita S. Khrushchov revived the "Trust"-modeled relations with the Teddy Roosevelt mafia, as I have indicated the nature of that beast here.

Whenever the narrow "national" interests of the Russian empire come into conflict with the Soviets' Western liberal partners, Moscow will discover an in-built precedent from the Stalin period for a temporary break, or at least a significant distancing from the Teddy Roosevelt mafia.

An underpopulated and underemployed continent

Part 9

Ibero-American integration

Taking into account unemployment in agriculture and misemployment in unnecessary services, the true level of joblessness in Ibero-America is 35%. That means that more than a third of the most important resource of the continent, its labor power, is not contributing to creating wealth.

The Schiller Institute's book, *Ibero-American Integration: 100 Million New Jobs by the Year 2000*, was published in Spanish in September 1986. An international team of experts prepared this study on the urgent measures needed to free Ibero-America of its economic dependency, elaborating the outlines of Lyndon LaRouche's 1982 proposal, "Operation Juárez."

This week EIR's exclusive English-language serialization of the book opens Chapter 4. Numbering of graphics follows that of the book.



The extensive documentation in earlier chapters of this book has clarified the financial dimensions of the problem of Ibero-American economic underdevelopment, and demonstrated that the debilitating financial dependency aggravated during the past 20 years is by no means a necessary or inevitable by-product of development policy. If need be, a unified Ibero-America could go it alone. However, whatever political and financial policy framework for economic development is chosen, it will of necessity fail unless it facilitates, as a first priority, resolution of the critical unemployment and underemployment problems of Ibero-America.

As we shall demonstrate in this and the next chapter, a target of creating 100 million new jobs by the year 2000 is both necessary and feasible; achieving this objective requires the indispensable condition of in-depth transformation of the Ibero-American economies from now through the year 2015, from their present miserable condition to average 1980 Western European levels of development. The job creation program, designed to solve the unemployment problem as well as the problem of absorbing the millions of new workers entering the labor force between 1985 and 2000, must at the same time be geared toward effecting a dramatic shift in the structure and internal composition of the labor force. To sustain any reasonable pace of economic progress, the manufacturing portion of the labor force must gain rapidly in absolute numbers and in relation to the agricultural and service sectors. Such restructuring is necessary in order to reduce the drain on the growth-producing sector by subsistence agriculture and non-productive service jobs.

Clearly, our insistence that Ibero-America face its unemployment and underemployment problems by confronting the challenge of creating 100 million jobs by the year 2000—largely in the goods-producing sectors of the economy, which requires massive capital investment—is totally at variance



Children at play in Mexico, 1985. Although Mexico has the greatest population density in Ibero-America, it has only one-third of the density of Germany in 1860, and one-seventh the density of West Germany today!

NSIPS

with the development proposals of other institutions. The World Bank and others see the principal solution to the problems of poverty and unemployment in population control, preferably leading to a zero-growth outcome. Thus the policy summary of the World Bank's 1984 *World Development Reports*, devoted to "Population Change and Development," states:

... Evidence described in this report seems conclusive: because poverty and rapid population growth reinforce each other, donors and developing countries must cooperate in an effort to slow population growth as a major part of the effort to achieve development.

We assert and shall prove that, on the contrary:

1) There is *no* causal relationship or demonstrable historical correlation between poverty and rapid population growth.

2) There is, in fact, no known historical example in which successful economic development and industrialization on a significant scale were *not* accompanied by rapid population increase.

3) In the case of most countries of Ibero-America, it is *lack* of adequate population size and density rather than overpopulation which constitutes a serious barrier to successful development.

In this chapter, we will demonstrate the truth of these assertions, by proving that Ibero-America is underpopulated and that, unless the rate of population growth rises, and unless the total population doubles within 30 years and quadruples in 60, economic development based on modern technology will be a simple chimera. The remainder of the chapter will then be devoted to deriving an accurate estimation of current unemployment and underemployment, as the necessary point of departure for offering both quantitative and qualitative recommendations for restructuring the labor force in accordance with the requirements of our above-stated development goal, a matter which we will develop further in Chapter 5.

South Korea, one of the very few countries which successfully industrialized during the 1960s and 1970s, is a successful example of the first two points mentioned above; it exhibited both a high population growth rate and one of the highest population densities in the world (433 inhabitants per square kilometer). GDP, industry and population growth rates are given in **Table 4-1**.

A rate of 2.6% per year certainly qualifies as rapid population growth, and just as certainly did *not* impede rapid economic growth. 2.6% population growth is also quite comparable to Ibero-American growth rates during the 1960s. However, industrial growth in Ibero-America was only one-third to at most one-half that of South Korea during the same time period. There were many reasons for that, but population growth was not one of them.

In more detail, the figures for population, work force, and economic growth for the seven largest Ibero-American

TABLE 4-1
South Korea: population, GDP, and industrial growth
(average annual rates)

	Population growth	Growth of GDP	Industrial growth
1960-70	2.6	8.6	17.2
1970-82	1.7	8.6	13.6

Source: World Bank

TABLE 4-2

Ibero-America and South Korea: Total population, population of working age, total GDP, and manufacturing GDP 1950-1985

(average rates of annual growth)

	1950-55	1955-60	1960-65	1965-70	1970-75	1975-80	1980-85
Argentina							
Population	2.0	1.7	1.6	1.5	1.7	1.6	1.6
PWA*	1.7	1.5	1.5	1.5	1.5	1.2	1.2
Total GDP	3.0	2.7	4.4	4.3	2.9	2.2	
Manuf. GDP	3.9	4.3	6.2	5.1	3.4	-0.2	
Brazil							
Population	3.2	3.0	3.0	2.6	2.4	2.3	2.3
PWA*	2.9	2.6	2.8	3.1	3.1	3.1	2.6
Total GDP	6.8	6.8	4.5	7.7	10.4	6.9	
Manuf. GDP	8.1	10.2	3.7	10.1	10.7	7.4	
Colombia							
Population	2.9	3.0	3.1	2.8	2.2	2.2	2.2
PWA*	2.3	2.6	3.0	3.4	3.2	3.2	2.9
Total GDP	5.3	4.0	4.7	5.8	5.7	5.4	
Manuf. GDP	6.9	6.1	5.6	6.4	7.4	5.2	
Chile							
Population	2.1	2.4	2.3	1.9	1.7	1.7	1.7
PWA*	1.8	2.2	2.2	2.3	2.6	2.5	2.0
Total GDP	3.8	4.1	3.8	4.7	-2.2	7.5	
Manuf. GDP	3.9	5.5	6.0	4.6	-4.9	7.6	
Mexico							
Population	3.0	3.2	3.2	3.3	3.3	2.9	2.6
PWA*	2.5	2.7	2.8	3.2	3.4	3.5	3.6
Total GDP	6.0	6.2	7.1	6.9	6.5	6.7	
Manuf. GDP	6.1	6.2	9.4	8.8	7.1	7.2	
Peru							
Population	2.6	2.7	2.8	2.9	2.7	2.7	2.6
PWA*	2.3	2.3	2.6	2.9	3.1	3.2	3.1
Total GDP	5.7	5.3	6.4	3.7	4.6	1.9	
Manuf. GDP	9.0	7.0	7.0	4.6	5.7	1.1	
Venezuela							
Population	3.9	4.0	4.0	3.6	3.6	3.6	3.3
PWA*	3.3	3.4	3.6	4.0	4.4	4.2	3.7
Total GDP	8.7	6.5	7.3	4.9	4.9	3.4	
Manuf. GDP	12.2	7.9	8.6	4.8	5.2	5.0	
Ibero-America							
Population	2.8	2.8	2.9	2.6	2.6	2.4	2.3
PWA*	2.4	2.4	2.6	2.8	3.0	3.0	2.8
Total GDP	5.3	5.0	5.3	6.0	6.5	5.6	
Manuf. GDP	6.3	6.7	6.3	7.6	7.0	5.7	
South Korea							
Population	1.1	3.1	2.8	2.4	1.8	1.6	
PWA*			2.8	2.7	3.3	2.7	
Total GDP	6.9	3.3	6.5	10.4	9.5	7.6	
Manuf. GDP		10.0	12.3	21.5	17.9	13.0	



*Population of working age
Sources: ECLA and World Bank.

TABLE 4-3

Energy, GDP, and population density in various countries 1983

	Energy per capita (TCE*)	Energy per km ² (TCE*)	Population density (Inhabitants per km ²)	GDP per km ² (in dollars)
Argentina	2.1	22.7	10.7	25.9
Brazil	1.1	16.5	15.2	29.9
Colombia	1.1	27.6	24.2	31.0
Chile	1.1	17.0	15.4	25.5
Mexico	1.9	73.6	38.1	73.6
Peru	0.8	11.1	14.6	13.7
Venezuela	3.3	63.3	18.0	76.6
South Korea	1.7	693.0	407.7	782.0
Spain	2.7	204.3	75.7	312.6
Italy	3.6	674.2	188.8	1,172.0
France	5.0	498.4	99.9	942.2
Republic of Germany	6.0	1,489.6	246.7	2,622.8
Japan	4.3	1,365.3	320.6	2,857.2
United States	10.2	255.9	25.0	349.9

*Tons of coal equivalent

Sources: United Nations and World Bank.

countries in comparison with South Korea are given in **Table 4-2**.

This table shows that no correlation whatsoever can be made between growth rates of total or of working age population, and growth rates of overall GDP or of GDP in manufacturing. The World Bank's supposed evidence of the negative effect of population growth is of necessity drawn, if it is drawn from anywhere, from the experience of the past 35 years of development efforts. But if it is claimed that the drop in population growth rates in Brazil from 1960-65 to 1980-85 correlates with high overall and manufacturing growth rates between 1965-1975, that same fall correlates with the stagnation in growth after 1980, and with the period of greatest increase in the working age population. In fact, it is quite unclear whether the World Bank's argument blames the relative increase in the population between 0 and 15 years for the supposed negative impact on growth, or the increase in working age population which demands a higher rate of job creation. **Table 4-2** shows that growth rates for *neither* of these variables correlate from country to country and from time period to time period with growth rates of the GDP.

Argentina, the country with the lowest population and working age growth, also shows by far the slowest rate of economic growth. Chile, with the second lowest population

growth has also the second slowest economic growth. Mexico, with the second highest population growth rates, has economic growth rates second only to Brazil, while Colombia, whose population growth collapses in the 1970s, shows no appreciable change in its growth rates over the entire 30-year period.

In other words, the rate of population growth per se is irrelevant to the speed with which a country can develop economically, with the obvious exceptions. The determinants of development are independent of population growth, and the effort to link them has been a deliberate obfuscation of the true causes of industrial and economic growth, or absence thereof, in developing sector countries.

Ibero-America is a region with one of the richest resource bases in the world. It lacks neither in food or energy production potential, nor in abundant resources for industrial development. Lack of mobilization of their resources rather than population pressure is what has condemned the large majority of people in Ibero-America to its present state of misery. **Table 4-3** compares energy density, population density, and GDP values per square kilometer in Ibero-America with those of South Korea and various industrialization nations. The table shows in particular a close correlation of commercial energy consumption per square kilometer and GDP per square kilometer. This, of course, is no great surprise. Energy per square kilometer reflects density of industry and intensity of agricultural cultivation. Increase those and you will eradicate poverty. Increase them 10- to 50-fold and you will begin to approximate West European levels of development. For this the necessary investment capital will have to be found and we will show in the next chapter how it can be found. The more serious problem—if one looks at the population densities in the West European nations—is how to find the required number of people and how to provide them with the requisite skills to carry out the desired industrialized program.

Population density and development

The demographic and labor force parameters relevant to successful economic development are two:

1) Sufficient minimum population density of approximately 50 inhabitants per square kilometer is required to support investment in infrastructure and provide labor force and markets for industrial production.

2) A process must begin of shifting composition of labor force in which surplus agricultural labor excessed by the introduction of machinery and technology into farming must go primarily into industrial, especially manufacturing, jobs, rather than services.

For the reader, whose mind most likely has been badly abused by population control propaganda, it will be easiest to accept this two-fold premise, if he gets accustomed to rigorously thinking of human population not in terms of consumers, but in terms of producers. Producers employ specific

TABLE 4-4

Population density in Europe and Japan, 19th century

(inhabitants per km²)

	1860*	1880*	1900*	1980
Belgium	158.2	180.9	219.4	323.2
France	68.4	68.4	70.3	98.6
Germany	110.4	126.8	158.0	247.6
Italy	83.0	94.5	107.8	186.4
Great Britain	94.7	121.7	151.6	229.2
United States	4.1	6.6	9.9	29.8
Japan	93.7	98.7	118.1	309.9

Population density in Ibero-America and South Korea, 19th century

(inhabitants per km²)

	1900*	1920*	1940*	1960	1980
Argentina	1.4	2.8	5.7	7.4	10.2
Brazil	2.0	3.6	4.8	8.5	14.2
Colombia	3.6	5.1	7.6	13.6	22.7
Chile	4.3	4.9	6.6	10.0	14.7
Mexico	6.9	7.3	10.0	18.8	36.2
Peru			5.5	7.7	13.5
Venezuela	2.6	2.7	4.3	8.4	17.4
South Korea			168.5	253.9	387.8

*Data from census year closest to start of the decade, which is not the same in each decade nor in each country.

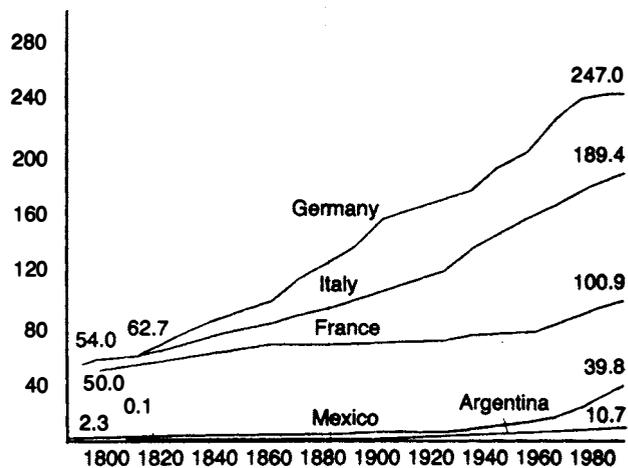
Sources: Statistical yearbooks of each country.

types of production technology, and the efficient utilization of such technologies implies necessary levels of education, a certain scale of production, and a division of labor with minimum required numbers of operatives in each production technology-implied job category. On the basis of such considerations it becomes possible to specify "critical mass," i.e., what absolute size of population and labor force and what distribution of labor force are necessary to run agricultural and industrial enterprises at desired levels of overall economic development.

A high population density alone is no guarantee of viable economic growth, as many Asian countries demonstrate. But conversely, an adequate population density is an absolutely necessary precondition for industrialization on a sustained basis, either throughout the extent of a smaller country, or in major belts or pockets in large countries. The large countries of Canada and Australia managed to industrialize by concentrating their limited populations into a few relatively dense

FIGURE 4-1

Population density of various Ibero-American and European countries

(inhabitants/km²)

Sources: B.R. Mitchell, *European Historical Statistics*, and statistical yearbooks of Mexico and Argentina.

pockets while employing highly mechanized, capital intensive agricultural methods to their large expanses of agricultural lands. Sweden was able to do it primarily because its small population is tightly clustered near its southern border where it functions as an extension of the dense population concentrations of northern Europe. The United States industrialized along two population dense axes, and built an extensive railroad network to permit capital-intensive, expansive agriculture in the less densely populated regions.

No country without at least large areas of high density settlement has ever supported sustained industrial development.

The reason for this is obvious. The industrial revolution created the ability to mass produce a constantly growing number of manufactured items of increasing specificity and specialized use. To do this efficiently requires an ever larger marketing region to permit large-scale batch manufacturing sufficient to realize economies of scale. The denser the surrounding population, the greater the potential market, assuming that that population is given sufficient buying power. Even with dense population, of course, the critical question is construction of the transportation infrastructure to get the goods to the markets, but the denser the population, the relatively less expensive is the cost of constructing that infrastructure per unit of goods to be moved.

Of course, foreign trade is also essential to healthy industrial growth, no matter what the size and density of a country, but it is always an adjunct to the development of domestic markets, a source of key items that cannot be economically

produced at home and a market for excess domestic production. Apart from hot-house city-states such as Singapore and Hong Kong, no economy has industrialized by relying primarily on exports at the expense of developing in-depth domestic markets for the output of its industries. Further, these are examples which Ibero-America should not follow, despite Henry Kissinger's insistence otherwise, given that the major portion of their much-touted "growth" is due to their participation in the international drug market (especially in the case of Hong Kong).

The experience of the 19th century success stories in Europe and Asia, compared to Ibero-America in this century, shows how important it is that Ibero-America continue relatively high rates of population growth into the next century to ensure increasing population densities and viability of economic growth.

The contrast between Ibero-America in the present century, and Europe and Japan 100 years ago when these countries all underwent their first major industrialization booms, could not be more stark. The population density of Germany in 1860, for example, was 11 times that of Argentina in 1980, and 20 times that of Argentina in 1940. It was 23 times Brazil's 1940 population, and still 8 times Brazil's population density in 1980. Mexico has historically had the highest

density, but was still in 1980 only one-third the 1860 density of Germany, and one-seventh the density of West Germany today. France, at the end of the 19th century, had a higher population density than Ibero-America today (see **Table 4-4** and **Figure 4-1**).

The major point to be made is not that Ibero-America per se should already have reached European population density levels, but rather to show how absurd is the argument that Ibero-America is in any possible sense overpopulated, or likely to reach some level of overpopulation any time in the foreseeable future.

In Ibero-America, until the last 30 years, population was so sparse almost everywhere that there was no basis for sustained manufacturing development in any country, with the exception of Mexico. Today, despite the still very low densities overall, the local concentrations of people do exist (50 inhabitants per square kilometer) to make industrialization possible, but only if all of the major points of concentration are linked by efficient transportation facilities and operate as a common market. Only Mexico and Brazil currently have the appropriate size and density of population to sustain modern industrial development. Anything beyond that would necessarily depend upon the integration of the entire continent.

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Revelations of Soviet 'SDI' shock the West

by Nicholas F. Benton

An article published in the Oct. 25 West German newspaper *Bild Zeitung* revealed the contents of a secret document from U.S. and NATO sources which claims that three U.S. satellites were put out of commission in the recent period by a Soviet laser cannon. The *Bild* article asserts that the Soviets have 10,000 technicians working on the Soviet version of a "Strategic Defense Initiative" (SDI) at 12 research centers, and that the Soviets are "way ahead of the West" in their program.

The Soviet laser cannon is reportedly located in the town of Sarythaganak in Kazakstan, and uses optical guidance to allow the blinding of the satellites. Moreover, in Siberia, the same report says, an SAX-12 missile has been set up.

This revelation of an awesome Soviet SDI capability comes in the aftermath of Soviet leader Mikhail Gorbachov's unsuccessful effort to browbeat President Reagan into abandoning the U.S. SDI program at Reykjavik, and is one of a series of important developments that have occurred as a direct result of the historic meeting.

It is a revelation sources say came from the meeting of NATO Nuclear Planning Group in Gleneagles, Scotland, immediately after Reykjavik. It was what West German Chancellor Helmut Kohl alluded to when he came to Washington for a state visit with President Reagan Oct. 21. In a sharp departure from his usual style, Kohl made very pointed remarks on Soviet SDI capabilities both during his first meeting with President Reagan and in response to a question from *EIR* during a public press conference while in Washington.

A senior White House official reported that Kohl told Reagan, "Perhaps what is missing is that the West—the allies, the United States—are not saying enough about what the Soviets are doing with respect to the SDI." At his press conference the next day, Kohl added, "In my talks with

American officials, I pointed out that now is the time for us to make public what we know about the Soviet strategic defense program," in order to, he said, "counter the fantastic propaganda campaign now going on in Europe, where they are speaking exclusively of the American SDI program never mentioning what the Soviets are doing."

Kohl's pleas, followed by the NATO document revelations in *Bild Zeitung*, are the sharpest inflection points to date of the extraordinary events now unfolding in the post-Reykjavik world, most of which have centered around the SDI, which confirm *EIR*'s prediction that Reykjavik represented a turning point, or "phase change" in world history because of its focus on the SDI issue and the strategic significance of the associated Soviet cover-up.

On the Western side, three categories of important developments have occurred: 1) revelations of the Soviet cover-up of their own SDI program; 2) the expulsion of Soviet spies from posts in the U.S.; 3) the moves against the Soviet terrorist surrogate, Syria.

Soviet 'Star Wars'

Following *EIR*'s public confrontation with Soviet physicist Yevgenii Velikhov at a Reykjavik press conference about the Soviets' cover-up of their program, the President, Defense Secretary Caspar Weinberger, and physicist Edward Teller have all added their own warnings about the Soviet SDI to what Kohl and the *Bild Zeitung* article stated.

President Reagan referred to it for the first time in his televised speech to the nation upon his return from Reykjavik, and again when he welcomed Kohl to the White House. On the campaign trail, he has made the SDI the central programmatic issue of every speech.

Weinberger, interviewed on Cable Network News Oct.

23, said that the Soviets "have been working on their SDI for 17 years," and added that "there could be no way to verify that they would limit their own work to what they want us to do." He said that the Soviets' "whole objective at Reykjavik was to get rid of the U.S. SDI," and that the entire NATO group meeting in Scotland "supported President Reagan's handling of the meeting." He said that the President "will not bend on the SDI," and stressed that "it is impossible to tell just when it will be deployable," because progress in research is already going so much faster than originally expected.

Asked to respond to Kohl's appeal to "tell all about the Soviet SDI," Dr. Teller gave an exclusive statement to *EIR* while appearing at a gathering commemorating the 30th anniversary of the Hungarian uprising. Teller said Oct. 23, "The Soviets have been working on defense and said they are working on defense for more than 20 years. They have an excellent defensive arrangement which is according to the ABM (Anti-Ballistic Missile) agreement around Moscow, and we did not do anything. They are developing mobile defensive missiles. They have lasers, one developed on the shore of Lake Balkhash at the military test site in Sary Shagan. They know they are far ahead of everybody else. They are protesting against SDI because they have a monopoly and they want to keep it. And if they keep it, then they will be able to dictate to all of us what to do."

The *Bild Zeitung* revelation stuns even those in the West who concede the existence of a Soviet SDI program. Close Reagan advisers, for example, admit the program, but arrogantly deny the Soviets have the computer technology to orchestrate the "command and control" required to make a laser-based strategic defense work. The *Bild Zeitung* story shatters that illusion.

Spy expulsions

What the major media characterized as a "tit-for-tat" exchange of diplomats following Reykjavik actually represented a big escalation by the United States to dismantle the top levels of Soviet espionage operations. While the United States ordered the Soviets last March to remove 25 people from their United Nations mission in New York, a Soviet countermove against that earlier this month provoked President Reagan to demand the immediate expulsion of another 55 Soviet spies from the Soviet embassy in Washington and consulate in San Francisco.

EIR has received information that the New York intelligence station had been set up under secret codicils of the SALT II treaty by Henry Kissinger, to provide KGB with the scientific and military espionage capability to monitor compliance with SALT. Secretary of State Shultz's opposition to the expulsions thus stems from his desire to revive SALT, which Reagan officially junked last summer.

Again, Weinberger defended the move, saying on both ABC and CBS Oct. 23 that the expulsions "remove a very large part of the leadership of the Soviet spy network." An-

other senior administration official said Oct. 22 that the expulsions "bring an end to an era of Soviet spying in the United States," indicating that senior-level officers of the KGB and GRU were chosen to "clean out the top ranks of military intelligence down to the equivalent of lieutenant colonels." He said, "There is now no management left." Another official added, "This is a decapitation of the Soviet intelligence network in the U.S."

Ironically, the Soviets' response, ordering another five U.S. diplomats out of the U.S.S.R. and removing 260 Soviet employees of the embassy in Moscow, only further cut back Soviet spying capabilities—this time by the Soviet employees working at the embassy.

The *Christian Science Monitor* gave Attorney General Ed Meese the credit for orchestrating the expulsion of the Soviet spies. The *New York Post* noted that Meese is "vying for power" in the administration with White House Chief of Staff Don Regan.

In developments that are breaking as *EIR* goes to press, Great Britain broke off diplomatic relations with the Soviet-backed terrorist coven known as Syria Oct. 24, and President Reagan followed the move by recalling the U.S. ambassador from Damascus the same day.

You can pound with Gucci shoes, too

Observers of the Soviet political animal have noted that the debonair "Westernized" demeanor of General Secretary Gorbachov has slipped since Reykjavik. Gorbachov went on Soviet television Oct. 22 to perpetuate the "big lie" and brutish method used in Iceland, protesting violently over his failure to bend President Reagan on the SDI, complaining over the forces of "militarism," the "hawks" in the White House, and the President's "entourage which literally breathes hatred." Gorbachov pontificated, "Why do they cling so stubbornly to SDI? Star Wars plans have become the main obstacle to accord on elimination of the nuclear threat."

Gorbachov reiterated the Soviet position at Reykjavik, which is that its arms control offer composes "a complete package," including a non-negotiable demand that the United States confine its SDI program to "laboratory research," a demand which Weinberger correctly asserted, would kill the program. Although his speech was primarily for domestic consumption, he did not miss the opportunity to praise former U.S. arms-control negotiator Paul Warnke, and closed his remarks by quoting U.S. Senator Robert Byrd (D-W.Va.) saying, "SDI must not be the rock on which the arms-control process founders."

Gorbachov's rambling and unfocused tirade was centered on two obsessions, the SDI and the specter of a "new grouping" in the United States which opposes deals with the Soviet Union.

The "new grouping" which so terrifies the Soviet leader, may in fact have been around on this planet for about 2,000 years.

‘The Soviet Union is the primary instigator of international terror’

EIR foreign policy reporter Philip Golub recently conducted the following interview with Jean Rochet in Paris. Mr. Rochet was director of the internal French counter-espionage agency *Direction de la Sécurité du Territoire (DST)* from 1969 to late 1972 and is considered one of France's top specialists on questions of Soviet espionage and terrorism. Mr. Rochet is the author of a highly controversial book published last year on the history of his years as head of the DST.

“I am not alone in accusing the Soviet Union of being the primary instigator of international terrorism. . . . If we deny this fact we are fatally condemning ourselves to be victims of a terrorist war which is being permanently instigated by the communist countries and their satellites in the Third World,” says Rochet, who refers back to his experience as head of French internal counter-espionage to underline the strength of his statements. In Rochet's view the intelligence services of the Warsaw Pact have proceeded methodically in building up secondary and tertiary screens and “cut-outs” (agents who are at least one step removed from their controllers, so as to hide their origin) to carry out covert operations.

EIR: You have often stated that terrorism is neither a sociological phenomenon nor the expression of so-called liberation struggles. After the recent terror bombings in Paris, would you characterize terrorism as a form of war?

Rochet: Let me refer you to a speech I made in June to a conference held in the French Senate. Terrorism must be seen in the context of the dominant strategic situation prevailing between the Warsaw Pact and the Atlantic alliance. The East-West nuclear equilibrium is not peace. In reality, “détente” hides another form of war. *International terrorism is one of the forms of this other war.*

In the speech I noted that it may be provocative to say so, but it is not wrong to say that France is in a state of war and does not fully realize it. Terrorism is thus the means used by foreign powers to strike our defenses in an oblique way. The official report of the French Senate investigation of terrorism directly implicates the Soviet Union in international terrorism. Among other documents, it refers to the official report

of the Italian Service of Counter-Espionage (SISMI) to the Italian parliament which details “the destabilization efforts of the secret services of the Warsaw Pact in the Western world and in Europe.”

Based on a study of the logistical support and the flow of arms and money to terrorist organizations *The counter-espionage and intelligence services of the West have concluded that there are unquestionable links between the secret services of the communist countries and the terrorist groups.* In my speech I pointed out that this subversive action takes on different forms:

1) Operations directly conducted by agents formed by the secret services of the East, the case of Carlos for example;

2) Logistical support to terrorist networks, even groups which ostensibly are not Marxist, including safe housing for right-wing extremists and terrorists;

3) Penetration of terror cells apparently opposed to the U.S.S.R., as the case of the attempted assassination of Pope John Paul II proved. It is unquestionable that the assassination effort was prepared by the Bulgarian DS under KGB control, using right-extremist Turkish elements.

EIR: What in your opinion must the Western alliance do in face of this threat?

Rochet: We must first of all understand that we are being hit by *veritable acts of war*, executed, inspired, or supported by agents of foreign powers. Terrorism also constitutes an extremely grave form of blackmail against our states. If we fail to recognize this, we will never develop the appropriate will and means to fight it, as shown by what the Socialist governments did over the past years.

EIR: Speaking of France, there has been a highly charged and polemical debate over terrorism. The government has changed since March. Could you give me your sense of the evolution of policy on the question of terrorism?

Rochet: First of all, there is no distinction between so-called national and international terrorism. Direct Action, for example, has worldwide links. The Socialists here have tried to

establish this false sociological distinction. Look, the Socialists in 1981 attempted to "recuperate" all kinds of terrorists, offered them a "helping hand." Hundreds of hard-core terrorists were amnestied! And all of this was based on the assumption or the pretext that the terrorists were fighting against an authoritarian state, i.e., previous regimes. Soon after the amnesty, the National Security Court (Cour de Sureté de l'Etat) was dissolved. And what happened?

In 1981 there were 570 terrorist incidents in France or against French targets. In 1982 there were 1,260 such incidents. From 1981 to 1985 there have been 3,000 terrorist acts with over 800 victims. We did a senatorial investigation of all of this. The Socialist governments refused to extradite terrorists and France became a center for international terrorism, a refuge.

EIR: What measures do you suggest be taken against the terrorists themselves and their controllers?

Rochet: Acts of war can only be met by acts of war. At the very least we must clearly, *unambiguously*, denounce the countries involved in terrorism, isolate them, cut down their embassy personnel, make them feel the pressure.

EIR: The *Rainbow Warrior* incident weakened French intelligence, specifically the Action Service [covert operations]. Does France have the means to respond to acts of war by acts of war?

Rochet: It takes time to reforge a fighting instrument when it has been weakened. You have to understand that for the first time since the Nazi occupation of France, French police were *ordered* to investigate and chase other French officials, French intelligence agents. It is [former Interior Minister Pierre] Joxe who did this. Joxe ordered the police to hunt down French officers. Joxe is a card-carrying member of the CGT [Communist-affiliated trade union]. Can you imagine? A card-carrying member of the CGT as interior minister. Joxe even demanded, which had never been done before, to know the sources of the DST.

EIR: Did he succeed?

Rochet: (Laughs.) Let me tell you something else. When the Socialists came to power in 1981, they appointed Marion as head of the then SDECE [French foreign intelligence, now called DGSE]. Marion recently has revealed that at one point he submitted a number of names to the President of terrorists he suggested be eliminated. Mitterrand, says Marion, refused! It is Mitterrand's own hand-picked director who is saying this. Perhaps Mitterrand was fearful for personal reasons.

EIR: Are there other, historical reasons why France did not face up to the terrorist threat?

Rochet: You must see that there is and has always been a pro-Soviet clan and an Arabist clan in the Quai D'Orsay.

Europe prepares to face terror assault

by Thierry Lalevée

In contrast to those diplomats who are loudly wishing for a post-Reykjavik agreement with the Soviet Union, the Western specialized agencies and defense and interior ministers have no such illusions, and are gearing to face something quite different. The unanimous assessment among intelligence agencies is that Moscow's anger at its failure will be concretized in coming weeks by a series of assaults: first, an Israeli-Syrian war, "almost inevitable" in the words of Gen. Yossi Peled of Israel's Northern Command on Oct. 15; second, an activation of local and secessionist conflicts throughout the developing sector; and third, a terror onslaught in Europe and against American targets, through the joint deployment of European and Islamic terrorists.

International cooperation has been strengthened to face this assault. On Oct. 16, French Security Minister Robert Pandraud began a three-day visit to Washington, meeting with Vice-President George Bush, CIA director William Casey, and the directors of the FBI and of the National Security Council. In a press conference on Oct. 18, Pandraud announced that he had received "valuable intelligence leads . . . which have now to be concretized into proofs," and that wide-ranging cooperation was established. "We have established a new coordination on how to release our hostages [in Lebanon], without giving in to blackmail. However, we are not going to give our enemies any gifts by giving out details." Meanwhile, French Defense Minister André Giraud was in Saudi Arabia, ostensibly to discuss closer naval cooperation, but also to review the terror threats in the region, while Bernard Gérard, director of the DST (French intelligence) went to Morocco, Algeria, and Israel.

On Oct. 20, the interior ministers of the European Community convened once again in London to discuss terrorism. At the insistence of the French, the fight against drug smuggling became a top issue. Keeping as much secrecy as possible, it was announced on Oct. 21 that full coordination was established on both issues.

In the preceding days, both Paris and London had scored big victories against narco-terrorism. In Britain, an Ibero-American ring which laundered up to £200 million in drug dollars into British banks to be recycled in the United States,

was smashed. In France, a ring operating out of Africa was also caught with more than 10 million French francs' worth of heroin, and, in a spectacular move, more than 60 low-level drug smugglers were expelled from the country. As we reported last week, Franco-British cooperation has also led to the dismantling of an "Abu Nidal" terror network in London.

France and Germany: prime targets

Both West Germany and France are on the front line. France was hit by a terror wave in September; on Oct. 10 Dr. Gerold von Braunmühl, director of the Political Department of the Foreign Ministry in Bonn, was assassinated. Claimed by a "Liberation Front of Western Europe" (a new label used by the Red Army Faction), the hit on von Braunmühl is considered as the first of a series against European leaders. West German police officials have sent out warnings that this includes reactivation of the French Direct Action, the Portuguese FP-25, and the Italian terrorists of the Red Brigades or First Line.

The other European targets are expected to have the same profile as the Bonn murder. Moscow doesn't consider it useful yet to go after top political figures, said one intelligence source. Instead the Soviets concentrate on the secondary figures who, because of their non-political functions, do the actual jobs in these governments. A reading of the terrorist communiqué which denounced von Braunmühl for his cooperation with the French, British, and American ministries in dealing with such countries as "Morocco, Tunisia, Egypt, and the Gulf States," underlines the symbiosis between the Red Army Faction and its Mideastern alter egos.

Another lead to the international dimension of these operations lies in reports from West Germany that Direct Action associate, Frederic Oriach, was involved in the Sept. 9 bombing of the German federal border guard headquarters in Cologne. Wanted by French police in connection with the Paris terror wave, Oriach was known to have spent the summer in Damascus meeting with Syrian intelligence officials, before slipping back into Europe, via Zurich, in the first days of September. He was arrested in Paris on Sept. 25, then released but kept under judiciary control.

It became even clearer that all the terror groups work together, when the Armenian Secret Army (ASALA) and the "Committee of Solidarity with Arab Political Prisoners" went back into action at the same time. Between Oct. 14 and 18, the ASALA threatened repeatedly that unless George Ibrahim Abdallah and others arrested for the September bombings were released, "all French institutions will become targets." The ASALA made the outrageous assertion that if "it were not for [President] Mitterrand the Zionist," Premier Jacques Chirac would have already given into these demands.

In fact, intelligence sources recently revealed that Chirac had decided, after the Sept. 12 massacre in Paris, to bomb

the village of Kobeyat in northern Lebanon, home of the Abdallah family. The aircraft carrier *Clemenceau*, then participating in Mediterranean NATO maneuvers, was off the coast of Lebanon, ready for the operation, but it was halted by a veto from President Mitterrand.

The Soviet-Nazi network

Enough messages and warnings have been sent to Syria and its terrorist allies in recent weeks, to make them pause and consider the price of going further. Of wide international consequence was the statement on Oct. 14, just before his departure to Washington, of Robert Pandraud, in which he denounced the "France-based logistical network" that helped the Abdallahs to perpetrate their crime. Pandraud specified that he meant the "Ben Bella network. . . . Ben Bella began his career as a terrorist; he is finishing it likewise." Ben Bella was a major topic of discussion in Washington, granted the weakness of certain American intelligence circles toward Islamic fundamentalism. Upon his return, and his quick trip to London, Pandraud began counteroperations. On Oct. 20, more than 15 leading associates of Ben Bella were arrested throughout France. Besides weapons, dozens of false administrative documents were found in their flats. Upon interrogation, most are expected to be expelled. Among those arrested was Mohammed Benhadj, the leading associate of Ben Bella, operating in France and Spain, who is known to have attended an important Iranian terrorist gathering on Aug. 8 in London at the "Muslim Research and Planning Institute."

For *EIR* readers, the consequences of such a move should be obvious. Going after the Ben Bella network, will bring to light the Nazi-communist connection to international terrorism, and the full dimension of its Soviet involvement. Inside France itself, it serves another purpose, granted that Ben Bella was repeatedly used by the previous Socialist government as a mediator with the terrorists.

Another breakthrough with consequences for all of Europe was achieved on Oct. 16. A French woman revealed that she had met with Robert Abdallah in Paris from the winter of 1985 to early September 1986. This gives the lie to Abdallah's declarations of Sept. 13, according to which he had not visited France in years. More important, he then used the name of Mehmet and lived with friends, members of the Kurdish Communist Party (PKK), a group which may be linked to the murder of Swedish Premier Olof Palme last February, and has also been exposed in France as the main couriers for drugs and arms on behalf of the European terrorists. Investigations can be expected to show that Abdallah's Kurdish friends have for years been the liaisons between Direct Action and the Lebanese terrorist FARL, or CSAPP as it is now called.

From the Kurdish Communist Party to the Ben Bella network, the entire Soviet-created European logistical infrastructure, where Euro-terrorists meet with Islamic and Mideastern terrorists, could now be dismantled.

'Peace' conference shows KGB pedigree

by Poul Rasmussen

In closing remarks at the final session of the World Peace Conference held in Copenhagen Oct 15-19, the president of the conference, Hermod Lannung, said: "We might consider creating a super-coalition, an international alliance of organizations concerned with peace and the Earth's future, which will assemble a far more potent political force for our survival than otherwise possible."

Now, what would be the real purpose of such a worldwide super-coalition? Lannung did not say, but the five days of this Soviet propaganda conference certainly did not leave any doubt. The Soviets want a worldwide mobilization to stop President Reagan's Strategic Defense Initiative (SDI), now.

Occurring only three days after the Reykjavik meeting between Reagan and Gorbachov, the World Peace Conference was totally dominated by the pre-summit's dramatic outcome, for which neither the Soviets themselves nor their Western stooges had been prepared. In his opening remarks, Lannung called the summit both a "failure" and a "success," and this confusion prevailed throughout the conference.

The Soviets had apparently anticipated the confusion, and in order to ensure that the conference retained its focus, they send the director of the Soviet Press Center at the Reykjavik Meeting, Andrei Grashev, directly to Copenhagen to deliver the marching orders. Grashev is a senior intelligence operative working out of the Soviet Commission at Unesco.

The marching orders were clear: Almost all of the special sessions, work shops, and press conferences centered around the perceived need to stop the SDI. The way the SDI was presented to the participants of the conference was hardly recognizable for anyone who knows the real contents and aim of the SDI program. Speaker after speaker presented the SDI as an evil plan to deploy nuclear weapons and mass destruction lasers in space. The hysteria culminated with the presentation of Soviet astronaut Vladimir Aksyonov, who scared the wits out of the audience by describing how laser beams can be directed toward plants and animals on Earth, causing chromosomal defects and death. If directed against human beings, Aksyonov said, there can be no doubt that lasers can cause new types of immune deficiencies (i.e., SDI causes AIDS).

In this atmosphere, it was very difficult for the few who

tried to maintain the line that the SDI won't work. Dr. Booss from the World Federation of Scientific Workers tried desperately to explain to the audience that the SDI was nothing but a fantasy, but the monster picture of the SDI was so much alive in minds of the death-scared peace lovers, that they refused to listen.

While it was clear that the SDI should be the future target, it was less clear how they should stop it. After hours of deliberation and discussion, two proposals won universal approval. One: a worldwide campaign for a comprehensive nuclear test ban, with the explicit aim of stopping the development of the x-ray laser. Two: an international petition drive against the SDI.

Reagan called a terrorist

The organizers of the World Peace Conference had made a tremendous effort to conceal the fact that the conference was nothing but the child of the World Peace Council, an infamous KGB propaganda organization. To the dismay of conference organizers, scores of articles in the European press had already disclosed the event as a despicable Soviet propaganda trick. At the opening session of the conference, demonstrators seized the stage and unfurled a banner saying: "This is a KGB conference." All over Copenhagen placards and stickers appeared saying: "Go home KGB—and take your bogus 'Peace Conference' with you."

Despite efforts from the conference officials to maintain the façade of an "open and non-biased" conference, the true face of this KGB event came to the surface at the last working session, titled: "Terrorism and State Terrorism." The speakers were an amazing array of experts in this field, from Libya, Syria, Israel, the PLO, the Kurds in Turkey, Basques in Spain, Irish IRA, Nicaragua, El Salvador, Guatemala, and, of course, the Soviet Union. The tone of the discussion was set by Prof. Alexei Vassilyev from the Moscow Institute of African Affairs, who stated that all claims of left-wing participation in the present wave of terrorism in Europe are nonsense.

He quoted from the French paper *Le Monde*, which said that the French government would cut subsidies to environmental groups because of the terror wave. "This shows," said Professor Vassilyev, "that it is right-wing forces who benefit from terrorism." He dismissed all claims of Soviet backing of terrorism as primitive anti-communism. But, he said, we do of course support all legitimate struggles for national liberation!

This became the theme everybody else picked up. The Libyans, the Kurds, and the others claimed to be fighting for legitimate national liberation, which should be seen as a natural continuation of the struggle for peace. According to all of the speakers, there is only one terrorist in the world, and his name is Ronald Reagan. And there is only one country in the world supporting terrorism, and that is the United States of America.

Her Majesty's (real) secret service

by Scott Thompson

Since the eruption of Palacagate in Great Britain, every carefully cultivated myth has fallen that Her Majesty, Queen Elizabeth II, is merely a picture-postcard monarch held over for reasons of sentiment and to encourage tourism. Vindicated is *EIR*'s charge that Queen Elizabeth's rule of Great Britain has gone beyond her parliamentary right to "advise" and "warn" her prime minister—a rule that often finds the Queen sacrificing British national interests on behalf of her greater Commonwealth interests.

This power of the British monarchy is often publicly expressed by knowledge that Queen Elizabeth has access to all the dispatch boxes of the prime minister, including those that deal with "Her Majesty's Secret Service's" most sensitive operations. But, above and beyond this, the Queen and her counselors oversee another intelligence service—ranging from anti-Christian Freemasonic networks, to Soviet-linked Communist espionage networks, to the Queen's parliamentary-appointed role as Protector of the Faith (of the Anglican Communion)—whose real inner activities have been closed off to the highest levels of Parliament and the line secret services.

The case of the Nazi-communist oligarchic controller Lord Louis Mountbatten, covered in Parts I-III of this series, who personally introduced Prince Charles to Soviet Trust agent Armand Hammer (now a close adviser to Charles), is merely the proverbial tip of the iceberg.

The Queen's own recent actions through this, Her Majesty's (real) secret service, pose a scandal of such proportions, that the Queen and the Royal House of Windsor-Mountbatten, stand in direct violation of the 1701 Act of Settlement. As such, the royal family can be deposed by Parliament to be replaced by another line. According to informed sources, Prime Minister Thatcher is empowered to use the line secret services to investigate any royal; it is incumbent upon her to do so.

'Men of England wherefore toil?'

It is the Queen's relationship with Robert Runcie, the Archbishop of Canterbury, that is the first (and major) count for the Queen having violated the 1701 Act of Settlement.

Runcie has been in open revolt against Thatcher since she took office in 1979. The Queen reportedly hand-picked him to be Archbishop, because of his handling of the 1973 An-

glican-Orthodox Joint Doctrinal Commission, which seeks an "ecumenical dialogue" between the Anglican Communion and the KGB-linked Russian Orthodox Church. The political significance of this dialogue is that those members of the ruling byzantine *Nomenklatura* in the Soviet Union today, who are most closely associated with the now dominant *Raskolniki* ("Old Believer") current of the Russian Orthodox Church—e.g., Soviet Marshal Nikolai Ogarkov—are also those most committed to Soviet world conquest in fulfillment of the prophecy that Holy Moscow will be "the Third and Final Rome."

Yet, to appease this same oligarchy, Runcie recommended in 1973 that the Anglican Communion eliminate the *Filioque* doctrine from its Creed, thereby violating the 1701 Act of Settlement which forbids any change in the Anglican Creed. The *Filioque* is an Augustinian expression of the first three chapters of the *Book of Genesis*, which state that man is created *in imago dei* ("in the image of God"), then enjoin man to be fruitful, multiply, and gain dominion over God's creation. Dispute over the *Filioque* in the eighth century had been the original basis for the division between the Roman Catholic Church and the Byzantine Orthodox Church. The Russian Orthodox Church has violently rejected the *Filioque* since its founding.

Runcie's faction in the Anglican Communion includes such kooks as: Bishop Hugh Montefiore, who believes that Christ was a "latent homosexual"; and Bishop David Jenkins of Durham, who calls the Resurrection, "a conjuring trick with bones." Runcie's heresy, beginning with rejection of the *Filioque*, is pervasive!

This heresy, however, did not start with Runcie. Another leading proponent until his death in 1972 had been the Rev. Canon Herbert Montague Waddams, who as head of the Archbishop of Canterbury's Counsellors on Foreign Relations, not only advised Runcie's predecessor, but, it is reported, had access to the Queen as well. In a 1966 lecture titled, "Where Is the World Going," Waddams mounted a vicious attack against the principle in *Genesis*:

"The idea of progress which was popular in the last century and the beginning of this has been largely discredited. Hardly anyone believes in it any more. It was a concept of progress for mankind as he secured more and more control over science and gradually mastered the world, so as to gov-

ern it to the benefit of man. . . . By closely linking technopolis with the kingdom of God, [some writers] give to a passing social state, which is the outcome of technical achievement, a semi-religious glow, tending to make it good in itself."

This "Aquarian Age" kookery from Waddams is only a more cogent expression of the anti-science drivel peddled by the Soviet-linked Prince Charles today. Among the benefits of technology that such a policy would remove from Great Britain, which both Waddams and Prince Charles envision returning to feudalist imbecility, is a modern strategic defense against Soviet world rule. It may, therefore, be relevant that when he was stationed in Russia during World War II, Herbert Waddams became a close friend of the Russian Orthodox Church's Metropolitan Nikolai, reported by well-informed circles to have been a KGB general, and a leading figure in the "ecumenical dialogue" with Western churches until his death.

The British royal family had another, even earlier operative: Lord Harold Acton, a Genoese-born aristocrat, Queen Victoria's adviser on religious affairs.

Lord Acton's documented services to Queen Victoria include his work with Giuseppe Mazzini's Propaganda 1 Freemasonic Lodge (which controlled Karl Marx's First International) and with the Jesuit Order to vastly curtail the Vatican's secular power. When, in response, the 1870 Vatican Council proclaimed the Pope to be infallible, Lord Acton's Anglican collaborators began to cultivate certain Byzantine Orthodox Churches—including the Russian Orthodox Church—thereby opening a new flank against the Vatican.

Lord Acton's plan had the potential of reviving the Holy Alliance, which had been coordinated by Venice's Count Capodistria, through Castlereagh and Metternich. Both plans were to include the Russian Tsar and the Russian Orthodox Church, but to exclude the Vatican. These schemes are the origin of Archbishop Runcie and Canon Waddams's treacherous policy of a "dialogue" with those Raskolniki currents within the Russian Orthodox Church and *Nomenklatura*, who would today make Holy Moscow "the Third and Final Rome."

The Mother Lodge

Since the "Jack the Ripper" murders were carried out by British officials—all members of the Ancient and Accepted Scottish Rite (created 1761)—to keep secret that one of Queen Victoria's sons had had a child by a prostitute, the royal family's involvement with Freemasonry has been disastrous for England.

Although the Queen Mother reportedly looks upon Masonry as an anti-Christian cult, her husband, George VI, was a Freemason of Grand Rank and argued for continued royal involvement. By permitting her own husband, Prince Philip, her cousin Michael, Duke of Kent, and her Counsellors to become members of a syncretic religion, whose higher orders

worship such Satanic cults as Isis and Baal, a second charge can be brought against Queen Elizabeth II for having violated the 1701 Act of Settlement.

Actually the Queen's cousin, Michael, Duke of Kent, pushed forward to become Grand Master of the United Grand "Mother Lodge" (created 1717) when Prince Philip refused, is following in the footsteps of his fascist father (the closest brother of the pro-Nazi Duke of Windsor, a.k.a. Edward VIII), who was Grand Master of the Lodge from 1939 until his apparent murder in 1942. Duke Michael's great-great grandfather had also been the first Grand Master of the Modern Knights Templar England (created 1804). This Duke of Kent's grandson, Edward VII (son of Queen Victoria), a 33rd degree Scottish Rite Mason, became Grand Master of the Knights Templar in 1869, then Grand Master of the United Grand Lodge in 1908.

It was after Duke Michael became Grand Master of the "Mother Lodge" in 1967 that the British royal family was dragged into another Masonic scandal. This began with the Lodge's 1973 recognition of the Italian Grand Orient, which included recognition of the Propaganda 2-Lodge of Licio Gelli. P-2 was modeled upon the 19th century Propaganda Lodge—affiliated both with Scottish Rite and Italian Grand Orient—of Giuseppe Mazzini, which also co-founded Karl Marx's First International on Sept. 28, 1864.

According to recently published accounts, a British intelligence network close to the former head of MI-6 (British foreign intelligence), Sir Maurice Oldfield, issued a strong warning that P-2 was linked to Soviet espionage. This is hardly a secret. Licio Gelli, a former member of Mussolini's secret service, had been saved from execution as a war criminal through the intervention of the Italian Communist Party, which the P-2 later funded. After the war Gelli established contacts with East bloc intelligence services tied to the infamous "Bulgarian Connection." When a patron of Licio Gelli, the Italian banker Roberto Calvi, who was close to leading Italian Christian Democratic advocate of "the Opening to the East," Giulio Andreotti, was found hung in ritual Masonic murder style from Blackfriars Bridge in London, the P-2 scandal held the same potential for the British royal family as "Jack the Ripper."

Another royal scandal, that will be the subject of the concluding part of this series, involves Sir Anthony Blunt, who as Surveyor of the Queen's Pictures was ringleader of the Philby, Burgess, Maclean "Circle of 25." It may only be a coincidence, but the man often credited with protecting Blunt in the British Royal Household, Lt.-Col. the Rt. Hon. Lord (Michael) Adeane, the former private secretary of the Queen, is a Freemason of Grand Rank. His son, the Hon. Edward Adeane, another Freemason, is still private secretary to Prince Charles. With Queen Elizabeth II's permission, this group protected Sir Anthony Blunt from public exposure until 1979, the year Lord Mountbatten introduced Prince Charles and Prince Philip to Armand Hammer.

Narco-terrorism in Thailand is 'precisely what we fear the most'

Police General Chavalit Yodmani is secretary-general of the Office of the Narcotics Control Board (ONCB) of the government of Thailand. He was interviewed by Pakdee and Sophie Tanapura of EIR's Bangkok bureau.

EIR: Does the Thai government have any plans to trace the enormous amount of funds generated by the drug traffic in the Southeast Asian region?

Chavalit: I think that it is very difficult to trace the financial laundering networks in the Southeast Asian region. This is mainly because drug traffickers use what is known in Chinese as the "poey kuan" system, a system based on mutual trust. It is doubly difficult to trace these laundering routes because Asians, and especially the Chinese, deal with each other in the strictest confidence among family or clan members who have been trading with one another over a long period of time. Therefore, drug trafficking for them is a sure and profitable business which then allows them to reinvest in other businesses such as contraband trade, prostitution rings, and other such activities, making it very hard for the authorities to trace the laundered money. For instance, drug traffickers in Bangkok export drugs to Hong Kong dealers who re-export contraband goods back to the Bangkok drug traffickers. With this system, no drug money is transferred through the official banking system.

EIR: According to our information, the northeastern provinces have been transformed into a significant marijuana-growing area. Can you confirm this?

Chavalit: There have been marijuana crops in the northeastern region for a long time. It's only recently that they have grown in importance, especially during the Vietnam War. As you know, during that period, there were many American GIs traveling back and forth, in and out of Thailand, and many were stationed in the northeastern region. You have to remember that that region has mountains covered with dense forests. It is in these areas that you find marijuana grown in isolated patches on the ridges along the Mekong River.

EIR: Where specifically is marijuana grown in that area?

Chavalit: You find it in the Sakon Nakorn, Mukdaharn, and Nakorn Phanom near the Thai-Lao border. If they feel that

the Thai authorities are harassing them too much, they simply move over the border to the Laotian side to grow marijuana which is then transported back. The work of border and provincial police patrols consists of destroying the marijuana plants, burning them, and transporting them out of the area.

EIR: According to reports, it seems that during the past two years, the Lao government has made it public that opium and marijuana trade would henceforth be legal. Does this not increase drug traffic across the Thai-Lao border?

Chavalit: Yes, we are closely surveying the area. As to whether the Lao government is encouraging opium-growing, this must be seen from two standpoints: 1) If it is grown legally, this means that the government is the sole buyer of the harvest, which is then used for production of medicine. In this case, the heroin does not become a social menace; 2) in encouraging the growing of opium crops, some of the crop ends up in the black market where the market price is much higher than the official price. This situation necessarily leads to the existence of drug mafias. In this case, the Thai government would have to make sure that the opium or heroin is not smuggled across the Thai-Lao border. . . . As far as I know, the International Narcotics Control Board is planning to check out the details of the legalized drug production in Laos. As for marijuana, to my knowledge, there is no medicinal use for it.

EIR: International terrorists are almost always synonymous with drug traffickers because drugs provide them with the necessary cash flow. For example, various terrorist groups in the Middle East, M-19 in Colombia, the Shining Path in Peru, and the NPA in the Philippines. Perhaps the communist party or other groups such as secessionists may also be involved. Do you have anything to corroborate this?

Chavalit: This is precisely what we fear the most if we are unable to control the drug traffic. Drug money will lead to mafias, corruption of officials, gun running, and contraband activities, all of which are much more profitable than any legitimate business. This becomes a socio-economic problem, worse still, a national security problem. In Thailand, minority ethnic groups such as the "Big Thai" secessionists are deeply involved in drug production and trafficking, which provide their movements with substantial financial support.

EIR: Do you mean secessionists in general? What role do they play?

Chavalit: In Burma, drug money is a principal source of income for these movements to continue their anti-government activities. In the eyes of the Burmese government, these groups are considered to be rebels. And because they have a source of income, they are able to continue their terrorism against the state.

In Thailand, the situation is not yet that bad. This is because government authorities are able to reach even the most remote areas of the country. For this reason, we have not had such violent terrorist acts from secessionists. And since the government has expressed the desire to allow politics to take the lead instead of the military, such as been in the 66/23 law which granted amnesty to Communist Party members who were willing to give themselves up to authorities.

Before, we used to have red areas around Chiang Rai, Petchaboon, and Naan which were considered off-limits. Now tourists can visit these beautiful areas because by the end of 1982, government officials were able to move in to develop the area economically. This is one of the reasons for the general decline in opium production in the past years.

I also think that the hill tribes finally are understanding that if they want to live on Thai territory, they have to abide by Thai laws. They are beginning to understand that growing opium is an illegal activity. At the beginning of this year, the Third Army Region (North) sent in officials to educate the hill tribes of Meo, Yao, Seesaw, Karens, Mouser, and Eegor in alternative economic activities. Once they are relatively well-off, we move in and use repressive measures because some of them think they can sneak by us and still grow opium. Last year, we know that there was about 25,000 rai of opium production. Out of that, we were able to destroy about 11,000 rai. Therefore, last year's opium production dropped to only 14 tons or 14,000 rai. One rai produces about one kilogram of opium. You could say that the level of production is not enough to even satisfy the addictive needs of the hill tribes themselves. But then again, we don't really want Thai people to be drug addicts forever, do we? Some hill tribe members have checked into cure centers. . . .

EIR: Is the Communist Party of Thailand involved in drug trafficking?

Chavalit: I don't think so yet. In the South, we have heard that the Chinese-controlled communists collect a "political tax" on the contraband goods. The authorities have been cracking down quite systematically on this practice and are on the verge of wiping it out, whether it be by the Communist Party, terrorists, or Chinese bandits.

However, the problem lies elsewhere. We have been informed that besides the drug trafficking route originating in Burma and passing through Thailand, another significant one is developing across Bangladesh and India. We also know that efforts are being made by traffickers to change

drug traffic routes. This is because in the past three to four years, authorities have been increasingly efficient in waging the war on drugs. Last year alone, the traffickers lost 1,200 kilograms or more than a ton of heroin through drug seizure by the authorities. The year before we were able to seize 1,100 kilograms and the year before that, 800 kilograms. In addition, their middlemen were arrested, making it more difficult to find people they can trust to do the job. The anti-narcotics officials quite successfully set up checkpoints. International sources of information have also been very forthcoming, making it possible for us to trace the drug traffic from its production to its final destination in Europe or the United States.

EIR: Wasn't Thailand the first to use military help in the

Major drug traffickers are Americans. In Bolivia or Colombia, it is not really the local guys running the show. The big mafia behind the scenes is American.

war on drugs when troops were sent in to attack the base of the infamous drug kingpin, Khun Sa, in 1982-83?

Chavalit: Because civilians cannot handle such a huge task, we had to resort to either the border police, the provincial police, or the army. Otherwise, the operation would have been a failure from the beginning.

EIR: How is cooperation between the Thai and Burmese authorities in waging war on drugs on the border?

Chavalit: Relations between the two governments on this matter are very close. During the last official visit to Burma, Prime Minister Prem Tinsulanonda and Foreign Minister Siddhi Savetsila met with President Newin, Foreign Minister U Wieng Thong, and Interior Minister U Minh Thong, who is overseeing the narcotics question. We informed the Burmese of our operations on the border and we even extended an invitation to them to visit the area. However, we are still very far from cooperating with each other operationally on the ground. For the Burmese, access to the border area is almost impossible. For us, access to the production area is relatively easy on the Thai side, easier for us than for the Burmese from their own capital, Rangoon. We do what we can from our side to prevent these minority groups on the border from using Thai territory for opium production, for other illegal activities, or as a sanctuary from Burmese law. Of course, if they are seriously wounded or have lost an arm or a leg, for humanitarian reasons, we would help medically but would

not accept sheltering these people.

EIR: It's been reported in the press that the government wants to be able to seize all assets of arrested drug-runners. Can you confirm this?

Chavalit: I have been wanting to do this for a long time, but we have not yet promulgated the necessary laws. Drafts have been written and discussed off and on, but our Parliament has not yet passed such a law. And even when such a law is passed, it is still going to be difficult to prove that the origin of this or that sum of money is from drug trafficking, for reasons which I have already discussed earlier in the interview.

EIR: How is Thai cooperation with neighboring Malaysia in the anti-narcotics war?

Chavalit: We work very closely together and are in constant contact. The southern regional office of the ONCB works very closely with the Malaysian authorities. In addition, the anti-narcotics officials of the ASEAN nations meet once a year to exchange information and coordinate policy. As for Malaysia, we are working so closely that we don't think of our telephone calls as long distance any more. Our close collaboration has made it possible for the Malaysian authorities to increase the number of drug arrests on their side. And the fact that they did stick to implementing the death penalty for the two arrested Australian drug traffickers shows that they are serious in waging the war on drugs. The death penalty represents one of many repressive measures used in suppressing the spread of narcotics in their country.

EIR: What do you think of President Reagan's war on drugs and do you have any suggestions?

Chavalit: The United States has launched a major war on drugs because many Americans are drug addicts. Drug trade as a profitable business has to be eliminated. I think that most of the drug traffickers are Americans. Therefore, three things must be done: 1) Reduce the demand for drugs, i.e., increase the number of cure and rehabilitation centers for drug addicts. 2) As for preventive measures, which is a campaign already launched by the First Lady, efforts must be made so that Americans do not experiment with drugs or become even more addicted to drugs than they are right now. 3) Major drug traffickers are Americans. In Bolivia or Colombia, it is not really the local guys running the show. The big mafia behind the scenes is American. For these reasons, we are very happy to see the United States take the lead in the war on drugs on a world scale.

We don't want Thai people to become drug addicts either. We don't want Thailand to be run by drug mafias. The anti-narcotics measures we have taken are those prescribed by the United Nations: prevention, cure, rehabilitation, and economic development. Narcotics control and repression is a continuous program, because if we ever let up, the phenomenon will spread again.

Do You Have the Latest Ammunition To Fight for the SDI?

Japan and the SDI: An Inside Look

Japan's full-scale participation in the U.S. Strategic Defense Initiative could shorten the research time for deployment by a full two years, and bring enormous economic and defense benefits to Japan.

How this can happen is detailed in the just-published transcript of a two-day conference in Tokyo, "SDI: Military, Economic, and Strategic Implications," sponsored by the Fusion Energy Foundation and the Schiller Institute on April 22-23, with 180 members of Japan's scientific and political elite in attendance.

The consensus at the end of the two days was that Japan's participation in the SDI as an equal partner is both necessary and urgent. As Prof. Makoto Momoi of the Yomiuri Research Center put it, "Every day that Japan does not participate in the SDI is another day lost" in the battle to counter the Soviet threat.

Top U.S., European, and Japanese scientific, military, and political representatives discussed:

- the latest technologies of the SDI;
- specifically what Japan can contribute;
- the political climate in Japan;
- the nature of the Soviet threat.

Fully documented at the conference is how SDI technologies will bring about a 100-fold leap in energy flux density, abruptly reversing the decline in productivity in industry.

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A small town in Germany

The government's continuing appeasement strategy won't stop the Russian-run terrorists.

Amid the shock over the cold-blooded assassination of foreign ministry official Gerold von Braunmühl on Oct. 10, people expressed the hope that, finally, the politicians would wake up to the deathly threat posed by terrorism. Braunmühl was said to be one of the six highest-ranking diplomats in the foreign ministry, and he was in charge of a great deal in East-West affairs, as well as NATO and other defense-related questions.

This assassination was a direct attack on the government, equivalent to killing the foreign minister himself. How would Minister Hans-Dietrich Genscher respond to this terrorist attack? Would he and his liberal Free Democratic Party stop their obstructionism against efficient anti-terrorist measures?

And—the most sensitive question—would the Bonn government begin to speak out on the Soviet role in terrorism and irregular warfare against the West?

None of this happened. Minister Genscher, in his speech of condolence at the official funeral ceremony for von Braunmühl on Oct. 16, had only this to say: "They [the terrorists] cannot speak for anyone, cannot act on anyone's orders, except for themselves. . . . They cannot rely on any nation in this world to explain their deeds."

Genscher is a liar. The propaganda pamphlets produced by the terrorists explaining their deeds sound exactly like the official hate diatribes of Soviet propaganda against the West.

On Sept. 24, Undersecretary of Defense Peter Kurt Würzbach stated in a parliamentary hearing that the government was in the possession of evidence of the Warsaw Pact's capabilities in irregular warfare.

Würzbach even identified the targets of Warsaw Pact sabotage units: "They have orders to foment uncertainty in a time of increasing tensions, which precede a crisis or a war, by eliminating the central facilities of electricity supply, of telecommunications, of the public sector, depots, and headquarters—but not only against the objects I just listed, but also against leading public figures, representatives of the political and military sphere. . . ."

The targets Würzbach named were the same targets that have been under continuing and escalating attack by "extremists" and "terrorists" in West Germany. Yet, even after the Oct. 10 assassination of von Braunmühl, who was such a "leading representative of the political and military sphere," no one would draw the obvious and necessary conclusion.

The Foreign Ministry keeps pointing to the document which was signed between Western and Eastern delegations (including the Soviet Union) at the Stockholm Conference on European Security in early September. This document announced the "mutual commitment of all the signatories to fight terrorism."

Given the facts of the East bloc's share in international terrorism, the document is worthless paper. It was

signed amid the bloodiest phase of terrorist attacks in France and West Germany to date. Any government basing its policy against terrorism on such a document, will encourage the Warsaw Pact to step up its irregular warfare against the West. The assassination of Gerold von Braunmühl is the first evidence pointing to Moscow's reaction to the "Stockholm document."

Another conclusion has to be drawn from the Oct. 10 murder. This terrorist attack recalls the series of assassinations which hit West Germany in the late 1960s and the first half of the 1970s. In May 1968, Bonn's ambassador to Saigon, Rüdiger von Collenberg, was murdered. In April 1970, Ambassador Count of Spreiti was shot dead by communist extremists in Guatemala. And in April 1975, Embassy Councillor Hillegaart and Military Attaché von Mirbach were assassinated by German terrorists, who stormed Bonn's embassy in Stockholm.

The period between 1968 and 1975 were the years when appeasement toward Moscow was installed as the central aspect of West German policy. In 1968, West Germany visibly distanced itself from the United States over the issue of the war in Vietnam, and began official talks with the Warsaw Pact on "common security in Europe."

In 1975, the government signed the final documents of the Helsinki Accords, which officially recognized Moscow's grip over Eastern Europe. Strangely enough, terrorist attacks on West German diplomats stopped exactly then.

The fact that such attacks are being resumed now, means that Moscow wants Bonn to give its signature to new, far-reaching agreements. And so far, the gutless fellows of this small town in Germany seem inclined to do so.

A step backward in Colombia

Barco's government is playing footsie with the forces of the dope trade—on International Monetary Fund orders.

Under the rubric of “repatriation of capital,” the Virgilio Barco government’s just-announced tax reform/amnesty proposal would open wide the Colombian economy to the multi-billion-dollar fortunes of drug traffickers stashed abroad. Finance Minister César Gaviria Trujillo explained to reporters Oct. 21 that these fortunes could be incorporated into the local economy, if traffickers were permitted to bring home their dollars “without having to pay taxes.”

Right now, anonymous dollar holders are allowed to convert cash, in small amounts, into pesos through the central bank’s *ventanilla siniestra* (black market window), no questions asked. The new amnesty offer, if approved by Congress, would hand the capital-starved Colombian economy to the drug mob.

Further, with such a tax amnesty for drug dollars in place, a legal amnesty for fugitive traffickers and drug bankers like Pablo Escobar and Jaime Michelsen Uribe would not be long in coming.

The ultimate beneficiaries of the reform? Hardly the Colombian economy, as Gaviria insists. If you scratch the surface of the reform proposal, you will find creditor interests represented by the International Monetary Fund, for which Barco’s finance minister used to work.

The drug mob doesn’t mind sharing some of the wealth with its banker friends. In fact, when former President Betancur launched his war on drug traffickers in 1984, the country’s leading dope kingpins presented a joint

offer to bring their fortunes home and pay Colombia’s foreign debt in return for an amnesty. Betancur refused, upholding the pledge made at the graveside of his murdered justice minister to fight a war to the death with the drug trade.

With President Barco, however, the situation appears to be changing . . . for the worse.

First, he heads up a cabinet which was, in large measure, hand-picked by the executive committee of the Liberal Party. At the helm of Barco’s party is former President and the mafia’s political godfather Alfonso López Michelsen; the executive committee is peppered with the likes of drug legalization advocate Ernesto Samper Pizano and mafia political front men Alberto Santofimio Botero and Bernardo Guerra Serna.

Second, the Justice Ministry’s National Narcotics Council has just recommended the suspension of Colombia’s model herbicide eradication program against marijuana and coca cultivation, falsely citing ecological damage as the reason. Although the recommendation still awaits approval by President Barco and his cabinet ministers, Barco has shown himself to be susceptible to the pro-drug pressures of the environmentalist lobby in the country, who work with the likes of Samper Pizano and Santofimio Botero.

Third, and perhaps most significant, Barco is a believer in the same free-enterprise cult that has ensnared U.S. President Ronald Reagan: Thus, for example, while most of Ibero-

America has denounced the IMF’s “gunboat diplomacy” against Peru and has formed a consensus against continued self-cannibalization through debt servicing, Colombian President Barco has gone before the IMF to praise that institution, and his foreign minister, Julio Londoño, told the recent Lima gathering of the Latin American Economic System (SELA) that Colombia did not share the debt crisis of the rest of the continent!

Although the content of discussions held between President Barco and IMF officials in early October has not been publicized, the green light for disbursement of a one billion dollar “jumbo loan”—more than Mexico has seen since its much-touted deal—was apparently the payoff for policies like the newly unveiled tax reform.

In addition to the drug money amnesty proposed, the reform also constitutes an unprecedented attack on the Colombian labor movement in the form of taxes on previously exempt social benefits—retirement funds, layoff compensation, etc.—given to workers under the labor code. Former Labor Minister and veteran trade unionist Jorge Carrillo said, upon hearing of the proposed tax reform: “I fear that the idea of taxing social benefits has as its goal the boosting of the ‘integral salary.’” The “integral salary” would force the Colombian worker to pay for medical and other guaranteed benefits of his wages, signifying an immediate reduction of Colombia’s wages bill—long an IMF demand.

Not accidentally, the assault on labor coupled with a tax boon to certain business layers has infuriated organized labor and delighted business, an unfortunate setback to the policy of “harmony of interests” between labor and industry that Carrillo had pursued in the previous government.

Moscow, not the Church, runs the PAN

While Catholic leaders urge Mexicans to rally around their government, Moscow backs today's "Villas and Zapatas."

While Soviet Foreign Minister Eduard Shevardnadze hailed the new insurgent "Villas and Zapatas" of the National Action Party (PAN) during his visit to Mexico at the beginning of October, leaders of the Catholic Church have moved to strip the PAN of its claim to be Mexico's "Catholic conservative" party.

"The PAN is the PAN and the Church is the Church. The Church does not identify itself with the PAN," the Papal Nuncio to Mexico, Geronimo Prigioni, stated Oct. 21. "We are above parties and politics" and "cannot be an instrument of division or pressure."

The Nuncio's instructions were delivered during the Second International Congress on Christian Philosophy, held in Monterrey. Three days before, Mexico's cardinal, Ernesto Corripio Ahumada, emphasized the same point following a meeting with Pope John Paul II in Rome.

"Mexicans must unite around President Miguel de La Madrid," the cardinal stated, "The Catholic Church does not get involved in politics, and its evangelical mission as a defender of liberty and human rights, is above simple electoral or partisan political questions; rather, it must seek the common good, with the government."

Economic recovery must be the focus of our energies, the cardinal urged. "We must take the example of Japan or the Federal Republic of Germany, which were destroyed during World War II, and only with the work and efforts of everybody were able to rise up again and become the industrial and economic powers of our time. That is what we must imitate."

For the PANSUM—the alliance of the pro-Nazi PAN with the Communist Party-led Unified Socialist Party of Mexico (PSUM)—overthrowing "the system" is the only item on the agenda. The objective of the "democratic convergence" of the PSUM and PAN is to end presidential omnipotence in Mexico, PSUM Secretary-General Pablo Gómez told *El Universal* Oct. 18. The only relevant task, he said, is that of modifying the political regime.

The same platform was adopted by the PAN at its 35th National Convention, held in San Luis Potosi Oct. 18 and 19. The only question debated there was whether or not the time had come to end electoral participation, and go directly to insurrection.

The radical northern faction of the PAN demanded that the party decry any participation in "the system." Led by PAN gubernatorial candidates Francisco Barrios and Ferdinand Canales Clarión (hailed by the communists as "the Friedrich Engels of Mexico"), this group argued that the party should take no decision now on running candidate in the 1987 presidential elections.

The only thing the government needs to know, they argued, is that we intend to take power; our plans should never be given away in advance. "Engels" Clarión urged that a "third way" to "mobilize people to take power" be adopted.

The party must reorient its activity to take advantage of the new possibilities opened by the alliance with the PSUM, this faction pressed. PAN long-term objectives and ideals must

be put aside as secondary—including the party's traditional Catholic image.

The convention finally voted that the PAN will go ahead and pick a presidential candidate in July 1987, but only by the margin of 139 of the 1,051 delegates. To win even that, the party leadership had to change the voting rules—after they lost the first round by direct voting! (So much for the PAN's alleged election "cleanliness.")

The issue between the PAN factions was one of tactics, not strategy. In his address to the convention, Madero compared Mexico's government to Chile, Cuba, Paraguay, Panama, and Nicaragua, and promised that the party will not stop until "we reach our goal . . . the ordered and generous fatherland, of which Gómez Morín used to speak." PAN founder Gómez Morín was fanatically pro-Soviet, serving as lawyer for the Soviet embassy in Mexico, before founding the PAN.

"We are in a civil war, and he who does not tire, will win," Madero had declared Oct. 1, in an interview to *La Jornada*. PSUM leader Arnaldo Martínez Verdugo says the same. "We're now seeing the beginnings of civic insurgency," the communist told the *New York Times* Oct. 22.

"Mexico is now in the final stage of achieving its emancipation," PAN leader Manuel Clouthier announced Oct. 1, signaled by "the emergence of regional *caudillos* who are the Villas and the Zapatas of our time." Clouthier cited PAN leaders Barrios, Canales Clarión, and Adalberto Rosas as the Villas and Zapatas of today.

Moscow agreed. "Villa and Zapata speak to others with their example. In difficult times, people must unite and act," Soviet Foreign Minister Shevardnadze declared, at an Oct. 3 dinner in Mexico.

Gandhi's visit to Thailand

The countries are basing their new relations on a profound understanding of the cultural heritage they share.

The Oct. 19-20 official visit of Indian Prime Minister Rajiv Gandhi to Thailand marked the first visit of an Indian head of state. The trip is being heralded in Bangkok as the beginning of a new era in relations between the two countries.

Rajiv Gandhi himself situated the visit in a historical context during the state banquet given in his honor:

"Thailand has the proud distinction of being one of the few Asian countries which did not succumb to foreign rule during the colonial era. It is an honor to be on a soil which has so bravely held high its independence through the turbulent vicissitudes of history.

"My grandfather [Pundit Jawaharlal Nehru, independent India's first prime minister], saw in Thailand's independence a beacon of hope for all of Asia. Writing from prison on New Year's Eve, 1933 to his daughter—my mother, Indira Gandhi—who was then a girl of 15, he described the establishment of the Rama dynasty in 1782 and its continuity over a century and a half. He pointed to the good government of the dynasty under which very wisely an effort was made to cultivate good relations with foreign powers."

India and Thailand do indeed have much to share when it comes to history, language, and culture. The great Ramayana epic is only one of the many obvious testimonies to the millennia-old heritage of the two countries. The Thai language of today owes its alpha-

bet and literary richness to the Sanskrit of India. As Prime Minister Gandhi so succinctly put it, "That heritage has been so transformed by local color and local tradition that it is fascinatingly different while remaining endearingly familiar." It is on the basis of such profound understanding that the two countries hope to begin a new era of relations.

In an unprecedented effort to expand economic ties, Rajiv Gandhi expressed India's keen interest in investing in Thailand's just-approved eastern seaboard industrial complex, stressing India's experience in high technology, particularly in steel and electronics. This project has also attracted eager Japanese private investors.

Finally, Thailand and India also signed a five-year scientific and technological agreement, which will include setting up joint laboratories for research and development, and exchange of scientists and scientific and technical information, as well as joint research projects.

Not limiting himself to bilateral questions, Rajiv Gandhi used the opportunity to reiterate his government's policy on the Kampuchea question, which is based on the recognition of the Vietnamese-backed Heng Samrin and the withdrawal of all foreign forces from the war-torn country. The Khmer resistance coalition, led by Prince Norodom Sihanouk—the alternative supported by Thailand and ASEAN—is unacceptable for India because it

would represent the comeback of "elements that were responsible for the genocide that took place in Cambodia." Gandhi will raise this regional issue with Soviet leader Mikhail Gorbachov during the latter's upcoming visit to India this November.

One can also expect India to support the foreign-debt resolution of the Latin American Economic System (SELA) to be discussed soon at the upcoming U.N. General Assembly, and at the Non-Aligned Conference in Lima in mid-November.

In answering a question on the Peruvian debt policy, Rajiv Gandhi replied, "It is difficult to say what other stand he [Alan García] can take. When the system becomes such that a country just cannot physically repay its debt, something has gone wrong with the system. If anyone else has a better answer than Alan García, we have yet to hear that answer. And I don't think you can ask Alan García to do anything else. He's got a country to run and he's got a democratic government in his country."

India's foreign policy, however, is not without problems. Rajiv Gandhi expressed great unhappiness that the Reykjavik summit stumbled on one issue: the U.S. Strategic Defense Initiative. At his Bangkok press conference, Gandhi said, "The SDI is a non-viable and dangerous exercise, taking the nuclear arms race into a totally new dimension." He even expressed the strange view that the massive computer program needed in the deployment of the SDI can only be tested "in reality, when there is a nuclear war, which will be too late."

These misconceptions signify Gandhi's total mis-evaluation of President Reagan's policy, and the accompanying generous offer rejected by the Soviets at the summit. India has fallen for Mikhail Gorbachov's "peace-loving" profile.

Breaking new ground

Rajiv Gandhi's tour of Southeast Asia continues India's "discovery of Asia."

Billed as a "goodwill tour," the prime minister's week-long official visit to Indonesia, Australia, New Zealand, and Thailand marks another important advance in the effort to redress the Europe-oriented bias in Indian foreign policy, a bias this administration has acknowledged and pledged to overcome.

As Gandhi put it on his return here on Oct. 20, India hadn't been paying sufficient attention to Southeast Asia and the Pacific region, and in this sense the visit—with which he said he was very satisfied—marked a "turning point."

Incredibly, it was the first-ever visit of an Indian head of state to Thailand—a nation with which India shares a centuries-old cultural tie! Similarly, for 20 years or more, India has had little relationship with Indonesia—a nation whose independence from Dutch colonial rule was fiercely defended by Nehru's India, and with which India also has ancient cultural ties.

The importance the prime minister attaches to deepening India's involvement in Asian affairs was indicated by the composition of his delegation. Accompanying Mr. and Mrs. Gandhi were the ministers of foreign affairs, commerce, and planning, the secretaries of the commerce and foreign affairs ministries, and the prime ministers' economic advisers.

The trip was also designed to give shape to India's policy of promoting "South-South" cooperation. Thus, in addition to discussion of regional and international issues, strengthening bi-

lateral economic and political ties was a specific focus at each stop. Though classed as "developed countries," both Australia and New Zealand—with whose leadership Prime Minister Gandhi developed close rapport on the apartheid and nuclear-disarmament issues in the past year—are suffering a typical "Third World" syndrome as primary commodity exporters.

New Zealand Prime Minister David Lange and Mr. Gandhi signed an agreement to avoid double taxation, and set up a joint trade committee to pursue economic links. Forestry, dairy farming, sheep-breeding, and mutton processing head India's list, while Lange said that New Zealand was looking for Indian technology in several areas, including production of vegetables. Officials later identified pharmaceuticals, pesticides, and detergents as items for import from India.

In Australia, meetings with government officials as well as business and industry leaders focused on expanding trade and economic relations. A high-level joint business council was set up, and many areas of cooperation, including joint ventures, financial investments, technology transfer, and assistance in mineral and marine resource exploitation was outlined. To date, the problem with Indo-Australian trade has been the imbalance in Australia's favor—a point which the Indian side pressed.

Political and economic views overlapped in the reported discussion of rerouting Australia's billion-dollar diamond sales through India from the

South Africa-dominated European market.

India and Australia also signed a major new accord on science and technology which emphasizes expanded institutional links as well as research collaboration. Space, water resource management, and fire technology are targeted areas for cooperation.

Overall, however, the visit to Indonesia and Thailand (see p. 58) may have been the most significant. Both are members of the Association of Southeast Asian Nations (ASEAN), with which the prime minister is interested in developing a working relationship. Among other things, Mr. Gandhi briefed the ASEAN members of a similar regional body, the South Asian Association for Regional Cooperation (SAARC), formally launched last year, as well as on India's perspective on the region. The Indian Ocean and Kampuchea were particular topics for discussion.

The fact that Indonesian President Suharto broke protocol to personally receive Mr. Gandhi at the airport indicates the significance attached to the visit by the Indonesian side. Suharto had earlier in the year stopped in New Delhi for consultations with Mr. Gandhi, presumably on the vexing Kampuchean issue, and Mr. Gandhi has acknowledged an "identity of views" on this and other major issues.

"I get the impression that President Suharto is very keen on further improving relations with India in all fields, including cooperation in the international areas," Gandhi told the press.

India and Indonesia are heavyweights in the Non-Aligned Movement. Their active collaboration in the early 1950s founded the movement. But India rejected Indonesia's bid to be the next chairman, stating that it's Ibero-America's turn.

International Intelligence

Britain severs diplomatic relations with Syria

Great Britain broke diplomatic relations with Syria on Oct. 24, after the Syrian ambassador, Loutof Allah Haydar, was implicated in an attempt to blow up an Israeli airliner, in the trial of the terrorist Nezar Hindawi in London. The announcement came shortly after a guilty verdict had been handed down in the trial.

British Foreign Secretary Sir Geoffrey Howe announced to Parliament that the Syrian ambassador had been told to close down his embassy and leave the country with his staff. Howe also announced that the British embassy in Damascus would close.

Nezar Hindawi and was sentenced to 45 years in prison. The bomb attempt involved having Hindawi's pregnant girlfriend carry explosives onto an El Al Boeing 747.

Hindawi testified that he went to the Syrian embassy after the failure of the April 17 plot. He told the court that he met there with the Syrian ambassador and was given refuge by embassy staff.

Britain expelled three Syrian attachés last May after the embassy refused to waive diplomatic immunity so that police could question them about the bombing attempt. Syria denies any involvement in the crime.

Police testified that Hindawi had confessed that Ambassador Haydar had greeted him warmly and said that Hindawi had done "good things." Hindawi later withdrew the testimony.

Pope seen as backing anti-terror measures

Pope John Paul II's trip to France Oct. 4-7 was seen in Paris as an expression of support for the anti-terrorist policy of the French government. France is now the only country the Pope has visited three times.

From the first day of his visit, the Pope condemned terrorism and appealed for a one-day general truce. Premier Jacques Chirac

commented: "When the Pope says something, it is always very important, essential. . . . When the Pope evoked a certain number of values touching upon especially the family, hundreds of thousands of youth were carried away with enthusiasm, and this has to be recognized."

The weekly *Nouvel Observateur*, on the eve of the papal visit, published a poll showing a shift in political tendencies among Catholic voters, particularly practicing Catholics. This poll showed that a large majority preferred Chirac over every other potential presidential candidate, a change reflecting the rejection of the extreme right by that electorate. *Nouvel Observateur* even wrote of "Chirac-ization of practicing Catholics."

Machel's death remains a mystery

President Reagan extended American condolences to the government and people of Mozambique Oct. 21, on the death of President Samora Machel in a mysterious airplane crash.

"President Machel led his people with courage and unflinching determination in the long struggle for Mozambique's independence and non-alignment," said the President's message. "His agreement to the Nkomati Accord with South Africa was a courageous milestone in the effort of all the peoples of southern Africa to live together in mutual security and good will."

The South African government, which gave the first report of the crash of Machel's Soviet-made plane in the mountains about 200 miles west of Johannesburg, gave no reason for the crash. Maputo air traffic control lost contact with the aircraft 15 minutes before it was due to land in the capital the evening of Oct. 20. But the airplane, flown by a Soviet pilot who was one of the few survivors, appears to have been flying in a southwesterly direction toward South Africa.

Though a Marxist, President Machel was an important element in U.S. policy in

southern Africa, a U.S. official said, noting that the peace pact the President of Mozambique signed with South Africa was seized on by Washington as proof that its policy of opposing sanctions and working on a broad front to bring peace to the region was the right one.

Invited to the White House in September of last year, Machel won respect from Reagan during their talks, the official said.

Shamir vows takeover of 'Biblical lands'

Yitzhak Shamir, in presenting his new government to the Israeli parliament Oct. 19, vowed to promote Jewish settlement in the occupied West Bank and Gaza. He said in a policy speech that Jewish settlement throughout the "Biblical Land of Israel"—including Arab lands captured in the 1967 war—was a supreme Zionist value. "We will not discriminate between one part of the country and another," he said. "Just as there is one people of Israel, so there is one land of Israel."

On Oct. 21, his first day as prime minister, Shamir, who replaced Shimon Peres, visited the Jewish settlement of Kokhav Yair in the West Bank, urging Jews to settle all of the "Biblical Land of Israel." He earlier told a group of youth in the coastal town of Herzliya that one of Israel's main goals was to make room for new Jewish immigrants by settling all land in the West Bank and Gaza Strip.

Kohl meets Reagan, praises the SDI

West German Chancellor Helmut Kohl, after meeting with President Reagan and other officials in Washington Oct. 22, told a press conference: "The Strategic Defense Initiative is an important asset for future cooperation" between the United States and Germany.

"In my talks with the American offi-

Briefly

cial," said Kohl, "I pointed out that now is the time for us to make public what we know about the Soviet strategic defense program." This must be done to counter "the fantastic propaganda campaign now going on in Europe, where they are speaking exclusively of the American SDI program and never mentioning what the Soviets are doing."

An *EIR* correspondent had asked him about the Soviet program. He replied that he was "in full agreement with what you say. The Soviets have been working for a long time. . . . Kosygin mentioned the Soviet program for the first time, and that was a long time ago. . . . We now have a specific problem, which I made clear to my American friends, that the new group of Soviet leaders are excellent professionals in public relations. We saw this in their visits to Bonn . . . with well-dressed ladies. . . . The Soviets are spreading massive disinformation, which I don't mind, but this is a new situation that has to be taken into account in both Bonn and Washington."

NATO ministers back U.S. line at conference

NATO defense ministers meeting in Glenaeles, Scotland, Oct. 20 endorsed the U.S. line at the Reykjavik summit, but quickly cautioned that this did not mean an endorsement of President Reagan's apparent willingness to leave Europe without nuclear weapons.

The British and West Germans, in particular, after backing the President fully on his refusal to compromise the Strategic Defense Initiative, warned that it was vital to address the threat from Soviet short-range missiles, sources in their governments said. British Defense Secretary George Younger told the meeting that the allies should not allow a wrong impression to grow that the defense of Europe was possible without nuclear weapons.

"The transition to a world without nuclear weapons will be protracted, difficult, and dangerous," Younger said.

German defense spokesman Lothar Ruehl warned that the vast superiority of Warsaw Pact conventional forces must be taken into account in the event of a U.S.-Soviet agreement on Intermediate Range Nuclear Forces (INF).

Younger added that negotiations on INF reductions should aim to reach parity with Soviet short-range missiles.

Pope John Paul stops anti-SDI document

Pope John Paul II is putting a stop to the publication of a document drawn up by the Pontifical Academy of Sciences which attacks the American Strategic Defense Initiative, according to Italy's *La Stampa*.

The Pope, says the newspaper, wants no such publication to see the light of day under Vatican imprimatur until such time as Washington and Moscow come to an agreement on strategic defense.

The document of the Soviet-influenced Pontifical Academy was given to the Pope last year. In the interim, the Soviet government let it be known it wanted the document published, through President Andrei Gromyko, who met with the Pope earlier this year.

Turin conference features Italy's role in the SDI

The Fusion Energy Foundation and the Schiller Institute co-sponsored a conference in Turin, Italy on Oct. 14, on "The Role of Italy in the SDI and the Moon-Mars Projects."

The meeting was attended by about 120 people, including eight retired generals; three active-duty colonels; numerous politicians; scientists and technicians working for Italian firms on projects related to the U.S. Strategic Defense Initiative; students and engineers from the area; a camera crew from a regional television station; and a journalist from the daily *La Stampa*.

● **THE WEST GERMAN** government has rejected a proposal by Willy Brandt's Social Democrats and the ruling East German Socialist Unity Party that Europe be made a nuclear-free zone. The proposal was raised at a joint press in Bonn Oct. 21. The government not only rebuffed the proposal, but accused the SPD of conducting its own "parallel foreign policy."

● **SOVIET SPOKESMAN** Genady Gerasimov declared Oct. 22 that Moscow will allow research and testing of strategic defense systems—but only "in the laboratory." Just what this means, however, is another question: "As to the specific interpretation as to what we mean under 'laboratory testing,' our experts do not yet agree; but anyway, any interpretation of testing in the laboratory must exclude any testing in outer space."

● **"EVERYONE HERE** knows who wants to be special negotiator" on arms control with the Soviet Union, said Brad Roberts of Georgetown's Center for Strategic and International Studies. "His name begins with 'H' and ends with 'r.'" But, said Roberts, no matter how much Kissinger wants to become special negotiator, "I don't think it's likely at this point that the administration will set up such a position. I think the President is pretty satisfied with the way things are functioning now."

● **RAJIV GANDHI** named seven new ministers to his cabinet Oct. 22 in a sweeping reshuffle nine days before his second anniversary in office.

● **PRESIDENT AQUINO** of the Philippines announced a reconciliation Oct. 22 with outspoken Defense Minister Juan Enrile, and in her toughest anti-communist speech since assuming power, said she will soon set a deadline for an end to peace talks with rebels that Enrile opposes.

Commission to probe KGB 'justice' in United States

Move over Mikhail Gorbachov; the U.S. Department of Justice and a sizable number of federal judges have now joined the distinguished international club of inveterate violators of the "Helsinki" human rights accords. Since Oct. 6-7, the United States turned disgusting in the eyes of many prominent friends of the U.S.A. in Western Europe and developing nations.

Leading citizens from around the world have issued a call for the founding of an International Commission to Investigate Soviet-Style Human Rights Violations in the United States. The formation of this commission was triggered by the disgust and horror of leading Europeans at the massive corruption exhibited by those U.S. federal courts which have abetted the Gestapo-style armed invasion of Leesburg, Virginia, on Oct. 6-7, and the arrest of associates of U.S. presidential candidate Lyndon LaRouche (see *EIR*, Vol. 13, No. 41).

The Reagan Department of Justice, and a large chunk of the federal and state courts, have been caught red-handed in flagrant violations of elementary human rights of persons and organizations whose only actual "crime," is to be a critic of certain policies and corrupt officials of the present administration. Excepting a few federal judges who still believe in the principles of factual evidence and law, in a federal judiciary now dominated by a police-state mafia inside the Department of Justice, it has been made clear over the past 24 months, that there is no justice in the U.S. courts for any organization or person associated with LaRouche.

The only precedent for this corruption in the federal courts today, is the lynch-justice which numerous "Jim Crow" courts threw at the civil-rights movement of the past. The difference today, is that this sort of corruption is controlling the Reagan Justice Department, and dominating the federal courts in one

jurisdiction after another.

Even many devout LaRouche-haters in the United States are fearfully enraged at the Justice Department's William Weld and Weld's yes-men on the federal bench; they ask themselves, "Will my friends and I be next, perhaps?" In Western Europe, there is sheer horror: "What is the United States becoming?"

The facts of the case

The commission's principal task will be to present the facts surrounding the KGB-style witchhunt against LaRouche and associates:

1) Even had any of those accused by the Department of Injustice been guilty of exactly what they are charged with, the way in which the raid and arrests were conducted would have still been a massive violation of human rights.

2) There is no evidence that anyone accused is actually guilty of either "obstruction of justice" or a so-called pattern of credit-card fraud.

a) The Department of Justice does not claim that any "obstruction of justice" ever occurred. The charge is based entirely on the alleged testimony of an asset of NBC television and the Anti-Defamation League, Forrest Lee Fick, that he had been part of an attempt to induce the defendants to commit an "obstruction of justice" which never occurred.

b) The government warrant does not claim the slightest evidence of a "massive pattern of credit-card fraud." What the government claims is that approximately \$50,000 in credit-card transactions, out of a total turnover of several millions of dollars, involve irregularities which the government has construed as fraud-authored.

c) There was no fact supporting the claims of the State of Virginia, that the accused had engaged in violations of se-

curities regulations; the warrant was issued on the presumption that such violations might be found if an intensive search were allowed!

d) There was no withholding of records from the Boston grand jury. Every document in the legal possession or control of the accused, had been delivered in full conformity with due process of law. The Boston U.S. Attorney's office had even refused to accept delivery of some of the documents it had requested! There was no legal basis for a search for such records. In other words, except for a corrupt and lying Department of Justice, and a federal magistrate willing to sign any piece of fraudulent allegations the Injustice Department placed before him, the raid would never have occurred under due process of law, and the arrests would never have occurred. The only person presumably guilty of anything, according to the government's own affidavits as to fact, was the Justice Department witness, the perjured Forrest Lee Fick.

Worse, according to a recently released FBI document from early 1986, Boston U.S. Attorney William Weld stated that his grand-jury investigation was a politically motivated witch-hunt, a political enemies-list operation, and that nearly two years of collecting every imaginable piece of paper in sight had shown that there was no grounds for continuing the investigation.

A pattern of treason

However, the bill of particulars being considered by the new international commission, is not only the actions directly associated with the Leesburg raid and its aftermath. The pattern of human rights violations goes back approximately 24 months, to the Alexandria, Virginia courtroom of federal Judge James C. Cacheris. It includes the Soviet-style violations of the fundamental human rights of Louis du Pont Smith, Charles Zimmerman, and others, whose freedom and funds were stolen from them, Soviet-style, simply because they were identified as supporting efforts associated with LaRouche.

There is an ominous cloud over the whole package of human rights violations. Behind the perpetrators of these human rights violations, there is a clear pattern of treason by Weld and his accomplices:

1) The raid was ordered explicitly by an arm of the Soviet government directly responsible to the wife of General Secretary Mikhail Gorbachov. This was demanded through the same Soviet diplomatic and other back-channels controlling the Soviet side of the Geneva and Reykjavik "summits," in a series of major Soviet published articles, and in a public address by Gorbachov (see *EIR*, Oct. 17, 1986, pp. 40-41).

2) The chain of command for the Soviet demand that the Department of Justice run this operation, is traced from Raisa Gorbachova, through Yegor Ligachov, the hand-picked successor of Mikhail Suslov, and through Soviet agent Armand Hammer. The agents directly responsible for the operation

were two immediate subordinates of Ligachov: former Soviet ambassador to Washington, Anatoli Dobrynin, and the Soviet minister of propaganda, Alexander Yakovlev. Yakovlev was Gorbachov's key adviser at the Geneva and Reykjavik "summit" meetings with President Reagan.

3) Two key figures in the Reagan administration, and two advisers of the administration, are direct channels of influence of Yakovlev. The Yakovlev link into the White House staff itself, is via Charles Wick, a close confederate of Armand Hammer, and USIA chief. The permanent Soviet channel into the Justice Department, is Mark Richards, another Armand Hammer confederate. The two advisers prominently involved, are also two long-standing (since 1958) confederates of Yakovlev, Henry A. Kissinger and Reykjavik-"pre-summit" orchestrator Zbigniew Brzezinski.

4) Former Boston U.S. Attorney William Weld, is a Soviet channel into the U.S. government, linked to Yakovlev since the latter's posting as Soviet ambassador to Canada. Weld is a member of the reorganized, Canada-based Soviet network formerly known as the Institute for Pacific Relations (IPR), through which channel 1970s-leftist Weld has secured important personal business arrangements.

The reason which Mrs. Raisa Gorbachova's crew gave for demanding LaRouche's head, was that LaRouche is a noted backer of President Reagan's Strategic Defense Initiative (SDI), the only thing standing between the West and early Soviet world-domination. It is also a very relevant fact, that according to current Soviet strategic doctrine, the Soviet Union is currently officially engaged in a pre-war mobilization against the United States, and is also deploying narco-terrorist and other forms of irregular shooting war against the United States.

In the case of the collaterally implicated Yakovlev confederate, Charles Wick, it is important to note, that under Wick's administration of the U.S. Information Agency, the Soviet operations sections of USIA are being eliminated! The individual, under Wick, responsible for Soviet counterintelligence, is one Herbert Rommerstein, a man of most peccable political credentials, often caught red-handed conducting Soviet "disinformation." It is a matter of public scandal, that Wick met with Yakovlev during the Reykjavik "pre-summit"; Wick is credited with bringing Armand Hammer into regular contact with the inner circles of the White House, in addition to Hammer's work on Soviet behalf inside the Department of Justice.

Therefore, the charge of treason against those involved in promoting Alexander Yakovlev's "get LaRouche" project, is not in the slightest degree exaggerated. They are guilty of giving aid and comfort to the enemy, at a time that that enemy is, according to his own doctrine, in a state of war against our republic. Although the international commission is not mandated to investigate treason inside high levels of the government of the United States, that is the implication of the human-rights violations being investigated.

EIR reporters still held without bail

EIR Counterintelligence Editor Jeffrey Steinberg and his wife Michele are still in federal prison as we go to press, as federal magistrate Collings of Boston, Massachusetts delayed issuing a ruling on whether the couple will be released on bail, or will continue to be detained on trumped-up charges of “obstruction of justice.” The detention, in violation of the Bill of Rights, is one of several new KGB-style human rights violations being perpetrated by the FBI and the Justice Department.

At a hearing on Oct. 21, the magistrate agreed to take the matter under advisement; yet three days later, no decision had been handed down. Jeffrey Steinberg, after overnight detention in the Braintree, Mass. jail, without a bed, soap, towel, or even toilet paper, was moved back to the Stratford County jail in Dover, New Hampshire; Michele Steinberg remains in the Massachusetts Correctional Institute for Women in Framingham.

Meanwhile, at midnight on Oct. 21, political organizer Michael Billington was arrested at his home in Leesburg, Virginia, on a warrant from Lawrence County, Missouri—although there is no indictment against him—on bogus charges of “selling unregistered securities” and being a “fugitive from Missouri” (although he has never been there!). Billington had been arrested only two weeks before, in the Oct. 6 “Leesburg Panty-Raid,” and released on bail, pending trial scheduled to begin Dec. 1.

Perjury by federal agent

The original decision to jail the Steinbergs without bond was made by Magistrate W. Harris Grimsley of Alexandria, Virginia, on Oct. 9. Detention without bond is an extreme measure usually reserved for prisoners for whom there is considered a high risk of flight, and occasionally for national security cases. Murderers and others accused of violent crimes are routinely released on bail. Indeed Roy Frankhauser, a former security consultant to the Steinbergs who was also arrested on Oct. 6 in Pennsylvania on “obstruction of justice” charges, was released on his own recognizance by Philadelphia Magistrate Scuderi, who insisted that the government meet its standard of proof for the severe measure of denying bond. Frankhauser is a convicted felon, whereas neither of the Steinbergs has a criminal record.

In the Steinbergs’ case, Grimsley’s ruling was based solely on perjured testimony of FBI Special Agent Richard Egan

of Boston, who lied repeatedly that the six “LaRouche” organizations subpoenaed by a Boston grand jury had produced “no” records. (Assistant U.S. Attorney John Markham, on the contrary, stated at the Boston hearing on Oct. 21 that the organizations had turned over “thousands” of records—“It has never been our position that they did not.”)

Egan’s testimony at the Alexandria hearing was based mostly on statements he claimed to have been made by a disgruntled former security consultant to the Steinbergs, Forrest Lee Fick, as well as by Roy Frankhauser. These hearsay statements were the basis for the charge that the Steinbergs obstructed the work of the grand jury. As William Moffitt, attorney for the Steinbergs, argued:

“[Mr. Fick and Mr. Frankhauser] are admitted liars. They [the government] didn’t bring either Mr. Fick or Mr. Frankhauser into this courtroom and let me cross-examine either one of them. . . .

“Every piece of evidence of obstruction in this case, every piece of evidence that they refer to regarding the calling of other people and the intimidation of other people, comes from Mr. Fick or Mr. Frankhauser, and it comes from them under circumstances where we are unable to determine—there is no other witness other than Mr. Fick or Mr. Frankhauser.”

At the continuation of the “detention hearing” in Boston, Egan came up with new lies, this time bolstered by NBC-TV journalists on the scene, who were observed huddling with the prosecution, passing notes back and forth, etc. Egan testified that Michele Steinberg had harassed a lawyer for the Anti-Defamation League (ADL) during proceedings in the *LaRouche v. NBC* case in 1984. The “harassment” consisted of searching the woman lawyer’s pocketbook and allegedly following her to the bathroom.

Then Egan accused Mrs. Steinberg of making a threatening phone call to NBC reporter Brian Ross. Egan testified that he had listened to a tape of the call, played over the phone to him, in which the caller said, “We know where you are, we’re watching you, we know where you live.” Egan testified that he was able to identify the voice as that of Mrs. Steinberg by comparing it to a tape of a telephone conversation between Mrs. Steinberg and Jewish terrorist Mordechai Levy.

During cross-examination and summation argument, it was disclosed that Mrs. Steinberg had searched the ADL lawyer’s pocketbook as part of court-approved security procedures during the deposition of Lyndon LaRouche in the NBC case. Egan also admitted that the threatening phone call was recorded on an answering machine, then played on NBC-TV, then recorded on videotape, then played over the telephone—yet Egan claimed to be able to recognize the voice as that of Michele Steinberg!

In fact, the alleged call was broadcast on Brian Ross’s segment on NBC News in January 1984, and was portrayed by Ross at that time as a call made to Baltimore reporter Mark Arax, not to himself.

Smith, Diano appeal to Church in Rome

On Oct. 22, Lewis du Pont Smith, with his fiancée, Andrea Diano, took his fight for constitutional rights to Rome, where he made a direct appeal to the Vatican to intervene on his behalf with U.S. authorities.

Smith arrived from Paris, where, only a few days after the massive and illegal raid of Oct. 6 by 400 police against businesses of associates of Lyndon LaRouche in Leesburg, Virginia, Smith, an heir to the centuries-old du Pont de Nemours fortune and a LaRouche supporter, denounced the flagrant violations by corrupt American judges of his basic rights. Smith was addressing an Oct. 14 press conference organized by the Schiller Institute in Paris.

"I have become a prisoner in my own country, one of the first 'American dissidents,'" Smith said, after recounting how he was railroaded at the hands of his family and American justice. A court in Chester County, Pennsylvania declared that Lewis Smith, a 29-year-old history professor who had taught at a prestigious private school in Philadelphia, is "mentally incompetent." The sole basis for that judgment was Smith's financial and political support for the controversial LaRouche and his wife, Helga Zepp-LaRouche.

Smith told the Paris press that he had thereby lost the fundamental rights: 1) to administer his fortune and goods; 2) to vote; 3) to finance politicians of his choice, including his cousin Pierre du Pont; and even 4) to marry the woman of his choice, Miss Diano.

In the course of his presentation, he emphasized that those responsible for what he called his "judicial set-up" were also behind the witchhunt against LaRouche.

Du Pont Smith underscored that he does not wish merely to retain his money and reverse his own case. He had traveled to Europe to publicize his case because he wants, above all, to be the voice of all those who, like himself, are attacked specifically for supporting LaRouche. He gave the example of an 82-year-old woman, of perfectly sound mind, whose Philadelphia family is attempting to have a court declare her "mentally incompetent" for exactly the same reason. This, said Smith, is a flagrant, KGB-style violation of the right to free speech.

Ask Vatican to defend rights

According to an Oct. 22 UPI wire, Smith and "his fiancée, Italian-American Andrea Diano" arrived in Rome to "ask help from the Roman Catholic Church . . . and outmaneuver a U.S. court decision [that] the duPont heir is mentally incompetent to handle his financial affairs."

Smith told the conference, attended by UPI and AP wire services, the largest family weekly of Italy, *Oggi*, the economic daily *Ore 12*, and a journalist from the Italian prime minister's office, among others: "This outrageous injustice is more in keeping with the Soviet Union than the United States." He again outlined the legal problems that began when he loaned money to "an organization associated with controversial politician Lyndon LaRouche."

Miss Diano said that the court decision forbids Lewis from marrying her. "This was something I could not believe," she said. "I have been subjected to racism because I am Italian and a Catholic. I am making an appeal to the Church at the highest level so that we can marry. I want Lewis to convert to Catholicism."

Smith followed up: "In the eyes of my family and the Eastern Establishment, I have committed two crimes. I have exercised my God-given constitutional right in two ways my family did not approve. And I have announced the intention to marry the woman I love who is Roman Catholic."

Smith said his father is a cousin of Princess Diana and had gone to London to get advice on how to "trump up this case." E. Newbold Smith also approached Henry Kissinger during the legal dispute with his son, whom he had once told: "If you must marry a Catholic or a Jew, make it a Jew. At least the family stands a chance of passing that off as chic."

At one point, Smith contrasted his family's earlier, patriotic history in France and the United States. He praised some among his ancestors—Pierre du Pont de Nemours and his two sons—who fought at the side of the Americans during the Revolutionary War, among the associates of Lafayette. He denounced the corruption of his family in the 19th century by the Venetian-linked Swiss family of Antoine Cazenove. Du Pont Smith revealed a few of the "secret" sick ideas of this family today, a leading part of the U.S. financial oligarchy: 1) The Episcopal Church is the sole and uniquely sacred church; 2) Catholics are "racially inferior," because "Mediterranean" cultures suffer too much from the heat; 3) Blacks are equally racially inferior, because their skulls are reduced in size.

When the press conference was opened for questions, the first came from an old member of an aristocratic family linked to the Vatican: "It seems to me that a political issue was transformed in a fake issue of mental health. Are there behind this the powerful Freemasonic families that control the international political scene?" After several other questions, some people expressed their best wishes to the couple directly in English, and fervent applause ended the press conference.

Crack epidemic hits the United States

by Ricardo F. Martín and Valerie Rush

The United States is under attack from the deadliest kind of terrorism—"crack." The cocaine derivative is cheap, readily available, and as effective as a lobotomy in turning users into zombies—if it doesn't kill them outright. Specialists say the drug has been known to addict first-time users, and is "spreading like wildfire."

After government narcotics agencies were caught napping, the White House decided to swing into action against this threat. According to an Oct. 2 news report, the administration has proposed the creation of 24 special anti-drug task forces to help law enforcement agencies in the major metropolitan areas defeat what the White House is calling an "epidemic" of frightening proportions. Targeted cities include New York, Los Angeles, San Diego, Houston, Atlanta, Boston, Detroit, Kansas City, Miami, Newark, San Francisco, Seattle, and St. Louis.

When an *EIR* investigator recently consulted a spokesman for the National Institute of Drug Abuse (NIDA), she was told that no statistics were available on the extent of crack abuse in the United States. The NIDA spokesman admitted that crack had become a serious problem, and promised that questions about crack would be included in the agency's next census on drug abuse.

A report issued by the Justice Department's Drug Enforcement Administration (DEA) in late September, declared that crack use was not as widespread as "exaggerated" media coverage would suggest, and that abuse of the drug was concentrated mainly in New York City. The facts, however, speak for themselves.

What is crack?

"Crack" is cocaine, usually cut to a street-level potency of 12-30%, and mixed into a paste with baking soda, ammonia, and water. It is then heated until it crystallizes, and broken into small pellets, which are smoked in a pipe. One gram of cocaine can yield up to 50 "crack rocks." The pellets are sold, two or three at a time, in tiny glass vials. The average cost on the street is \$5-10 per vial.

Crack first began to appear on the West Coast of the United States in 1982, spreading to New York and then other urban centers by the end of 1983. It is now present in at least 26 states. The popularity of the drug is based on its lethal "super-potency"—rapidly replacing marijuana and other so-called recreational drugs. According to police sources, most

of the cocaine now being sold is in the form of crack. In Detroit, 90% of cocaine sold is crack; in Dallas 60%, in San Francisco, more than a third. These same police sources say that crack is responsible for an 18% increase in crime in the first half of 1986 alone.

Because of its explosive, if short-lived, "high," its low price, and the ease of buying or making it, crack is spreading into nearly every level of the population. Dr. Mark Gold, founder of the national cocaine hotline (800-COCAINE), says that crack has become the favorite drug of the U.S. middle class. He adds that trusted servants of society, such as policemen and firemen, are increasingly entering the ranks of crack abusers, as well as "airline pilots, highly trained industrial workers, postmen, engineers, and computer experts."

Dr. Arnold Washton, director of research for the cocaine hotline, insists that "This isn't just a big inner-city problem. It's clear that crack is being used by both adults and adolescents, by blacks and whites, by poor and rich alike. This is not a passing fad."

Its favorite victims, of course, are children. In September, nine-year-old Manuel Saucedo of Hereford, Texas was found unconscious, and later died, from a "severe reaction" to crack. Dion Ramírez, an inner-city 13-year-old from New York City, reports that "the crack vials are in the hallway, all over the staircase, and on the shelf under the fire extinguisher."

Smoked, crack is 10 to 20 times more potent than powdered cocaine snorted through the nose, as it is rapidly absorbed into the bloodstream, usually in less than 10 seconds. According to Dr. Edward Mohns, founder and director of the alcohol treatment program at the Scripps Clinic in La Jolla, California, it is "the most addictive substance we know on this planet. It is the only drug that animals will self-administer until death." Immediate dangers posed by the drug are brain seizure, cardiac arrest, and paranoid psychosis triggered by the intensity of its effect on the brain.

According to Dr. William Freed, neuropharmacologist, crack acts to stimulate the nerve cells in the brain which produce the substance Dopamine, a "neuro-transmitter" that facilitates the electrical activity of the brain. But, says Dr. Freed, "the repeated doses of crack over-stimulate these cells, and exhaust them. They stop functioning. When this happens, the regular supply of Dopamine rapidly collapses." Consequently, so does the brain's electrical activity.

Dr. Robert Millman, director of the drug abuse program at Cornell University's New York Hospital, says outright that "crack kills these chemical substances, these neurotransmitters, which are responsible for energy and for a feeling of well-being." Thus, "when the addict comes down (from a crack "high"), anxiety and depression returns, and a state of being is created in which he is incapable of feeling pleasure over anything." To overcome this depression and exhaustion, the crack addict is driven to consume more and more of the drug.

Front-row fools in the press room

Arrayed in the front row of the White House press briefing room are the media superstars of the three major TV networks, as well as correspondents from three wire services, AP, UPI, and Reuters. Six in all.

While ABC loudmouth Sam Donaldson is usually the most obnoxious, he is followed in order by CBS's Bill Plante, NBC's Chris Wallace, and UPI's Helen Thomas (who isn't obscene, like the others, but just hates the administration).

Observing the infantilism of these propagators of "truth" up close, you appreciate what a pathetic resource Americans have to find out what's really being said and done in the world. Mind you, other correspondents in the room are equally bad, just not quite as influential. It is more than the classroom-style set-up of the briefing room that makes these people seem like school children, which is how White House spokesman Larry Speakes treats them when they, as he puts it, "smart off."

They tend to become more unruly the more the administration is committed to strong stands on key issues—such as the War on Drugs offensive in September and the post-Reykjavik reassertion of the President's Strategic Defense Initiative.

A question from this reporter on the SDI Oct. 21 is an example. President Reagan had just greeted West German Chancellor Helmut Kohl, who arrived at the White House south lawn for a state visit, and in brief remarks, the President reasserted his commitment to SDI, noting in passing, "If a defensive system is not such a viable

option, the Soviet Union would not be committing so much of its own resources in developing and deploying strategic defenses of its own."

At the regular press briefing afterwards, I asked Speakes, "The President again today referenced the Soviet SDI program. Given the Soviets don't even admit they have one and the American people know so little about it, is he going to go into more detail on exactly what we believe the Soviets have in their SDI?"

Speakes replied, "It could be in the future we would." The next day, Chancellor Kohl picked up on this theme, saying he encouraged Reagan in his meeting with him to "tell all he knows about the Soviet SDI," a recommendation, the White House's Mitch Daniels subsequently said, was "good advice."

However, this question set off "the front row."

Donaldson piped up, "Have we asked the Soviets to share with us their technology?"

Speakes took the question seriously, saying, "No, but we would be willing to do that."

"Well, why don't we ask them?" Donaldson said, still believing the whole matter to be a joke.

Speakes answered, "I'm not sure it wasn't done at Reykjavik. We would be prepared to enter into an agreement with them, that whichever side reached the technological level appropriate, then it would share. First one who gets it shares with the other. I'm not sure that it was suggested in Iceland, but I know that's his [Reagan's] viewpoint."

Still thinking the whole issue was a joke, Bill Plante, next to Donaldson, giggled and whispered loudly to Donaldson, "You want to see my laser beam?"

An unsmiling Speakes said, "We

may have reached the end of the briefing, at least for the front row." Plante, red-faced, got up and walked out.

Koop drives nails in own political coffin

Surgeon General C. Everett Koop tried to order this reporter to shut up in the middle of his press conference on Oct. 21 announcing the release of his pamphlet on AIDS, where he recommends teaching grade school children the virtue of condoms to prevent spread of the deadly virus.

I was the only dissenting voice in the room of over 100 reporters to challenge the outrageous conclusions in the Koop report.

I told Koop that his claim that universal blood testing would be counterproductive and "cost prohibitive" was, in reality, only because of the cost consideration. I showed that Koop's argument that testing would lead to "false security" for people who would test negative because the antibodies hadn't yet appeared in their blood would also call into question the safety of the nation's entire blood supply, because if the test creates "false security" in one case, then it would in the other (testing of blood used in transfusions), as well.

A red-faced Koop could only reply that the blood supply is safe, because only non-high-risk people donate blood!

I then rattled off four facts that contradicted the assumptions in Koop's report (facts based on reports carried frequently in the *EIR*), including the evidence of possible insect transmission of AIDS, and Koop growled, "You've said enough." "I don't think so," I retorted, "I've just supplied facts that challenge the conclusions of your report." Koop had no response.

Senate Judiciary to probe government abuses

The Senate passed Senate Resolution 514 by voice vote on Oct. 17, authorizing the Senate Judiciary Committee to conduct an investigation into improper investigative and prosecutorial practices by government agencies, and to make its report to the Senate before Sept. 1, 1987.

Senators William Armstrong (R-Colo.) and Daniel Patrick Moynihan (D-N.Y.), joining a group of Senators who are concerned over serious government abuse of power, led the effort on the Senate floor to get the resolution passed.

Armstrong raised the cases of constituents including a Mr. Kilpatrick. "What the court found in the Kilpatrick case was harassment, knowingly indicting Kilpatrick for offenses which did not constitute crimes, subverting the grand jury process, abusing the rights not only of Mr. Kilpatrick but of witnesses before the grand jury, abuse of pocket immunity, a general attitude of improper and unethical behavior, and a cavalier disregard for the rights of people who had business before the court," Armstrong said. The judge found for Kilpatrick but only after he spent \$6 million in his defense and had his business ruined.

Armstrong said that what he has learned about different cases now has him concerned about the "independence of the grand jury system." One trial lawyer told him that "he had often heard prosecutors make statements such as the following about grand juries: 'I could get a grand jury to indict a ham sandwich,'" he said. Armstrong said that an attempt by himself and Senator Grassley (R-Iowa) to hold

hearings on abuses in the Senate Finance Committee met a stonewall from Justice witnesses which "convinced me that there was more wrong than what I knew. . . ."

He hoped that the Attorney General would read the transcript of his remarks and that Justice would approach the Judiciary Committee "in a different spirit" than they approached the Finance Committee.

The sabotage of this investigation and the cover-up of federal law-enforcement abuse has already demonstrated its strength. Sen. John Danforth (R-Mo.) attacked Senator DeConcini's (D-Ariz.) original resolution which specifically mandated a look at "allegations" of government abuse, as being "more or less an indictment" of these federal agencies. Danforth wrote the final resolution which changed the direction of the investigation to one of looking at "procedures for protecting citizens" against abuse.

It is up to the Judiciary Committee as to how they will organize themselves to conduct the investigation. This process will not begin before the elections, which will determine control of the Senate and the Committee, and may not begin until after the swearing in of the new congress in January.

Congress passes new immigration law

Dealing with a matter that most had considered a dead issue in the 99th Congress, the House, by a vote of 238 to 173 on Oct. 15, and the Senate, by a vote of 63 to 24 on Oct. 17, passed

a sweeping reform of the nation's immigration laws.

The new laws seek to enlist average American citizens in an attempt to close U.S. borders by, for the first time, imposing severe penalties against any employer, from the largest corporation down to a housewife who hires a babysitter, who knowingly hires an individual who does not have citizenship or legal status in the United States

Employers would have to demand a U.S. passport, or a birth certificate or Social Security card in combination with a drivers license, state-issued ID card, or green card. Conviction of a hiring violation would bring the employer a \$250 to \$2,000 fine per individual for a first offense; \$2,000 to \$5,000 for the second offense; \$3,000 to \$10,000 for a third offense; and \$3,000 and six months in jail per individual hired for a "pattern" of such offenses.

Sen. Lloyd Bentsen (D-Tex.), who would close the borders, said that "the sooner we pass an immigration law, the sooner we will develop the integrity of our border." Another backer of the bill, Sen. Pete Wilson (R-Calif.), admitted, however, that the measures would probably "reduce illegal immigration at most by only 20 to 30%."

Employers could also be hit with anti-discrimination provisions, included to supposedly protect the millions of largely Hispanic citizens and legal residents who employers will likely be hesitant to hire for fear of the hiring penalties. A special office in the Justice Department is created to deal with these cases. Sen. Kennedy (D-Mass.) denounced the weakness of the anti-discrimination measures. "Whenever Congress enacts a mea-

sure with any potential for discrimination, the full potential is relentlessly realized and virulent discrimination results," he said.

Those individuals who arrived in the United States illegally before Jan. 1, 1982 could eventually achieve legal status and citizenship. Those who worked in agriculture for 90 days between May 1, 1985 and May 1, 1986, or for the last three years, could get permanent resident status. Penalties are added for use of forged documents.

Sen. Pete Domenici (R-N.M.) voted against the bill because he said it would "create an administrative nightmare" and be an "invitation to disaster." The chief architect of the bill, Sen. Alan Simpson (R-Wyo.) admitted that "there will be tremendous administration problems."

Throughout the immigration debate over the past six years, not one individual addressed the IMF-induced economic disasters in Mexico and Central America which have led to the large number of aliens arriving in the United States.

Senate liberals gut tougher anti-drug bill

Senate liberals led by retiring Sen. Charles McC. Mathias, Jr. (R-Md.) succeeded in stripping the drug bill of its tougher provisions before Congress overwhelmingly passed the legislation.

Mathias led a filibuster against the death penalty being included in the bill. An attempt to cut off the filibuster on Oct. 15, which needed 60 votes, failed 58 to 38. Mathias and others had

earlier succeeded in blocking a relaxation of judicial rules of evidence to allow into trials evidence that was obtained by law-enforcement officers "improperly, but in good faith."

On Oct. 17, the House passed the drug bill on a 378 to 16 vote, which was accompanied by a resolution in favor of the death penalty for drug-related crimes, but without the force of law. The Senate passed the bill by voice vote on the same day.

Rep. George Gekas (R-Pa.) complained that the bill without these provisions, especially the death penalty, would be "simply throwing money at the problems."

During the current year the Coast Guard, Customs Service, Drug Enforcement Agency, and others involved in drug law enforcement, will receive roughly \$500 million in additional funding. State and local law enforcement agencies will receive roughly \$690 million in grants over the next three years. Additionally there is money for prison construction, international drug control efforts, and domestic drug education programs. The bill is expected to cost about \$1.7 billion. Criminal penalties for most major drug offenses are also increased.

Gilman warns of Libyan role on Malta

"While respecting the sovereignty of Malta, we should do our utmost to ensure that the coming elections be free from fraud and return a government reflecting the will of a majority of the Maltese people," Rep. Benjamin Gilman (R-N.Y.) said in a piece

entitled "The United States-Malta relationship and Democracy in Malta: Menaced by Libyan Influence?" entered into the Oct. 17 *Congressional Record*.

Gilman warned that Malta has become a virtual Libyan client state which is not reflective of the will of the Maltese people, but attributable to "deficiencies in the democratic process." He pointed out that the pro-Western Nationalist Party won 51% of the vote in the 1981 elections, but the Socialists won a majority of parliamentary seats which was "widely attributed to gerrymandering and other irregularities." New elections are due this year or early 1987.

Among the spate of pro-Libyan actions taken by Malta, Gilman cited the following: The Maltese government said it warned Qaddafi "in advance of our raid on his terrorist facilities last April"; Maltese Prime Minister Carmelo Mifsud Bonnici's January pledge of support for Libya, allegedly given under the terms of a treaty of cooperation concluded in November 1984 which has led to Libyan supply of arms and training to Malta, and which binds the two countries to engage in "a continuous exchange of information on matters of special interest to the mutual security and defense purposes of the other side"; the recruiting of Libyan terrorists through the Maltese press, including a paid ad in the pro-government weekly *Weekend Chronicle*."

Gilman said: "It is time for the West to take a hard look at the situation on Malta before it is too late." He called on the nations of Western Europe to also "face up to their responsibilities because they are Malta's main economic partners."

National News

Air Force One in three near-miss incidents

Air Force One, the presidential jet, was involved in an air safety breach Oct. 17, with the President aboard, coming within 4.3 miles of another Air Force jet, a spokesman for the Federal Aviation Administration has revealed. This was the third incident of its kind in two weeks.

Planes are supposed to keep a minimum five-mile distance from one another. The incident occurred over western Pennsylvania, en route to North Dakota, when the pilot of an Air Force F-4 converging toward the presidential plane twice failed to respond to an air traffic controller's instructions to change his course. Finally, air controllers directed the pilot of Reagan's plane to turn south, which he did.

Aircraft traveling at more than 500 miles per hour can cover 4.3 miles in less than 30 seconds, and two jets can collide in half that time at such speeds if they are converging.

Upon returning from North Dakota later the same day, Air Force One's pilot was directed to change altitude because the plane ascended several hundred feet beyond its prescribed flight level.

In an incident in Atlanta two weeks before, a reporter traveling aboard the presidential jet claimed to have sighted a plane traveling at close distance, and filed a "near midair collision" report with the FAA.

Virginia paper critical of raid on LaRouche

The *Blue Ridge Leader*, an independent newspaper serving western Loudoun County, Virginia, on Oct. 15 denounced the use of "police-state" measures in the raid by 400 government agents against companies and individuals associated with Lyndon LaRouche on Oct. 6. The newspaper is one of three weekly papers published in the county where LaRouche resides, and where the raid took place.

In a second commentary published Oct. 22, the paper described the raid in the following way: "Pitted was the power of the state—in the most generic of terms—against the power of an emerging political force that has attracted time, talent, and treasure from across the United States and parts of the world as well.

"A major raid, carried out with all the panoply of helicopters, SWAT-type teams and a near-dawn assault, was carried out in and near Leesburg October 6. . . .

"In some aspects [LaRouche's] presidential campaigns have been reminiscent of those of George C. Wallace—though largely without racial overtones.

"Whether LaRouche will become a martyr to those of like mind remains very much an open question."

U.S. won't ignore Soviet conventional superiority

Defense Secretary Caspar Weinberger is at pains to assure the European allies that the United States will not agree to major cuts in nuclear weapons as long as the overwhelming superiority of Soviet conventional forces in Europe is maintained. Following the Iceland meeting between President Reagan and General Secretary Gorbachov, at which reduction of intermediate-range nuclear weapons in Europe was discussed, representatives of several allied governments expressed concern on this score.

Speaking to the press in Scotland Oct. 21, during the meeting of NATO's Nuclear Planning Group, Weinberger said: "If we go down on the nuclear side, then we have got one way or another to balance the conventional. . . . You balance the conventional by coming up to the Soviet levels, or getting them to come down in a verifiable way to the point where we have parity."

In an interview Oct. 23 on the "CBS Morning News," Weinberger said: "There are some who felt that if you just did that alone, the deterrent balance in Europe might be upset and, of course, there's no slight suggestion that would be all we would do. We would also want to address the imbal-

ance on the conventional side and the imbalance on the short-range side. We can build up our conventional forces if the people in Europe and the people in the United States have sufficient resolution and will to do so and are willing to devote the resources necessary to do it."

Libyan link to California dope?

For the second time in recent months, authorities on Oct. 21 seized a multimillion-dollar cache of cocaine packaged with pictures of Libya's Muammar Qaddafi on the wrappings, UPI reports. The latest batch of Qaddafi cocaine turned up when narcotics agents raided a town house in Foster City, California, and found 187 kilograms of Colombian cocaine, worth \$30 million on the street, said Police Chief Bob Norman.

Fifteen Colombians were seized in several north California cities in connection with the seizure. "At this point, we do not know of any significance in the picture of Qaddafi," said Norman. "It would be speculation at this point to conclude any significance." He added, "This is one of the largest seizures by local agencies in California. These were highly organized traffickers."

Police displayed cartons wrapped in blue paper and plastic, each carrying a picture of the Libyan leader.

Episcopalians denounce Vatican 'coercion'

By a unanimous vote, the 518-member Convention of the Episcopal Diocese of New York passed a resolution on Oct. 22, deploing what it says is "coercive discipline" by the Roman Catholic Church.

The resolution, "Freedom and Authority in the Catholic Church," was authored by Rev. Christopher Webber, who said he was prompted by Vatican actions against theologian Charles Curran and Archbishop Raymond Hunthausen of Seattle, which, he said,

"are creating an impression of the Christian Church as authoritarian and not open to freedom and diversity." Curran's license to teach Church theology at Catholic University in Washington, D.C., was revoked on Aug. 18, when the Vatican judged that Curran's teachings on abortion, homosexuality, premarital sex, and contraception were in opposition to the teachings of the Church. Early in September, Hunthausen was stripped of most of his major responsibilities, again because of his "dissident" views on moral issues.

The Episcopal resolution deplores "any action that narrows the realm of free debate. With concern for the greater unity within the church, we would avoid any use of coercion because we believe the witness and mission of the whole church is impeded by such action."

Surgeon general's report covers up AIDS crisis

The U.S. government's cover-up of the extent of the AIDS epidemic continued with the release on Oct. 22, by Surgeon-General Everett Koop, of a report recommending sexual abstinence or the use of condoms to prevent transmission of the disease.

"The impact of AIDS on our society is and will continue to be devastating," said Koop at a news conference. "This epidemic has already claimed . . . almost 15,000 Americans and that figure is expected to increase 12-fold by the end of 1991."

Koop said, however, that he was "absolutely opposed" to Proposition 64, the California ballot initiative which would declare AIDS a communicable disease, thereby forcing health authorities to use traditional public health measures—such as mass screening and quarantine—to prevent its spread. In his opening statement, Koop denounced quarantine and blood testing as "unnecessary, unfeasible, and *cost prohibitive* [emphasis added]."

Koop's report categorically denies that insect transmission of AIDS is possible. It includes a photograph of an "Aztec latex condom," with the following advice to the

AIDS patient: "If you decide to have sex . . . you must protect your partner by always using a rubber (condom) during (start to finish) sexual intercourse (vagina or rectum)."

Koop said he could report no progress toward a cure, and that a vaccine might not be developed until the end of the century—if then. The Department of Health and Human Services will have a budget in Fiscal Year 1987 of \$26 million for AIDS research and education.

Koop added that he plans to have his report printed in Spanish and in comic book form, to reach as many people as possible.

'Sex-ed' will be compulsory in New York

The New York City Board of Education voted up a proposal on Oct. 15 making sex education compulsory in all city schools by next September. Board President Robert Wagner, Jr. also got a motion passed, 5 to 2, under which high school health clinics would be allowed to dispense prescriptions for contraceptives to students who request them. "My hope is that we would have contraceptive distribution in all the schools," said Wagner.

Supporters of the measures claim it will help children avoid involvement in sexual acts out of ignorance, but the "value-free approach" characteristic of such sex-ed courses can only contribute to sanctioning promiscuity and "alternate sexual lifestyles."

The sex education curriculum would begin in kindergarten, when children will learn about their own bodies, and the differences between men and women. Grades one through six will learn about animal and human evolution and the concept of the family. Sixth graders will learn about rape and incest. Beginning in the seventh grade, students will be taught about sexual reproduction, venereal disease, contraception, and abortion. The high school curriculum will include descriptions of oral and anal sex, the use of contraceptives, and how to avoid contracting AIDS.

Briefly

● **CHARLES WICK**, head of the U.S. Information Agency, offered to explore the possibility of the Soviet Union using American radio stations for propaganda broadcasts during the Iceland "pre-summit," the *Washington Post* reported Oct. 25. Wick discussed the matter with Soviet propaganda chief Aleksandr Yakovlev, during a two-hour meeting in Iceland.

● **MAX KAMPELMAN**, the chief U.S. arms negotiator, met on Oct. 22 with Italian Prime Minister Bettino Craxi, Foreign Minister Giulio Andreotti, and Defense Minister Giovanni Spadolini. Kampelman said he talked to Craxi privately for 90 minutes, concerning the SDI and "the difficulty in relations with the Soviet Union."

● **MARYLAND** Attorney-General Stephen Sachs said Oct. 22 that mandatory drug testing of most state employees is unconstitutional. Sachs said such testing would violate the Fourth Amendment. "Testing of all applicants for positions as correctional officers, and like public safety jobs, and refusing to hire those who test positive for drug abuse would be legally permissible," Sachs wrote.

● **AN AIDS PATIENT'S** return to work at the New England Telephone Company for the first time in 17 months, after an extended legal battle, led to a walkout Oct. 22 by most technicians at a garage in Needham, Massachusetts, a suburb of Boston. Nan Hunter, an ACLU lawyer who monitors AIDS cases nationwide, said: "In terms of employment discrimination, this is the first time a state court has ruled that AIDS is a disability under state handicapped discrimination law."

● **RAMSEY CLARK**, the former U.S. attorney-general, sought a meeting Oct. 23 with the lawyer who is defending captured American Eugene Hasenfus in Nicaragua. Clark said he plans to monitor the Hasenfus trial.

A turn on the road to Damascus

It is with great satisfaction that we learned, shortly before press deadline, that the government of the United Kingdom broke off all diplomatic relations with Syria. The U.K. has finally drawn the necessary conclusions from the long-known fact that Syria, along with Libya and Iran, is one of the countries that officially supports terrorism, as a weapon in an undeclared war against the West.

We also hail the decision of the American and Canadian governments to fully support the Thatcher government and to immediately withdraw their respective ambassadors from Damascus.

Weeks of revelations in the French press of Syrian involvement in terrorism in France culminated in the British action. The move, coming on the heels of Reykjavik and the Gleneagles NATO meeting, has the potential to unravel a huge Soviet terrorist and "low-intensity warfare" network in the West, and shorten the political careers of both U.S. Secretary of State George Shultz and West German Foreign Minister Hans-Dietrich Genscher. Both have been prominent in promoting relations with Syria—and in the witchhunt against the political movement of Lyndon LaRouche.

From the U.S. side, the announcement of the British move couldn't have come at a better time. President Reagan was on the campaign trail, free from the influence of Shultz, and drafted his statement of support for the action aboard Air Force One en route to Florida.

Shultz's long leash for his agent Richard Murphy to cut deals with his Soviet counterpart Primakov to protect Syria is exposed. Murphy, along with underlings Roscoe Suddarths and David Long, make up the "Syria lobby" at the State Department. On March 21, 1985, Murphy played a key role in a conference at the Center for Strategic and International Studies at Georgetown, convened to undermine the courageous peace initiative of President Mubarak of Egypt.

At that conference, Jimmy Carter's former national-security adviser, Zbigniew Brzezinski, demanded that the United States reject Mubarak and "create an option that will involve the Soviet Union . . . and es-

tablish a parallel dialogue, a parallel channel with Syria." The current scandal should end the growing influence in the Reagan administration of Brzezinski, whose name has been mooted for "special negotiator" between East and West.

Or what about "Republican" Robert Dole, the Senate Majority leader? Last year, Dole took the point in removing Syria from the official list of countries which support terrorism in a Senate vote of May 15, 1985. Dole stated that Syria "has a key role to play in the Middle East, especially in Lebanon and in the search for a secure peace with Israel."

Hans-Dietrich Genscher had only recently invited the Syrian foreign minister to West Germany, and has carefully cultivated relations with the terrorist regimes in Teheran, Damascus, and Tripoli ever since the "revolution" in Iran. With West Germany facing the worst onslaught of Soviet-directed irregular war ever—and the brother of terrorist Narwaf Hindawi, whose London trial proved Syria's official backing for terrorism, about to go on trial for the West Berlin discothèque bombing of last April—Genscher stands exposed as an agent of the West's mortal foes.

Nothing could contrast more sharply to these traitors than *EIR's* record. In an April 9, 1985 cover story, "Syria's role as the center of world terrorism," Lyndon LaRouche warned: "... to take Syria off the list of nations linked to international terrorism, would be an act of disarming U.S. intelligence and law-enforcement agencies against the present, Soviet-directed terrorist assault within Western Europe, and the Americas." Syria's role as the chief proxy for Soviet irregular warfare was documented in the Sept. 26, 1986 issue of *EIR*, "Who really controls Middle East terrorism," published before the London trial of Narwaf Hindawi.

The fact is that the same people who have tried to shut down *EIR* and the political movement of Lyndon LaRouche, are the ones who have been protecting Syria. If the obvious conclusions are drawn and translated into action, there will be a long-overdue revolution in Western foreign policy.

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