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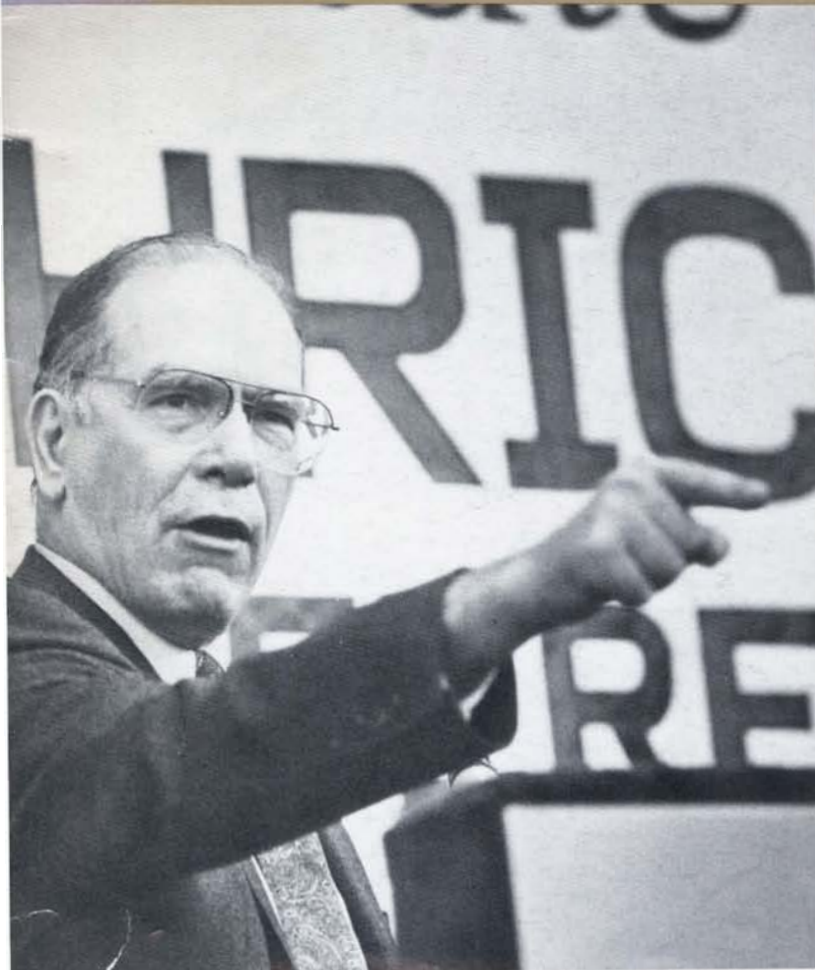
Executive Intelligence Review

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U.N. official blows whistle on IMF genocide
Conference honors space pioneer with drive for SDI
Moscow uses the trade carrot to blackmail Europe

**LaRouche replies to 1988
Doomsday forecast by Castro**



The Recovery That Never Was

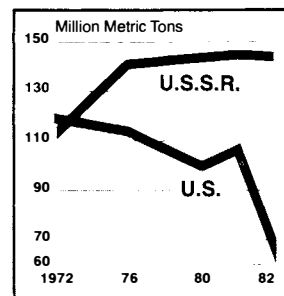
Find out what the White House should know . . . but doesn't

The EIR Quarterly Economic Report, prepared under the personal direction of Lyndon H. LaRouche, Jr., presents a devastating picture of the current economic crisis—a crisis with profound implications for the national security, as Moscow is only too well aware. The study demonstrates:

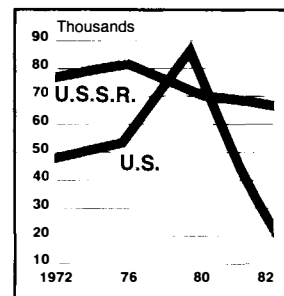
- Unless President Reagan replaces his present, foreign and domestic, monetary and economic policies, the U.S. economy will continue to describe an accelerating downward trend in output of goods and in balance of trade.
- The potential for a 1931-32-style deflationary blow-out or new skyrocketing of dollar exchange-rates, is approaching certainty. Either alternative would be associated with an acceleration of the rate of collapse of goods-output in both the world market and the U.S. economy; under either alternative, the federal budget deficit would soar.

For information about the Quarterly Report and a new feature, EIR's 1985 statistical yearbook, please contact your local EIR representative or Richard Freeman, EIR News Service, P.O. Box 17390, Washington, D.C. 20041-0390.

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EIR

From the Editor

Executive Intelligence Review was right about the strategic catastrophe of the June 2 Greek elections—and those who attempted to downplay the danger were wrong, as the new “hostage crisis” that has unfolded since a TWA jetliner was hijacked in Athens on June 14 demonstrates.

The fact is that the Soviet Union is in a state of war with the United States, at the same time the United States is dismantling its economy and defense.

EIR has also been consistently right about the mass murder being carried out in Africa under the orders of the International Monetary Fund and World Bank; now, in an exclusive report from the World Food Council meeting in Paris, reported on pages 4-10, a top United Nations official corroborates that evaluation, with evidence sufficient to open a new international “Nuremberg Tribunal” to try the officials who are perpetrating genocide.

The shock of events proving that the pundits of Washington, the various economic wizards and State Department “terrorism experts,” have been wrong, may be the only way to get policy changed.

Lyndon LaRouche, in a major intervention into the political debate of the Western Hemisphere, has opened a rough-and-tumble dialogue with Fidel Castro in this week’s extended *Feature*, the first of a two-part Open Letter to the Cuban leader. LaRouche writes, “Those who attempt to ignore Castro’s statements as ‘just more communist propaganda,’ are very, very foolish people.”

In the second part of the Open Letter, to be published next week, LaRouche takes up Castro’s serious errors of economic analysis: his mistaken analysis of the relationship between economic development and levels of military expenditures, and, secondly, Castro’s implied underestimation of the degree of the catastrophe toward which presently accelerating economic collapse, worldwide, is carrying us.

In upcoming issues, EIR will also carry more coverage of the proceedings of the “Krafft Ehrlicke Memorial Conference” held June 15-16 near Washington, D.C., which mapped plans to carry out what Dr. Ehrlicke called the “extraterrestrial imperative” of colonizing outer space and opening the Age of Reason.

Nora Hamerman

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Paris meeting told: Africa faces worst holocaust ever

by Mary Lalevée

At the opening ceremony of the 11th ministerial session of the United Nations World Food Council (WFC), ministers from 36 countries and delegates from most nations heard an impassioned speech from the outgoing head of the U.N. body, Eugene F. Whelan. He warned that "the worst holocaust the world has ever seen" would take place in Africa unless policies were drastically changed. "We knew, and we did nothing," to prevent hundreds of thousands of deaths from famine in Africa, he said. Departing from his prepared text, Whelan called for the cancellation of half of Africa's debt, and a five year moratorium on the rest.

Whelan said, "I feel that those organizations, institutions, measures, methods, proposals, and resolutions designed to eradicate hunger, to which I have been party to for many years, have failed us. I, for one, find it appalling therefore, in 1985, to be living side by side with preventable death."

"Yes, we knew well in advance that a major food problem had developed in Africa," but nothing was done until the tragedy in Ethiopia was brought into the homes of TV viewers in the West. "In spite of early warnings sounded again in 1984, it was the power of television that moved the public to force governments—both in Africa and elsewhere—to a response that initially at least, was inadequate. The public was not prepared to tolerate what it saw. As one result, the famine operation came too late, and its reach was too short to prevent the trek for food and the specter of death. There was lack of adequate organization and coordination within the international community that prevented a quick and adequate response from governments. But, *there was no lack of knowledge* about the seriousness of the African food and development crisis! Satellite scans had made the picture very clear."

Whelan went on, "In fact, African agricultural development policies and external assistance policies were not sufficiently altered and changed following the famine in 1973-1974 in the Sahel region. We *collectively* missed the oppor-

tunity of avoiding famine today—10 years later, and I am party to that failure. Policies must be changed or famine will reoccur in Africa—and let there be no doubt about it."

Whelan called for a doubling of external assistance for food and agriculture in Africa, and for changes in domestic policy in Africa, to benefit the poorest people. He appealed to all donors to provide logistical support to ensure the efficient distribution of food. "Are we prepared to see people die and measure this tragedy against financial voids which we *can* afford to fill?"

Indirectly attacking the International Monetary Fund and international banks, he said, "Pervasive and persistent poverty still smothers the hopes of millions upon millions of our fellow men—and not just in Africa—but everywhere people lack the opportunity to earn their daily calorie needs. We must not finance the repayment of international debts and the costs of trade protectionism on the backs of the world's poor."

At a ministerial meeting organized by the German Foundation for International Development (DSE) last Jan. 26, Whelan had spoken of the challenge of maintaining the confidence that hunger can and must be eradicated in our lifetime, and of finding innovative ways to do so. The report by the DSE says he rejected the Malthusian notion that mass hunger was inescapable, referring to the conclusions of the tenth ministerial session of the WFC in Addis Abeba in June 1984, in which ministers stated that: "...hunger can no longer be blamed solely on humankind's inability to produce enough food for all; hunger today is largely a man-made phenomenon. Human error or neglect creates it, human complacency perpetuates it, and human resolve can eradicate it."

He called Africa's famine crisis the "result of the failure of the entire international community to recognize the problem in time and act in time."

At the Paris meeting, the debt issue was also stressed by Edouard Saouma, the director general of the U.N. Food and

Agriculture Organization (FAO), in his opening remarks, when he called for "measures to solve the debt problems of developing countries."

Tanzania's President Julius Nyerere pointed out recently that Africa is paying \$10 billion annually in debt service alone, a sum vastly more than the amount of aid going into Africa; a sum mentioned by Whelan was \$3 billion last year. A WFC official at a press briefing mentioned that there is a \$1 billion a year fall in net investment in Africa, with \$8 billion going in during 1983 and only \$2.7 billion projected for 1986.

Some of the U.N. officials at the meeting were privately not at all happy about the fact that African representatives refused to accept the Malthusian argument that population growth was responsible for famine. One such official told *EIR*, "The population problem is a sensitive issue . . . for political reasons the Africans refuse to pay enough attention to it. The African population will double by the year 2000!"

In contrast to other U.N. bodies, the WFC places much less emphasis on the so-called "population problem." In a pamphlet published in May 1985, to the question, "What have been the causes of Africa's mounting food problems and recent famines?" the WFC answers:

"Africa's food problem is not solely the result of the recent drought. . . . There are other basic underlying factors at the heart of Africa's food crisis.

"External financial shocks and worsening trade prospects have brought many African economies to a virtual standstill. Some African export commodities have seen their international market value drop by 30-50% in recent years.

"In addition, many African countries are seriously underdeveloped, with serious shortages of skilled manpower and basic infrastructure. . . .

"Finally, observers point to the relatively low priority assigned by African governments in the 1960s and early 1970s to agricultural development and to national food policies as a basic, underlying cause of the present crisis."

Further on, the WF states, "The most practical and ultimately the most beneficial way of solving the world food problem is to support the development of low-income food-deficit countries, so they can either grow the food they need, or have the means for importing it."

The American position in the conference was: Free enterprise is the solution. U.S. Secretary of Agriculture John Block attacked "government interference that disrupts market forces." "Many developing countries would profit greatly from reforms that reduce the government's role and attract private sector participation into agricultural extension, research and the distribution of inputs to farmers." He described the American government's policy of selective help—only helping those countries which agree to undertake reforms; "Entitled 'Food for Progress,' this new initiative would provide 500,000 metric tons of commodities a year over the next five years to selected recipient countries."

Interview: Eugene Whelan



'They put a dollar sign on human lives'

The following interview with the Hon. Eugene F. Whelan, former head of the United Nations World Food Council (1983-85), former Minister of Agriculture of Canada was conducted by Mary Lalevée in Paris, June 14, 1985, following the four-day ministerial meeting of the World Food Council, June 10-13, 1985.

EIR: You said in your opening remarks, that unless something is done, Africa is facing the worst holocaust that man has ever seen. What does that mean for the World Food Council and its policies, because the WFC was set up to prevent this kind of disaster from ever happening again, and here it is unfolding in front of our eyes. What's gone wrong?

Whelan: Well, I think the World Food Council should admit that it's failed, the same as most U.N. agencies have failed. The ones that are the oldest are the biggest failures. The FAO, for instance, is a disaster, as far as I'm concerned. It must have been obvious to you what they were doing at the World Food Council. They were organizing a system that would not be the one that was intended, in the first instance: that is, one that looked after the criteria that it's set out for them to look after with these people in the U.N. In very rough farm terminology, you'd say that it's set out for them to ride herd on them, make sure they don't go astray, make sure they do the things that they're supposed to. And if they do ride herd, in the proper fashion, and if one of them goes astray, you're to bring them back, you're not to be all cuddly and nice with these organizations, just cooperate and work with them, you're to be at arm's length with those organizations, you watch them, you report what's going on directly to the United Nations.

I'm just saying that when we see this terrible tragedy, it is difficult for me to understand, in 1985, how that could even be allowed to happen. We call ourselves civilized! We're the most barbaric group of people in the world, especially those countries—and a lot of them have done that—which said "Look, our deficit is big, we can't afford this kind of thing. We have to lower our deficit, and until then you either live or die." In essence what we do is put a money sign—in my country, we would say a dollar sign—on the one who can

live and the one who can die. "I'm sorry, there's not enough for you. You'll die until we have a big enough surplus, or [until] our overall economic situation is in such a position. We're going to, then, start taking care of you." That's the meanest thing, the most barbaric thing.

We don't know for sure even now how many millions have died. In Ethiopia, for instance, there's no way to take a proper census. They say they have approximately 40 million people—nobody knows that. Nobody has been in all those villages, where the people have moved from. We said in 1983, they shouldn't be forced to move from that natural way of life, that habitat that they had. I saw the relocation of these people into camps in areas [where] the environments are completely strange to them. It's a terrible thing that you're doing to them. Then you're mixing them into a city of huts, which in time will probably be another disaster area, because the environment that some of them are moving in is very fragile. You [would] tell the ordinary person, "Watch out what you're doing, here." I just think [of this tragedy] when I see these agencies and read the background of FAO, and some of the others when they were first set up. Canada is very proud of FAO, because we were leaders in setting it up.

[The FAO] said at that time that in two decades there should be no one suffering from malnutrition or starvation or hunger. But also, when you go to the foundation of the World Food Council, after that tragedy took place in the early '70s, especially again in Ethiopia—I can remember Henry Kissinger, from one of the most powerful nations of the world, saying "Let there be no man, woman or child ten years from now going to bed any place in the world suffering from malnutrition, hunger." We know, a rich country like that, that spends so much of its resources on military might, and all of these things, along with say the Soviet Union, just the two of them, together, could make sure [the famine stopped].

We could turn the desert around if we really wanted to! When we look at the deserts of the southwestern United States, New Mexico, Arizona particularly, California, look at the deserts in Mexico, look at the cold deserts in Canada, Australia, India, and look at little Israel, how they have made it like the Garden of Eden. Or again I return to Arizona, that has one of the harshest deserts in the world! I was just there about six weeks ago, and it's even more beautiful than the last time I was there; water and residences that you can't believe, food production that's making it one of the most important states in the United States every year as far as food production [is concerned]. We know that the deserts in parts of Africa are not nearly that harsh. You could make it [like Arizona] if you use the same things they did, and what was it? Money and technology, it's as simple as that.

People in Africa need vast amounts of all of these things. In particular they need education, they have to change some of their systems, but basically those people have to have the basic things of life, and that's basic education, enough knowledge to read and write. It's going to have to be a massive program, for at least ten years, or else you're going

to see—and you're seeing right now if you go there—genocide, or a holocaust that's as bad as anything you ever saw in the world.

We know, we're aware. We have satellites. You can read the newspaper in the back yard, we have the temperatures every day of every village all around the world. We can tell with satellites where the minerals are, with the equipment that we use. We can do the same thing for finding water. A massive effort. . .

I can give you an example of U.N. agencies that was brought to our attention one or two years ago at the annual meeting of the WFC. I think it was 281 delegations went into Upper Volta, now called Bourkina Faso. But if you go to Bourkina Faso, you wonder what they did besides cost money to go there with those delegations . . . very little has been done in that country. And it's the poorest country, probably, in all of Africa. It's not a big country, but if you'd wanted, you could have built a railroad from Ivory Coast that could service them all year. You could build a road or a railroad from Algeria down into Niger, and that area, so you'd have other ways of bringing [food aid] in, or, as they develop, to export their products out for trade. All of these things compounded mean very little has been done to make a better way of life for these people.

In Niger, when I was there, the President of Niger pointed out the infrastructure of his systems, and the U.N. agencies that we met there said this man had a pretty good system of warehousing, and of making sure that in case of tragedy he'd be able to take care of his people. But one of the international agencies, I think it was the IMF, said "You have too much grain on store. Get rid of some of it." And he did, and now he's begging! That wasn't his plan, you got to give him some credit, the infrastructure in this land-locked nation called Niger is one that has to impress you to some extent, when you see what they were trying to do. Outsiders came in, and told him, "You're wrong! We're not going to give you a loan if you don't change that."

When I was there, he and the President of Chad were going to visit the Nigerian President, hoping they could expedite the processing [of food supplies through Nigerian] ports. I've known for years that the ports of Nigeria were some of the most difficult in the world, the most congested, and never really developed into a port for international use. It's the same thing with the ports that are serving Sudan, and Ethiopia. I visited some of those ports.

I live in North America, and ships go by my farm from all over the world, because I live on part of the St. Lawrence seaway, the Detroit river, that carries more tonnage than any other waterway in the world. And I see what you can do with efficiency, in the ports in our own cities and on the Great Lakes, what we did with them, and how we've improved them, with massive amounts of money, but they have paid for themselves in trade. Thank God we have those ports, even for aid!

Last year, you may scoff, but the St. Lawrence seaway

stayed open the longest it ever has, because of the weather! A lift bridge was broken, and couldn't be raised, and it took them three weeks to get the mechanism to raise this huge lift bridge so the ships could go under. Every ship in the St. Lawrence seaway was able to get their cargo and return by Jan. 4, when most of the time that seaway was closed by Dec. 15. Every night the weatherman would say, "This is phenomenal, the warm winds are coming from the south, and they're covering the Great Lakes area, and going out over the St. Lawrence." It wasn't phenomenal to me, it was somebody making sure that those grain boats got out of the St. Lawrence seaway. A power greater than ours.

EIR: What do you think should be done in Africa, both in terms of emergency aid, to save the millions of lives now at stake, and secondly in the more long term?

Whelan: It has to be [done quickly]. In the U.N., some of these world organizations have appointed Maurice Strong, to be the African coordinator. In the Sudan, they appointed another coordinator to make sure that the freight traffic moves right in that area, that distribution is taking place. He's from New Zealand, and he said, in a meeting I attended at the U.N. in December, we must coordinate all of our efforts for this tragedy, and coordinate them as quick as we could! [He said] "we're calling an emergency meeting for early in the year, in 19

Right at that meeting, the head of the FAO got up and said, "I'm calling *my* meeting in January 19 didn't do, but if he'd said I'm willing to work, we'll provide the facilities, and work with you to coordinate all our efforts. But right at that meeting, he said, "I'm going my own way. I'm so important, I'm bigger and greater than you," so it was obvious to me that the coordination that the secretary-general of the U.N. was asking for wasn't being adhered to. And it isn't yet either. There are some of these organizations that are making like they're coordinating, willing, but they're very prestigious with their own organization, don't like to lose their authority. . . . You know, "That's your job, and don't you interfere with my jurisdiction, your jurisdiction and mine are different."

EIR: What could be done in terms of an emergency effort?

Whelan: It has to be greater than it is. For instance, there shouldn't be a person in Niger or Bourkina Faso dying of starvation. Let's use an example: If you read the congressional reports of the United States, when the Catholic aid association in Ethiopia wanted to buy one \$47,000 truck, in July 19

cause probably the Ethiopian government could use it for military purposes if they wanted to.

But when the madman from Libya was invading Chad, it took them seven days to send \$10 billion worth of military equipment, by big planes, for the people in Chad to counteract the invasion from the man from the north.

These are things that we know you can do, and you should

be doing that. There are airports in Chad, Niger, Burkina Faso that you could use, using military equipment if necessary to get the materials to them.

There has to be an overall change in the world organizations, as I see it, more democratic control by the sponsoring nations over the U.N. bodies. I've been involved in elected positions ever since I was 21, never knew anything else than democracy. Maybe we have a different form in Canada, but any similarity between democracy and the administration of most U.N. bodies is purely coincidental. I don't see it there very much.

The head of FAO, for instance, is a dictator. I could not operate even as a minister for a day in my own country that way. The authority he wields over these people, I don't understand how they could do that. And the sponsoring nations, I don't see how they could stand for what's going on in some of those organizations.

I point a finger at them. He's even made a film that shows him walking amongst these poor starving people, saying, "I warned the donor nations." But when you check the documents of FAO, he didn't start warning the donor nations until 1984. He's trying to protect his own ass on this whole operation. This is part of the whole game with these people.

There should be a massive meeting of the sponsoring countries of the U.N., *not* those *bureaucrats* going there. At the meeting yesterday, when it adjourned, there were only one or two ministers there, and the ones that were the greatest spokesmen of all, the ones that are deliberately trying to stop the inquiry into the WFC's operations, were the ambassadors or their alternates from FAO. A blind man on a galloping horse could see what they were doing! They were gleeful over what they had accomplished.

Any government that is part of that is, to me, not guilty of a misdemeanor, but guilty of a major tragedy to allow that kind of thing to continue to happen, and abuse the privileges that are granted to them. One of the greatest things that could happen at FAO is a benevolent dictator, under the present system, one that really cared, and went in there and cleaned house, and you could say that for some of the other U.N. bodies, too.

EIR: What about the question of the African economies? This was raised by some of the African ministers, that countries were being forced to pay back so much in debt service, and this was preventing their development.

Whelan: The African economies have to be protected. In my opening remarks, where I departed from my script, that I thought half the debt should be cancelled and a moratorium on the other half, because we're economically stabbing them to death. They can't possibly make those payments and do the things that are necessary for themselves.

All the people that I met in those countries, every one of the leaders recognizes that there have to be some drastic changes in their own countries, their farming practices, their education system, and all these things have to be changed for

the better. If it isn't, we'll continually have a basket case, and I don't think we want that, and I don't think they want that either.

We can use some of the African countries as an example. They're even told, "Look, you're spending too much money on education." The one I'm thinking of particularly now is Zimbabwe. I know Dennis Norman, the minister of agriculture there, and I've known him for several years, and he and the government have dwelt on a concentrated extension program for at least the last six years. Even in a terrible dry year, the year before last, they had not bad crops, in some instances they planted five times, in their country, because they have that kind of planning and those kind of resources that provided the seeds and the fertilizer for that. This year, this past harvest, they had a bumper crop. But if it hadn't been for what they had been doing, and especially with their small farmers, whose production went from 10% of the nation's production to 40% of the nation's production. You can't help but be impressed with it.

The World Food Council should admit that it's failed, the same as most U.N. agencies have failed. The ones that are the oldest are the biggest failures. The FAO, for instance, is a disaster, as far as I'm concerned.

But one of these organizations, the IMF I believe it was, or the World Bank, said "You're spending too much money on education." But that country had a basis for education; even under the controversial Smith regime, they never discontinued their education. They made it available to practically everyone. And that pays off in the long run, because to know how deep to plant a seed, to plant them in rows, to band the fertilizer, to know how far to band it from the seed, and how to use a pesticide, these simple things that we take for granted are so [important].

I saw in Somalia, when I was there, in cornfields, these poor women working with these little short-handled hoes, bent over, their whole system exposed to the sun, which we know is bad. It's against the law in Arizona to use short-handled hoes, but the extension people in Africa think those are the kind of hoes they should use, because they've used them for 2,000 years.

But that corn was a beautiful stand. They had had moisture. But the agriculture man, he was from Somalia, had been educated in Tucson, Arizona, and in Nebraska, he knew. I said to him, "The corn looks good, but your yields you told

me are very low." He said to me, "Yes. Mr. Whelan, what one good shot of nitrogen would do for it! It would mean for the work they would harvest probably triple what they're going to harvest." The extra work they would have is harvesting. But the land is so depleted of its natural nutrients. But they couldn't afford nitrogen. Just think if you could have used a bomber to fly over. We use planes in Canada to put fertilizer on fields. You could do it at night so that people didn't know what they were getting, maybe, and they could wake up in about six-eight weeks with one of the best crops they ever had, just with putting nitrogen on it!

With no post-harvest storage, no post-harvest processing, they waste a lot of food at the present time, no infrastructure for roads, no infrastructure with a marketing system, or any of these things that we take for granted. All that has to be built, that's why it has to be a massive [effort], not that piecemeal operation that we're involved in.

The green area of Africa, when you look at the satellite pictures, is being squeezed from both north and south. Those people are living in wonderland if they think it's going to stay that way, all the time. Some of those countries are becoming concerned, when they see the northern part or the southern part of their country starting to turn into a desertland. They're losing, according to some figures, as high as 15 million hectares a year to desertification. That is unnecessary. We could run water lines, if we had to. Look at what the madman of Libya is doing, with the money that he gets from the oil he sells to the developed world. You could say he's using money from the developed world, and his project is probably one of the largest mega-projects in the world.

EIR: What about institutions like the International Monetary Fund and the World Bank? You have mentioned several times that what they have proposed has been counter-productive in terms of development.

Whelan: Before that, I'd just like to touch on one thing that I omitted. I have been critical of the developed world for what they spend on military might, but the developing countries spend much too much on military and arms, they are getting credit for those from the developed part of the world. Europe is a big supplier of military might to the people in Africa. I think that is criminal. For instance, the two factions in northern Ethiopia, if they weren't being supplied with arms, there would be no war.

They're spending in Ethiopia, 52% of its budget on military. That's criminal, when they know what's going on within their country. [One of the ministers of Ethiopia] is a four-year graduate of the University of Michigan. A young minister in charge of development, I think, is a graduate of the University of British Columbia, and five or six of the other ministers are either graduates of some school in the United States

there who know what's going on, but they operate under not a democratic government, a system which I think was really

hoping that these terrible things that they could foresee would go away by natural things taking place like rain, but it didn't happen.

EIR: What about institutions like the IMF and the World Bank?

Whelan: I think there are many people in those organizations that are well meaning. I rode across the ocean from New York to Dakar with a man from the World Bank out of Washington. He was going into that area to make some decisions, and he openly admitted to me that he didn't know what he was [doing] . . . he was taking somebody else's place. They have a tremendous amount of influence and effect on what's taking place, but they don't have the expertise, they have thousands of people who learned in university and someplace else, but when it comes to the practicality of getting these things done and understanding what's going on in a country, they don't know.

On that same plane, in an African business magazine I read, it talked about the IMF and the World Bank disagreeing with what the leadership in Nigeria was doing, and ending up saying "Well maybe they are right," because he wouldn't devalue his currency, he wouldn't do any of those things they wanted him to do. He was telling them, "I'll run my own administration," and they were saying to him, "We'll give you no loans if you don't change this kind of thing." They have set up a huge bureaucracy, but whether they would have the intelligentsia that goes along with it, I don't think they do, not from my experience with them.

And when I heard them say at the world meeting that was called in New York by the secretary-general, and one of the heads of the World Bank said in a meeting in New York that there would be *less* money for '85-86, or maybe it was '86-87. I don't see how he could have done that, on the platform, while we were all sitting there, knowing full well that the [African nations] would have to have more money, not less.

EIR: Is there anything you would like to add yourself?

Whelan: I think that all of these organizations, even the World Bank, have to become more human in their deliberations. I was recently at a meeting in Geneva [on emergency food aid for Africa], and a story was told about a man who was getting a heart transplant, and he had a choice of three hearts from donors that they were going to give him. He had to make his mind up in a hurry. One was from an actor, one was from an athlete, and one was from a banker. He said, "I will take the one of the banker." They said to him afterwards, when he was recuperating, "You made a strange selection. Why did you choose the heart of the banker?" "Oh," he said, "It was easy for me. You see, I'm a farmer, and I knew that heart would have been used the least."

I've dealt with bankers all my life in Canada, and a lot of them are administering programs they know nothing about. A lot of our farmers in the developed part of the world are

having problems, economic problems, financial problems, because of bankers. We put great emphasis when we see the word "banker." We think, "This must be an important and intelligent person." That's a most overrated definition as far as I'm concerned. They're partly at fault for what's taking place in Africa, because they loaned money for industry, and they neglected agriculture, the same as the financial people did in Canada.

I ran in Canada the tenth largest bank in our country, the last year we loaned about \$800 million, supposedly to farmers, but I don't think 90% ever saw the farmer's hand. It was a transfer from the farm credit corporation to the banks, for bad loans that they had made. But that made us the 10th largest loaner in all of Canada, we took all the bad risks. We took these risks that these bankers had created, because they were living on the inflation spiral, and they never thought that anything might go wrong, they loaned money for everything. A lot of young farmers owed over a million dollars. I guess I was a little old fashioned, I couldn't believe that they could get that loan that easily.

You see them involved in the Third World, not understanding what's going on. I find a lot of the bankers actually originally come from the Third World, that I meet from the World Bank. I don't think they have a full understanding of the peasants either, they come from the Third World, they're highly educated, living in marble, air-conditioned buildings. There should be some way to make them go and live right in say, that little desert town, where they're going to be running the bank, for maybe, six months, and live in the conditions of those people. They would soon want electricity, they would soon want water, they would soon want roads, they would soon want greenery, that would get rid of the terrible dust and the taste of it in your throat.

When I was in a town called Zinde, in Niger, even at night I dreamt I was in a dust-storm. There probably was dust in the covers of the bed. You saw these people in a resettlement area there, they had got funds for that, but the land wasn't suitable, it was harder than the hubs of hell. They had dug these deep wells, by hand, some of them looked 10-20 meters deep, all by hand, but dry wells, when we were there, and the land, when they put water on it, became like concrete. I would have known that just by walking on the land, nobody should ever try and irrigate this land, because it's something like my farm, you don't irrigate it unless you're going to have really controlled irrigation, good under-drainage, and there's a humus content that's going to allow the soil to be subjected to this water being poured on it without it turning into clay tile.

I see so many people who are trying to really help, but don't know. . . . I'll give you an example I found at one of these resettlement areas in Ethiopia. There was a man from a West German association. He said what they needed was 16,000 oxen. In that area, they only farm three months a year, because that's all the weather allows. It's very fragile,

it's one of the areas where the environment is very fragile. So I said, "What would you do with the 16,000 oxen that you only use maybe about six weeks a year?" He said, "Turn them loose." I couldn't believe it! There are little tractors, that I was talking about, that cost in China about \$1,000, maybe by the time you got them there they would be \$2,000, each 15 horsepower, and one of those little tractors will do more in two days than a team of oxen in a week, and they'll do it well, because they have steel ploughs, and when that little tractor is not being used, it isn't eating every damn thing in sight.

But this was the philosophy they were teaching those people. They had to get 16,000 oxen. When I went there, I wrote a little poem. It went something like this:

If I was a new spear of grass,
or a shoot from a new tree
I'd be as scared to come above the ground,
for, you see, I know someone would eat me.
Either it'd be a goat, a camel or a cow,
just walking, walking, looking for something,
and whenever they saw one, they eat it up.

I said, if I'd had my old scatter-gun, I know what I'd have done there.

I saw deserts in Israel, where they just put a fence, and didn't do anything else, and it grew green as high as your head. That was over several years, but once the animals weren't allowed to just browse at their own free will, and eat every thing in sight, it turned green again. That has to be, or they never would have stopped the desert.

Following the interview, in an informal discussion, Mr. Whelan described his thoughts at the time of the 10th anniversary of the end of the Vietnam war.

"I was talking to one of my daughters, and I told her, "If you remember the evacuation, there were all these aircraft carriers off shore, and helicopters were making circles with people. But the last trip, they couldn't land all the helicopters on the aircraft carrier. It was so vivid, the picture of them pushing those big \$50 million helicopters in the ocean, after the crew got out of them, they pushed them in, because they had to have room for the next helicopter to land, because they didn't have room on deck for the people and the helicopters, they just pushed them in the sea."

Just imagine what we could do with about 25 of them! I know someone working for World Vision. They took a big helicopter from Canada, Lufthansa flew it to Nairobi for them free, they had to reassemble it there.

The Kenyans tried to charge them \$50,000 tax on this thing. In the end he had to pay \$10,000 tax. Anyway, what he's doing, there is a huge gorge, and normally to go around the gorge with a truck takes 18 hours, and you blow two tires because the roads are just atrocious. The helicopter goes from here to there every 30 minutes with 5,000 pounds, so in a day they move about 30 tons of food. It's just crossing this big

mile-wide gorge. They bring it here by truck, unload it, and immediately the helicopter is loaded, it hardly stops. Very successful.

That's what we said needed to be done in 1983. I wanted a massive invasion of helicopters, and all that type of thing, and I wanted the NATO forces to do it. That's in my report, whenever it becomes public. It makes you so sad, that we were so accurate, because we predicted that those people, they live in these high plateaus, in isolation; we predicted there would be mass evacuation of those people, which would be unnatural for them to do. We said you should bring food and medical supplies to them.

You know, we didn't do that.

I was at a meeting in Trinidad, we were talking about it. We were meeting with some of our agricultural people, a Canadian-Caribbean veterinary medicine meeting. We have an organization that works to eradicate animal disease in the Caribbean. They wanted me to speak on food aid in Africa. There was some publicity in Canada about this report that we made. This Trinidadian scientist called me a Messiah, a prophet. "No," I said, "I'm not, I'm a practical old farmer that knows, when you see things happening, what's going to take place."

EIR: You called for the use of NATO facilities in 1983?

Whelan: Yes, you see, you have a system there now that could be expanded upon [in Ethiopia]. You have the services, it made me feel good, Americans, French, British, West Germans, East Germans, Russians, all in uniform, all talking to one another, but no guns, but they're hauling food, doing good. That's what I wanted in '83.

EIR: But it wasn't done.

Whelan: It makes you sick, when you're driving along the road and you have to get off the road for a big tank carrier to go by. Wheels higher than your head. Each vehicle must have cost about \$500,000, those are made in Russia. You know, I had some pretty frank talks with Gorbachov when he was in Canada.

I've written letters to all the world leaders, including Mrs. Thatcher, Mitterrand, Weiszaecker, Gorbachov, Reagan, the head of Japan, the ones I thought had the resources. I haven't received a reply from any of them. It's about a month now. I wrote that letter when I came back from Africa. I put that in the letter, about the fact how you measure death by dollar bills. I think that's very unfair, I know none of us would like that.

In Europe, the European parliament passed a motion against killing baby seals. I haven't seen them pass one about killing babies in Africa, though in essence, that's what we're doing. When you've seen the mothers pleading, you know they thought I was a doctor, going through these camps, showing you their sick babies, blind babies, it made you feel so useless, the whole thing seemed so futile.

Argentina is guinea pig for IMF 'shock'

by Cynthia Rush

The International Monetary Fund, the U.S. Treasury, and assorted Swiss and West German allies of these institutions have decided to use Argentina as the guinea pig for an economic "shock" policy which could be extended to the entire Ibero-American continent.

On the evening of June 14, President Raul Alfonsín went on national television to announce a new financial reform, and an end to the "gradualist" policies which had been applied over the past 18 months. The package includes wage and price controls, imposition of new taxes and tariffs, a forced savings program, elimination of credit, and creation of a new currency, the *austral*, fixed to a value of \$1.25. Monthly regulated interest rates are set at 4%, although a "non-regulated" market will also exist.

Alfonsín and finance minister Juan Sourrouille explained that the program will dramatically reduce the current annual inflation rate of 1010%, and the national budget deficit, financed until now by the printing of money. Sourrouille warned that the *austral* would be printed only if backed up by foreign exchange reserves, and would under no circumstances be used to finance budget deficits or expand credit through re-discounting. As columnist J.M. Vera pointed out in the June 16 edition of the daily *Clarín*, with these characteristics, the *austral* will be "as stable as the dollar, and although it doesn't carry its name, it is clearly a local version of it."

Alfonsín's monetary reform is a classic deflationary program which will reduce real wages by 30% within a 15-day period, decapitalize production by restricting credit, and use the illusion of a "stable currency" to once again turn Argentina into an international center for hot money speculation, as occurred under the 1976-81 regime of José Martínez de Hoz. Despite statements by Sourrouille to the contrary, there is no mechanism in the new system to allow wages to recover from the 30% inflation produced earlier in the month as a result of 20 to 40% increases in fuel and public utility prices.

Surprise?

International banking and financial circles professed great surprise at the severity of the program. David Mulford, Assistant Secretary of the Treasury for International Affairs,

praised the program, but added that the measures "are above and beyond what they agreed to with the IMF."

Just two days earlier, on June 12, the Alfonsín government had released the content of its memorandum of understanding with the IMF, which while promising to reduce inflation to 150% by the end of the first quarter of 1986, curtail wages, cut public employment, and raise prices of public services and fuel, made no mention of wage and price controls or of currency reform. In fact, some observers noted, wage and price controls violate the IMF's "free market" ideology.

But the "surprise" expressed here is a hoax. Reliable sources in Buenos Aires report that the IMF has a *secret* agreement with the Argentine government which includes both the currency reform and wage and price freeze. Moreover, some of the IMF's staunchest Malthusian allies collaborated in providing Alfonsín with his "monetary reform." These include:

- West Germany's Kiel Institute of Economics, linked to the Free Democratic Party of Foreign Minister Hans Dietrich Genscher, one of Henry Kissinger's closest collaborators;

- pro-IMF Brazilian economists, Persio Arida and Andre Lara-Resende, professors at Rio de Janeiro's Jesuit-run Catholic University;

- the U.S. Treasury, which has had two of its officers sitting at Argentina's Central Bank since the beginning of June "analyzing" the situation to see how the new program would work.

Some observers have pointed out that Germany guaranteed its 1923 *rentenmark* with confiscated Church lands, while its 1948 currency had the backing of the Marshall Plan's \$3 billion. In Argentina, where further U.S. Treasury backing for the new currency is improbable, and where liquid reserves are no more than \$160 million, it is more likely that the Kiel Institute's proposal for backing up the *austral* with the country's oil reserves or other natural resources, will be considered.

The Alfonsín government has launched an enormous propaganda effort to portray the monetary reform as the "last chance" to save the nation. Citizens have been urged to perform their "civic duty" by ratting on those businesses which violate price controls. And public opinion polls report that 99% of the population is behind Alfonsín's program.

But Saul Ubaldini, secretary general of the Peronist-run General Confederation of Labor (CGT) charged on June 17, from a conference of the International Labor Organization in Geneva, that the government had opted to maintain "the political and social legislation of the [military] dictatorship," and to accept "the most humiliating conditionalities of the International Monetary Fund." Ubaldini vowed that Argentine workers would not tolerate conditions of hunger brought about by such policies.

Talk, prospects, and promises, but no East-West trade uptum

by Konstantin George

A spate of articles has recently appeared in Western financial dailies, such as the London *Financial Times*, citing an alleged "upturn in the making" in East-West trade, and extolling the prospects of billions of dollars of Soviet orders for Western goods and equipment, in the context of the U.S.S.R.'s coming 1986-90 Five-Year Plan. Eastern Europe and the Soviet Union are described as "the relatively debt-free . . . export market of hope." High-level Soviet delegations have scurried back and forth from the leading countries of Western Europe, beginning with then Politburo member Mikhail Gorbachov's London visit in December 1984, dangling multi-billion dollar export order "carrots" before Western bankers and industrialists.

EIR has recently conducted a thorough analysis of the East-West trade picture from 1981 to 1985. We reviewed the details of every East-West trade deal signed from Aug. 1, 1984 to April 30, 1985 (there have been no significant contracts signed since April). Extensive discussions were held with leading East-West trade experts in West Germany, the United Kingdom, France, and Italy.

We can now report that the "upturn" is a myth. Trade is the movement of goods—not Politburo members and other high-level delegations—across national borders. The only "upturn" is in the realm of Soviet promises to Western Europe, that if those countries decouple from the United States and reject the American Strategic Defense Initiative (SDI), then Mother Russia will reward them bounteously.

In those cases in which one does find a sharp rise in Soviet purchases from the West, this is accounted for by 1) Soviet requirements for pre-war stockpiling of goods, as in the 1984 grain purchases from the United States, which account for 90% of U.S.-Soviet trade, and 2) the need to overcome critical bottlenecks in the Soviet economy. Purchases of grain and agricultural products form the overwhelming portion of Soviet trade with Canada, Australia, and Argentina, and, an increasing portion of Soviet trade with countries of the European Community, such as Great Britain and France.

The spring 1985 awarding of 1.3 billion deutschemarks in orders to France for petroleum industry equipment—the only recently signed European-Soviet deal of any magnitude—is accounted for on both these political and strategic-economic grounds. France, which is now spearheading Eu-

ropean opposition to the SDI, was "rewarded" with a few pieces of silver, while Russia received urgently needed plant and equipment for its oil industry, which has been repeatedly chastised by General Secretary Mikhail Gorbachov and other leaders, for its stumbling performance.

The Soviet "linkage" of trade to strategic considerations was also recently manifested in the cases of Belgium and Italy. Using an outbreak of swine fever as an excuse, Moscow canceled all agricultural imports from Belgium. The ban is still in effect, although the swine fever has been eradicated. Everyone in the know in Belgium is aware that the Soviet move was punishment for Belgium's agreement to station U.S. cruise missiles. The Italian government was recently told by Soviet foreign trade officials, that unless Italy agreed

TABLE 1
Trends in Soviet foreign trade, 1981-84

	1981	1982	1983	1984
Total Soviet trade (millions of rubles)	109,740	119,576	127,480	139,711
Within the CMEA ¹	52,196	38,702	65,261	72,752
Among socialist countries ²	57,944	64,952	71,409	80,326
With capitalist countries ³	35,359	37,414	38,372	40,924
With developing sector ⁴	16,447	16,883	17,698	18,461
	1981	1982	1983	1984
Total Soviet trade (by percentage)	100.0	100.0	100.0	100.0
Within the CMEA ¹	47.6	49.8	51.2	52.1
Among socialist countries ²	52.3	54.3	56.0	57.5
With capitalist countries ³	32.2	31.6	30.1	29.3
With developing sector ⁴	15.0	14.1	13.9	13.2

¹The countries of the Council for Mutual Economic Assistance (or Comecon) include the Soviet Union, East Germany, Czechoslovakia, Bulgaria, Poland, Hungary, Romania, Cuba, Mongolia, and Vietnam.

²Includes the Comecon countries, plus China, Yugoslavia, and North Korea.

³Includes Finland.

⁴Includes Soviet-occupied Afghanistan, and client states, such as Libya, South Yemen, Syria, Ethiopia, and Angola. Dropping these countries from the developing-sector category, and putting them into the socialist category, would make even more stark the picture of socialist country autarchy, and collapse of trade with the developing sector.

TABLE 2

West German-Soviet trade, 1970-85

(millions of deutschemarks)

	1970	1975	1980	1982	1983	1984	1985*
West Germany exports to the U.S.S.R.	1,546	6,948	7,943	9,395	11,245	10,767	11,000
Soviet exports to the Federal Republic of Germany	1,254	3,240	7,517	11,358	11,788	14,333	12-13,000

*Based on first quarter 1985 figure extrapolated for entire year.

West Germany is the Soviet Union's largest Western trading partner by far—its number six partner, and the only one for which the trade volume is comparable to that between the Soviet Union and its top five trading partners, all of which are members of the Comecon. From 1983 through the first quarter of 1985, West German exports stagnated. The dramatic rise in Soviet exports, especially from 1975 on, almost exclusively consisting of oil and natural gas, was reversed in the first quarter of 1985, with the collapse of oil deliveries and a drop-off in natural gas deliveries.

TABLE 3

The collapse of Japanese-Soviet trade, 1982-84

(millions of rubles)

	1981	1982	1983	1984
Total trade	3,030	3,682	3,004	2,894
Japanese exports	2,213	2,926	2,176	2,054
Soviet exports	917	757	829	840

to step up high-technology exports to Russia, the Soviet Union would start cutting back its purchases of Italian goods.

The statistics show clearly that the Western European-Soviet trade picture reflects stagnation and decline.

By far the leading Soviet trade partner in the West, is the Federal Republic of Germany. According to the latest figures published by the Deutsches Institut für Wirtschaftsforschung (DIW) in West Berlin, West German exports to the U.S.S.R. for January-April 1985, are up only 3% over the comparable 1984 period. This "increase" will not even bring German-Soviet trade back up to the 1983 level. Soviet exports to West Germany for January-April 1985, are down by a whopping 16%, reflecting the huge problems in Soviet oil production and deliveries. This is the first big fall in Soviet exports, after—broadly speaking—15 years of uninterrupted growth based on oil and gas exports. There have been similar sharp drops in Soviet oil exports to all major Western European countries in the first four months of 1985.

West German exports to Russia have been stagnant and down somewhat from their 1983 peak. West German trade with Eastern Europe last year "recovered" to reach its 1980 levels again. Every West German expert in East-West trade contacted by *EIR*, agreed that no upturn has occurred, nor is one even in sight. "Not before 1986 at the very earliest, if at all," said one. These analysts and company officers told us that this is not just the case with West Germany, but across the board.

The fall of Soviet foreign trade is even more stark in Asia. Punishing Japan for its pro-American and pro-SDI stance, the Soviets have slashed their purchases of Japanese exports by more than one-third since 1982. Japanese exports to Russia fell by 871 million rubles between 1982 and 1984, dropping to 2 billion rubles. The other Asiatic whipping boy of the Soviet media, Thailand, has also seen its exports to Russia slashed since 1982 by 70 million rubles, to near zero levels.

A policy of autarchy

Statements by the Soviet leadership over the past several years, and especially since Yuri Andropov's accession to power in 1982, have repeatedly emphasized that Soviet policy is to drastically increase trade among the Soviet allies in the Council for Mutual Economic Assistance (CMEA, or Comecon), and other socialist countries such as China, North Korea, and Yugoslavia, while holding down trade levels with capitalist countries and the developing sector. At the June 10 special conference of the Soviet Central Committee on the role of science and technology in the economy, chaired by Gorbachov, Academy of Sciences President Anatolii Aleksandrov announced a program to "change what in some cases has become excessive orientation toward Western technology and supplies" (see *EIR*, June 25, "Soviet leaders announce crash war-economy plan").

Soviet policy statements have been matched by the international flow of goods. From 1981 to 1985, the percentage of Soviet trade conducted within the CMEA has gone from 47.6% of the total in 1981 to 52.1% in 1984, with the trend increase persisting into 1985. Soviet trade with what Russia terms the "socialist countries" (CMEA members plus China, North Korea, and Yugoslavia) has risen dramatically in the same timeframe from 52.8% of total Soviet trade, to 57.5%. For 1985, the Soviets are projecting a rise, to a level approaching or equaling 60% of Soviet trade.

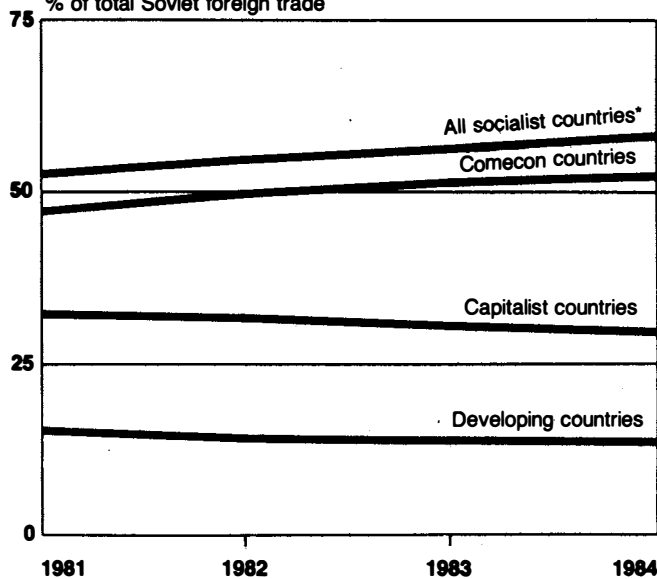
In stark contrast, stands the 1981-84 Soviet trade pattern with the capitalist countries and the developing sector. In 1981, Soviet trade with the capitalist countries formed 32.2% of Soviet trade. In 1984, this fell to 29.3%. In 1981, Soviet

trade with the developing sector was 15% of Soviet trade. For 1984, this had fallen to a mere 13.2%. The decline would be even sharper if countries like Afghanistan, Libya, Syria, Angola, and Ethiopia, all included among the Soviet category "developing sector," were omitted from that grouping.

According to the latest DIW statistics on trade between West Germany and East Germany in 1984 and the first four months of 1985, East German policy has been to drastically reduce imports of machinery and equipment from West Germany. The figures are staggering. In 1983, East Germany purchased DM1.266 billion worth of capital goods from West

Figure 1

The composition of Soviet foreign trade % of total Soviet foreign trade



* Includes Comecon

Germany. In 1984, this dropped by DM345 million to DM1.026 billion. Purchases of West German machinery fell by DM134 million to DM635 million, equivalent to the 1975 level. The prospects for 1985 look even worse. In the first four months of 1984, West German machinery sales to East Germany were DM146 million; for the first four months of 1985, the figure is down to DM132 million.

Overall, however, West German exports in 1985 to East Germany are up heavily, by 25% in the first four months of 1985. Well-informed German trade sources insist that this rate will not last, and predict an annual increase rate of between 5% and 10%. According to these sources, the increase reflects Soviet-CMEA strategic purchase policy: "The increase is coming from heavy purchases of West German basic materials, especially from the chemicals sector [which last year accounted for 20% of West German exports to East Germany], and mining equipment for the East German lignite mining industry, the country's basis for self-sufficiency in energy."

Moscow's trade game in Western Europe

by William Engdahl

Late in 1984, Moscow began to intensify its use of industrial trade as a weapon, to build a lobby within trade-starved West European industry. It entered into a series of credit arrangements with West German, British, French, and Swiss banks, increasingly denominated in the European Currency Unit basket, the ECU, rather than the dollar. Now, the Soviets have renewed an initiative, through the Polish ambassador to Brussels, formally proposing talks between the Soviet-dom-

TABLE 1

Europe-Comecon trade contacts

Country	Date	Details	Value
I. Italy	8/84	Pirelli gets contract to build tractor parts factory in U.S.S.R.	U.S. \$20mn
	8/84	Fiat signs via Comau S.p.A. contract to sell soldering material to U.S.S.R. Also outlined cooperation agreement on auto, tractor, robots for potential sales of U.S. \$1.6bn	U.S. \$40mn
	8/84	Olivetti renews 5-yr cooperation accord with U.S.S.R., covering office machines, factory automation equipment, but no firm contracts.	n.a.
	9/84	Snamprogetti contracts to build hydrocracking plant in Bratislava, Czechoslovakia	n.a.
	9/84	Cogolo contracts to build 3 shoe factories in U.S.S.R.	U.S. \$300mn
	9/84	Montedison signs agreement on scientific-technical cooperation with U.S.S.R. State Ctte for Sci-Tech.	n.a.
	10/84	Selenia S.p.A. gets contract for electronic air-traffic control system for Moscow airport	n.a.
	10/84	Melegari S.p.A. contracts to sell 2 wine-bottling assembly lines to U.S.S.R.	n.a.
	1/85	Vettori-Manghi contracts to deliver 50 tomato-paste making machines to U.S.S.R.	n.a.
	1/85	Fiat contracts for \$11 million of specialized Arctic mining equipment to U.S.S.R.	n.a.

inated Council for Mutual Economic Assistance (CMEA, or Comecon) and the 12-nation European Community.

This overture is part of a calculated political offensive which combines a "stick" of terrifying Warsaw Pact military maneuvers and provocations against NATO, with the "carrot" of potential industrial trade contracts for major European firms such as ICI, Courtaldis, Davy McKee, Olivetti, Mannesman, Pirelli, Fiat, and others.

A detailed investigation by *EIR* shows how Soviet trade-negotiating policy functions as a closely coordinated adjunct of overall military-strategic policy. The following is a country-by-country summary of the process now unfolding.

West Germany: stagnation

On Jan. 18 of this year, a delegation headed by Aleksei Antonov, chairman of the Soviet Council of Ministers, came to Bonn to dangle the prospect of some 18 billion deutsche-marks (about \$6 billion) in export contracts for German industry over the 1986-90 period of the next Soviet Five-Year

Plan. Discussions were tantalizing, but the only result has been more discussions.

Sources at the Deutsches Institut für Wirtschaftsforschung (DIW) in West Berlin, expect the volume and value of German-Soviet trade to decline or at best stagnate.

There has been much back-and-forth travel from the West German steel-belt companies to the East. As of this writing, a top delegation from Mannesmann Steel Export, the leading supplier for the controversial Urengoi Siberian Soviet natural gas pipeline, is in Moscow trying frantically to secure a new contract, for construction of a steel plant near Wolski. A spokesman for Mannesmann confirmed that, otherwise, the company sees "no spectacular new projects on the horizon."

West Germany historically has been the largest Western trade partner of the Comecon. According to the DIW economic research institute, the terms of trade between West Germany and Comecon countries of the East deteriorated in 1984, exports climbing by only 2.5%, to a total of DM20.2 billion, while imports from the Comecon, principally the

Country	Date	Details	Value
II. U.K.	2/85	Davy McKee contracts to build a chemical works in Tatar, U.S.S.R.	n.a.
	2/85	Shell International contracts to sell crop insecticides to U.S.S.R. Agriculture Ministry	Pd .7mn
	3/85	Foster Wheeler to do feasibility study to upgrade Hungarian oil refinery	U.S. \$.7mn
	2/85	Fullwood & Bland to work in automation of livestock raising	n.a.
III. France	10/84	Technip signs chemical cooperation agreement with G.D.R. as France and G.D.R. sign new 5-year economic coop agreement that could lead to eventual FF15bn trade	n.a.
	4/85	Rhona-Poulenc signs framework deal with Czechoslovakia for technical cooperation with the chemical co.	n.a.
	2/85	Olivier Co. sells tea harvester combine to U.S.S.R.	n.a.
	3/85	Rhone-Poulenc extends its cooperation agreement with G.D.R. 5 years to 1990. Trade with G.D.R. has doubled to FF300mn/yr in last 3 years.	n.a.
	4/85	Technip and Lurgi contract to supply equipment to Soviet oil and gas industry	n.a.
	5/85	U.S. INOR contracts to sell 2.15 million tons steel for gas pipe and auto industry	FFr 4bn

Country	Date	Details	Value
IV. West Germany.	4/85	Peter Zauer GmbH contracts to sell spare parts to Soviet-made motorcycles	n.a.
	1/85	A. Moksel GmbH barter sells 10,000 tons of pork to Poland for 80,000 tons of rye	n.a.
	1/85	Kruisk of Yugoslavia contracts to deliver 7,000 bathroom water pipes	Dm .65mn
	1/85	Hoesch Export contracts to deliver 48,500 tons large-diameter pipe	Cz 500mn
	12/84	Triumpf A.G. renews 5-yr cooperation agreement with Hungary to supply underwear, sports and leisure wear	Dm 8mn
	12/84	BASF A.G. contracts in joint venture in Hungary to build polyurethane plant	n.a.
	11/84	VW A.G. contracts to supply G.D.R. with auto-assembly equipment and vans	Dm 600mn
	8/84	O & K A.G. contracts to supply 9 heavy-duty hydraulic excavators to Yugoslav open-pit mines	n.a.
	8/84	Rowenta signs long-term cooperation agreement with Yugoslavia for household appliances	n.a.
	8/84	Belinda A.G. has contracted to supply production equipment and know-how for Hungarian clothing plant	n.a.

U.S.S.R., jumped 19%, giving Germany a deficit of DM3.28 billion. Most of this is due to the coming on line of Siberian gas and oil deliveries to Germany. Reportedly, Moscow is using the enticement of future trade contracts, to force Germany to take more gas.

Great Britain: computers for Moscow?

In December 1984, a political and trade delegation led by Mikhail Gorbachov, then already mooted as the successor to the dying General Secretary Konstantin Chernenko, met with the British government to discuss where British industry might fit into Moscow's next Five-Year Plan—and how to stop the Reagan administration's Strategic Defense Initiative. Elaborate outlines for sales of "home computers" to the Soviets were discussed, according to sources at the British Department of Trade and Industry. One says that the Russians were in secret talks with the British computer-maker ICL, to circumvent U.S. defense restrictions on high-technology exports to the Soviet Union by contracting for construction of a "personal computer" factory inside Russia, at an estimated value of £100 million.

But, as in the case of West Germany, British industry has yet to see hard results. A top spokesman told *EIR* that they do not expect to realize any trade from the new Five-Year Plan until at least December 1985 or even beyond. "Bonn, Paris, London—all are scrambling to get a share of these new contracts. We trust that U.K. industry will get its portion." But he acknowledged that trade for the first three months of 1985 has been disappointing. Apart from John Brown Engineering's completion of compressor stations for the Siberian pipeline, exports to the Soviets in 1985's first quarter are flat.

The fact that U.K.-Soviet trade increased somewhat from 1983 to 1984, is almost entirely explained by the massive Soviet grain import of last year (from £8 million in 1983 to £51 million), the completion of the three-year contract for the pipeline, and a dramatic increase in Russian purchases of nonferrous metals, primarily silver and tin.

At the annual March meeting in Moscow of the British-Soviet Chamber of Commerce, Sir John Mayhew-Sanders, president of BSCC, told *Pravda*, "I consider that new, important prospects are opening up for our countries in the field of economic cooperation. . . . Your country stands on the threshold of a new Five-Year Plan and . . . long-term programs of economic development, in which British firms can and would like to take an active part." A director of John Brown Engineering added that Soviet orders "not only guarantee us secure business, but also employment under conditions of economic crises in the West."

Moscow realizes this all too well.

France: a political target

Of importance for current Soviet strategy regarding Western Europe, is strengthening influence over the regime of President François Mitterrand. Discussions with officials of the French External Trade Ministry revealed that, despite

high anticipation of exports to the Comecon countries, only one or two contracts materialized.

As with the rest of Western Europe, the vast bulk of Soviet exports to France come in the form of oil and gas. In return, 43% of French exports to the Soviet Union in 1984 were agricultural products. But the total value of French exports to the U.S.S.R. from 1983 to 1984 was virtually stagnant, going from FF16.9 billion to FF17.0 billion (\$1.5 billion) last year. One significant contract has been signed, a deal which had been under negotiation for some time for oil equipment, with Technip and Lurgi, for a total value of \$400 million.

With this notable exception, related to Soviet problems in the petroleum extraction industry, French industry has yet to realize a single franc from the Soviet Five-Year Plan. The large French state-owned steel firm Usinor, has just announced plans to open a Moscow office, in hopes of increasing its share of Soviet exports. That firm already exports 40% of its steel to supply Russian pipeline and auto industry needs. French agricultural exports are dominated by a small handful of firms, most notorious of which is that of "Red Billionaire" Jean Doumeng.

Italy: 'sensitive' negotiations

The most intriguing trade talks over the past year have taken place between a group of Italian industrialists and Soviet officials. Last October, Turin magnate Carlo de Benedetti, of Olivetti Corp., led a delegation of 40 Italian industrialists to Moscow, including Gianni Agnelli of Fiat, Mario Schimberni of Montedison, and Luigi Lucchini of Confindustria. A second round of talks was held at the annual meeting of the Italian-Soviet Chamber of Commerce in Moscow in May. According to the Milan financial daily *Il Sole 24 Ore*, Moscow bluntly told the Italians to import more Russian gas or forget about major new export contracts.

An official of the Italian-Soviet Chamber of Commerce told *EIR*, "We keep no data or statistics" on the value of Italian-Comecon trade, "because, you know, Italian companies are very secretive about their affairs." Nevertheless, certain conclusions can be drawn. In 1983, Italian exports to Comecon countries totaled approximately \$4 billion, according to the OECD in Paris. But imports from the Comecon were valued at more than \$6 billion. Italy is the third-largest Soviet trading partner in Western Europe, following West Germany and Finland. However, despite long-term industrial and technical cooperation agreements signed in April 1984, new export orders, excepting the "gas blackmail" type, do not exist.

Soviet trade discussions with Spain, Greece, and Belgium, have their own unique features, but the pattern is the same. From the standpoint of Soviet political-military strategy, it is most useful to have industrialists sitting at the edge of their collective negotiating chairs, hoping for an fat trade deal—and pressuring NATO governments to curry favor with Moscow.

Scientists show anti-missile defense cheaper than new Soviet missiles

by Paul Gallagher

To build and deploy a multi-layer anti-missile beam defense for the United States and its allies by the end of the 1980s, will take a crash scientific and technological effort. In this crash effort, as in the buildup of high-technology war-production capability in the United States in 1941-42, nominal cost is no object. Resulting productivity increases across the economy will redouble the industrial/economic capabilities expended on the program.

After this first stage of a "crash effort," the full victory of anti-missile defense over nuclear attack will depend on our ability to add incremental improvements to the anti-missile shield, at a lower real economic cost than the Soviets would incur to increase the size and penetration capability of their nuclear-attack force.

Now, a document has appeared, by beam-weapon scientists, analyzing the prospective battle of economic efficiency between the Strategic Defense Initiative, on the U.S. side, and the Soviet threat to build more numerous and powerful ICBM systems to saturate it.

Comparison of Analyses of Strategic Defense, issued in February by four scientists at Los Alamos National Laboratories, follows up last year's report in which the same scientists demolished the various "technical impossibility" objections. The Los Alamos team dryly reports that these critics (notably the Congressional Office of Technology Assessment and the so-called "Union of Concerned Scientists"), have admitted that their calculations of thousands of impossibly-bright space-based beam weapons needed to knock out a Soviet launch, were completely wrong. The critics' new calculations, *which they have not publicized*, are in almost exact agreement with those of Los Alamos and Livermore Labs.

First, even if the U.S. boost-phase defense were to limit itself to lasers in low-Earth orbit, the goals for laser power and mirror size which the SDI is now pursuing, would be adequate to overwhelm a large-scale Soviet missile launch (1,000-1,400 missiles). And this assumes that the Soviets themselves meet a very expensive goal: ICBMs with metal skins 20 times "harder" to laser light than current ICBMs.

If the Soviets were to make their ICBMs also *twice as fast* in rising, burning out, and deploying their warheads,

then the SDI defense would require only about 60% more beam weapons, not twice as many. If the Soviets then doubled the number of such ICBMs launched, we would only require 50-60% more beam weapons again. Another doubling of the rising speed of Soviet missiles: another 50-60% increase in SDI deployment, and so forth. This approximate ratio, the Los Alamos group demonstrates, arises from the geometry of the battle itself, if the beam weapons are deployed to attack boosters at the range appropriate to the lasers' power, frequency, and mirror arrays.

Thus, each doubling of the offensive threat, once a beam defense is deployed, raises the requirements for the defense by significantly less than double. If each beam-weapon system costs less than 25 times as much as an ICBM (now about \$100 million), the buildup favors the defense.

Critical importance of mirrors

Second, the beam defense, after deployment, can be rapidly improved by the deployment of large numbers of "fighting mirrors." The defense wants to reduce the time the beam weapon takes, after knocking out an ICBM, to fix on another—"retarget time." With higher power, brightness, and frequency, lasers can do this simply by attacking from farther away—from orbits of 600 miles to beyond geostationary orbit (22,000 miles), or from the Earth's surface. At such greater ranges, the "retarget angle" is smaller, as if one were moving one's eyes from one distant object to another, rather than from one object to another directly in front of one's eyes. Thus, the retargeting is potentially faster—the key, is to accomplish the retargeting not by moving the large, primary mirror of the laser itself, but by moving a smaller, secondary mirror deployed nearer to the ICBMs' paths. This is a "fighting mirror," in SDI parlance.

This places a high priority on the industrial capability of the United States, Europe, and Japan to mass-produce large mirrors of the necessary very great smoothness and precise curvature. This is one of the biggest bottlenecks in building the SDI. A program to establish mass-production techniques for such mirrors beginning this fiscal year, is one of the SDI programs both houses of Congress are trying to "zero out."

Third, a Soviet launch of their entire ICBM force from a single area—in order to overwhelm and “punch through” the defenses in that flight corridor—would have more serious consequences for their own attack.

Such a “point launch” is often cited as a sure way to saturate beam defenses: The Soviets would build many thousands of silos, but one concentrated region of silos would house all of their missiles. A massive expenditure, obviously, but anti-SDI spokesmen claim that it would force large increases in the density of beam-weapon deployment to handle a launch of the entire Soviet ICBM force “at any point in the defensive line.”

The Los Alamos team demonstrates that the effectiveness of the “defensive line” is a matter of geometry, not numbers. For example, if additional layers of beam defense are deployed over the next 10 years at higher orbital altitudes, even a few such high-orbit, high-power beam weapons could devastate a “point launch.” The beam weapons would retarget very rapidly, like a man with a semi-automatic weapon firing at densely-bunched attacking soldiers.

They show that a point launch, even with very fast-burn boosters in very large numbers—“the most advanced threat possible”—still only requires that the defense coverage be increased by four times. “The penalties paid by the offense for that factor of four, which extend beyond the boost phase to all phases of the engagement, cannot even be fully evaluated.” The Soviets would have to develop and deploy a new generation of “very fast-burn, fully-hardened boosters. Moreover, they would have to abandon current bus technology and develop and deploy an approach that gives a nearly simultaneous release of all [warheads] and decoys at 100-150-kilometer altitude, losing accuracy for the RVs and deception for the decoys.”

“Simultaneous point launch means nonsimultaneous arrival” at targets in the United States, which makes later interception by the defense easier, particularly in the final phase of defense. “Point launch greatly increases the vulnerability of the missiles to a variety of nuclear effects—the silo field can be prevented from launching its missiles by an attacker detonating nuclear weapons above the field—‘nuclear pindown.’”

Most significantly, in a point launch, “a single nuclear-powered directed-energy weapon [x-ray laser] could put the entire offensive launch force at risk.”

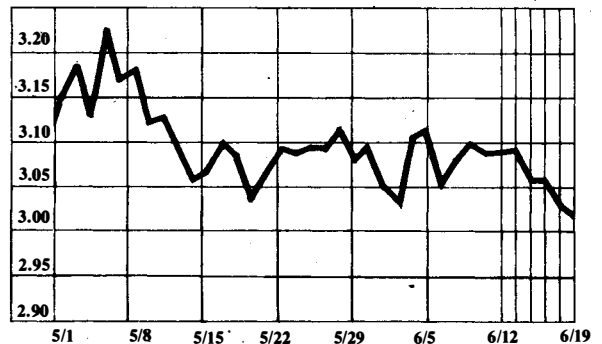
The “point launch,” the scientists show, requires that only one additional beam device be deployed, or ready for deployment, for every six missiles added to the attack. The added devices deployed would “break even” with the added attack forces, even at costs of \$2-3 billion each. Thus, the defense would retain the advantage in the “defensive weapons technology race.”

The author, Paul Gallagher, is Executive Director of the Fusion Energy Foundation.

Currency Rates

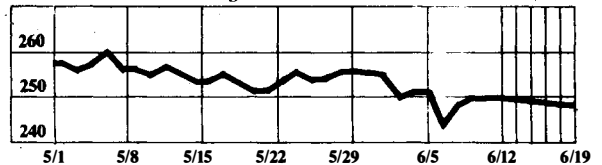
The dollar in deutschemarks

New York late afternoon fixing



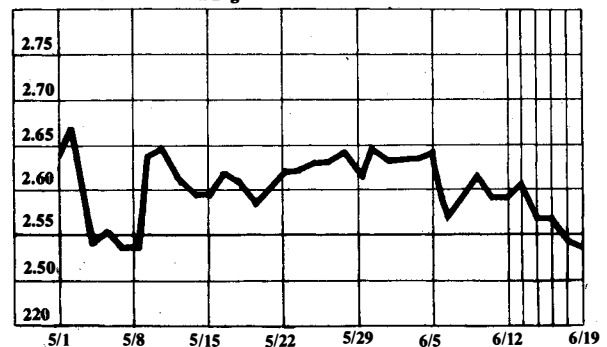
The dollar in yen

New York late afternoon fixing



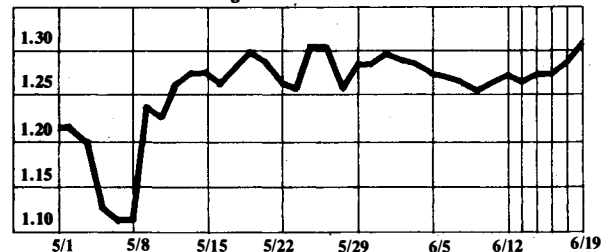
The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



Measles: back to the bad old days

The disease's comeback under circumstances of nutrition and sanitary collapse, not just the number of cases, is causing alarm.

A major outbreak of measles in the state of Maryland "feasibly could reach epidemic proportions," according to a health department spokesman quoted in the June 15, 1985 *Washington Post*. Sixty-four cases of measles, 55 of them in Prince Georges county, have been reported in the state this year, compared to a total of 22 cases in 1984, and 12 in 1983.

This jump is especially alarming when one considers that the number of measles cases in the United States in 1984 rose 69% over 1983. This indicates that measles, which affected 400,000 to 800,000 children a year in the period from 1950 to 1962, prior to the development of an effective vaccine, could make a comeback.

Of particular concern is the fact that the disease is affecting young children, under 15 months of age, in whom the incidence of side effects is greater. These children, especially those under nine months of age, do not develop an optimal response to vaccination, and a high level of immunity in the population tends to protect them from exposure until they can be vaccinated.

Measles is a viral disease characterized by fever, cough, a blotchy rash, and conjunctivitis. Complications include pneumonia, otitis media (inflammation of the middle ear), and encephalitis (inflammation of the brain).

Mortality from measles is rare in the United States—approximately 0.02% of cases—but measles is a major cause of death in Third World children, ranging from 5% to 10%.

In the present African famine, the death rate from measles has increased to 50% to 70% of affected children.

Licensing of a measles vaccine in 1964 led to a dramatic decline in cases, and sequelae, in the United States (see graph). Recent anti-vaccination campaigns have resulted in the development of a large non-immune population and led to major outbreaks.

According to knowledgeable sources, the level of vaccination for the major childhood diseases, diphtheria, tetanus, and whooping cough, has dropped to less than 30% in the Baltimore area. This is a direct result of anti-vaccination campaigns and lawsuits by the ACLU. It is reasonable to assume that a similar situation obtains in regard to measles vaccination, and, conversely, that the present measles outbreak indicates a potential for outbreaks of these diseases.

Measles is spread by infected nose and throat secretions, and its introduction into susceptible populations, un-

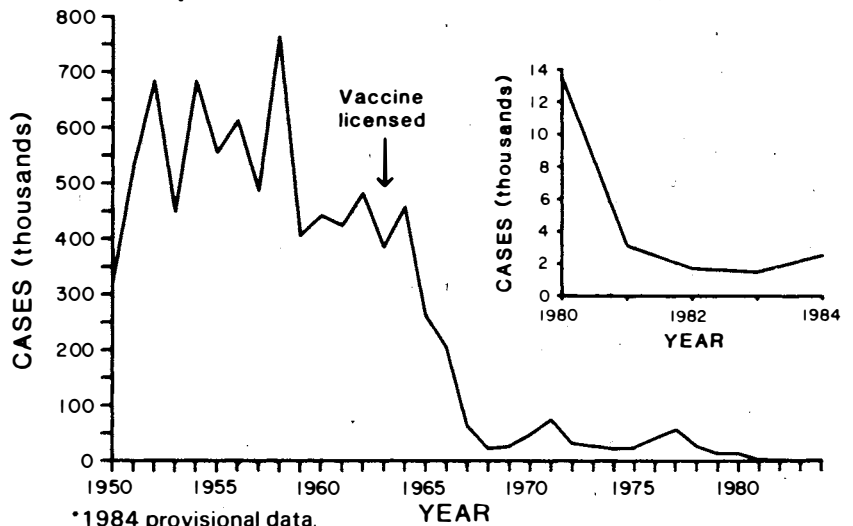
der conditions of crowding and sanitary breakdown, can result in devastating epidemics with a high fatality rate. All persons who have not been vaccinated are susceptible to infection by measles virus, although previous infection generally confers life-long immunity.

The virus is spread by aerosol droplets of secretions from infected individuals, and hence its high communicability in crowded areas.

It has been estimated that the total cost of vaccination, including syringes, needles, and vaccine (assuming 50% wastage of vaccine) is 45¢ per child. If the fatality rate from the disease is 1%, then it would cost \$45 per life saved.

Poor nutrition impairs the response to vaccination in terms of strength and duration of immunity. In addition, the severe effects of the disease are more common in the malnourished. It is the increase of the disease under circumstances of nutrition and sanitary collapse, and not the absolute number of cases, which is causing alarm among health officials.

FIGURE 1. Reported measles cases — United States, 1950-1984*



Business Briefs

Industry

Hoechst chief warns against Greens

Rolf Sammet, the head of West Germany's giant Frankfurt-based Hoechst chemical group, issued a sharp warning against the pending offer of a governmental ministry post to the Green Party in the state of Hesse. At the annual stockholders' meeting in Frankfurt during the first week in June, Sammet, who is retiring as head of the firm, warned Hesse Gov. Holger Börner, a Social Democrat, against giving the Ministry of Energy and Environment to the Greens.

Sammet said that Hoechst had already been forced to drop plans to build a coal-fired station at its Gresheim works, because of the Greens' obstructionism. Further restrictions on industry imposed by the Greens could seriously impede further Hoechst investment in Hesse and could damage export possibilities for German industry. Hoechst has been a major target of Green anti-industry campaigns for several years.

In a related move, the state businessmen's association (Vereinigung der hessischen Unternehmerverbände) sent a letter to Börner, warning that "the selection of a proven anti-business party for the Ministry of Environment and Energy can only be seen as a further move against the economy of Hesse, including against those employed as well as unemployed."

Argentina

Look who's behind the economic 'reform'

The bone-crushing new economic and currency measures which Argentine President Raul Alfonsín is now trying to impose upon his country, were drafted by experts from the think tank of German Foreign Minister Hans-Dietrich Genscher's Free Democrats, the Friedrich Naumann Foundation, inves-

tigators have learned. Genscher's "liberal" Free Democratic Party (FDP) is the successor to the German Democratic Party of Hjalmar Schacht, Hitler's economics minister.

Argentina's economic reform is true to its Schachtian pedigree. According to a June 16 report in the Argentine newspaper *Clarín*, it calls for the following measures: "To compress public expenses the only way is to change wage increases to keep them under inflation, reducing excessive public employment. . . . Canceling of state investment projects whose profitability is doubtful and postpone those which, though profitable, do not satisfy an immediate economic and social need."

The plan was worked out in collaboration with the Kiel World Economic Studies Institute, on a contract arranged in August 1984. Genscher, who helped to rally the Europeans behind the British against Argentina during the Malvinas War, visited President Alfonsín twice to urge him to comply with the International Monetary Fund's austerity conditionalities.

Banking

IMF circulating secret economy-wrecking plan

The International Monetary Fund is circulating a secret document which would consolidate a supranational bankers' dictatorship over sovereign nations, informed sources report. The document is intended for discussion at a meeting in Basel, Switzerland at the end of June, of the IMF's Group of 10, the finance ministers of the top industrial countries (better called the Group of 11, including Switzerland).

The secret document demands: 1) increased "IMF surveillance" over advanced-sector economies, 2) currency coordination among advanced-sector nations, and 3) new issues of the Special Drawing Rights. If the document is approved at the G-10 meeting, it will be discussed a second time in July and then presented for adoption at the IMF meeting in September. At that point, the U.S.

banking system is expected to be in wreckage, and the IMF surveillance will be pushed as an "appropriate response."

At the IMF's annual meeting in Washington, D.C. in April, U.S. Treasury Secretary James Baker III officially agreed to allow IMF surveillance of the U.S. economy.

International Credit

The United States is now officially a net debtor

The U.S. economy has become a net debtor for the first time since 1914, Commerce Secretary Malcolm Baldrige said June 17. The nation's first quarter current account deficit—account on trade and services and international investment earnings—was \$30 billion. This wiped out the \$30-billion surplus on investment remaining from the end of last year. The United States will now owe foreigners more than foreigners owe this country.

The United States will owe \$100 billion in interest by the year 1989, estimates Howard Rosen of the Institute for International Economics. This results from U.S. foreign debt rising from \$850 billion now to \$1 trillion in 1989. The current account deficit was \$30 billion in the first quarter, and at this rate, the deficit for the year will eclipse last year's level of \$101.4 billion by \$20 billion.

Driving the current account deeper into deficit is the trade picture: The trade deficit in the first quarter was \$29.4 billion. Imports rose by \$4.3 billion, despite a 20% drop in petroleum imports.

Agriculture

USDA's Amstutz aids Russian war buildup

The United States and the U.S.S.R. signed an accord on agricultural cooperation on June 18, hailed as "unique" by the U.S. negotia-

tor, U.S. Department of Agriculture undersecretary and 25-year-executive of Cargill Corp., Daniel Amstutz. "Unique" indeed, since agricultural goods and equipment received by the Soviet Union from the United States at the present time, frees Soviet resources for their war mobilization.

After signing the deal in Moscow, Amstutz explained to the media that Soviet "aims" are simply different from those of the United States. According to Amstutz's logic, the Soviets want greater agriculture output, and the United States wants to expand markets. The accord calls for cooperation in 20 areas, including establishing exchange programs of U.S. and Soviet scientists, technicians, and young farmers.

The Amstutz trip ran in tandem with the visit to Moscow of Armand Hammer, another businessman friend-of-the-Soviets, who loudly proclaimed his intention to have President Reagan meet with Gorbachov.

The new accord marks a renewal of direct meetings between a joint U.S.-U.S.S.R. agricultural committee that last met in 1978.

Corporate Mergers

TWA taken over by asset-strippers

Texas Air Corporation completed a successful takeover of Trans World Airlines (TWA) the second week in June. Texas Air President Francisco A. "Frank" Lorenzo, also owner of Continental Airlines and New York Air, has bought TWA for \$793.5 million. From all indications, Lorenzo plans to strip it in the same way he did Continental: Break the union; slash wages by 30% or more; and recycle TWA's resources into fly-by-night operations like the totally non-union New York Air.

News accounts have played up the competition over the buy-up, especially Lorenzo's "rescue" of TWA from Carl Icahn, who owns 32.7% of TWA, and was trying to buy the rest. Other bidders included the notorious dope-money laundry, Resorts International; and the TWA Employees Commit-

tee, who attempted an employee buy-out of the airline with financing from Frank Lorenzo's friends at Chase Manhattan Bank—which turned them down.

Lorenzo has been able to participate in the destruction of the airline industry, only with the help of the Kennedy liberals and "free enterprise" conservatives that brought about airline deregulation. Deregulation has forced the airlines into bankruptcy or near-bankruptcy. Airlines have either been totally shut down, or have had their service reduced by 25% or more. Passenger safety, convenience and comfort are increasingly a thing of the past. TWA's international routes will be a prime target of these sharks.

L.F. Rothschild's airline analyst, Tim Pettee, told the Houston Chronicle: "If Texas Air could impose Continental's cost structure on TWA, it would become a very formidable airline."

Ecological Holocaust

Emergency funds will fight grasshopper plague

Agriculture Secretary John Block announced emergency funding on June 20 to combat the worst grasshopper plague in U.S. history. The insects have gone wild, eating crops and destroying range grass, because of the underfunding of programs to keep them under control.

According to Block, the grasshoppers turned out to be much worse this year than originally forecast. But experts have long been warning that this year would be disastrous, unless a miraculous shift in weather patterns killed the insects during the critical period of the breeding cycle. The miracle did not occur, and the following states have now been hit: Idaho, Utah, Arizona, North and South Dakota, Oregon, Texas, Wyoming, Montana, Colorado, and Nebraska.

The Agriculture Department has allocated an extra \$15 million for treatment in the western states, above the \$10 million announced in May.

● **CARGILL CORP.** owner and chairman of the board, Whitney MacMillan, held talks in East Berlin on June 4 with East German Foreign Trade Ministry State Secretary Gerhard Beil, which led to Cargill opening an East Berlin office. The talks focused on "the possibility of increasing trade between the GDR and Cargill, reported the East German daily *Neues Deutschland*.

● **FARMLAND VALUES** collapsed 12% in a year in the United States, according to a USDA Economic Research Unit report cited in the June 16 *American Banker* newsletter. Per acre value declines are worst in three regions: 21% in the Great Lakes states, 23% in the northern plains, and 25% in the Corn belt. For the four-year period ending 1985, these three regions showed overall drops of 30%, 28%, and 41%, respectively. The value collapse is "an acceleration" and compares with the 17% and 19% drops during the deep-est Depression years of 1932-33.

● **THE ELECTRIC POWER** equipment industry in the United States will "shut down 50% of capacity by the end of 1985, unless a crash-Strategic Defense Initiative program is enacted in '85," a spokesman for General Electric said on June 16. The company is going to sell off the machine-tools, speciality equipment, and plants which make heavy equipment for electric generating stations.

● **GIOVANNI GORIA**, Italian treasury minister and one of the most loyal servants of the International Monetary Fund in the Italian government, demanded the abolition of the cost-of-living escalator, at an industrialists' meeting in Asti on June 17. "It is not enough to reduce the cost of living escalator. It has to be abolished completely," he said.

LaRouche replies to 1988 Doomsday forecast by Castro

by Lyndon H. LaRouche, Jr.

In remarks delivered during the first week of June (*Folha de São Paulo*, Brazil: June 2), Cuba's Fidel Castro announced a 19

Those who attempt to ignore Castro's statements as "just more communist propaganda," are very, very foolish people. In an outburst of the sort for which Fidel Castro has long been famous, he blurts out publicly the date at which Moscow plans to win thermonuclear war against the United States: before the end of 19

It is no longer a secret, that Moscow is now engaged in "crash program" preparations, to launch total thermonuclear war, as a surprise attack on the United States, by no later than 198

reported my now massively corroborated findings and forecasts to appropriate officials. The highest levels of the NATO intelligence-community in Europe agree, as many leading members of the U.S.A.'s intelligence community also agree, privately. The facts are so overwhelming, that any government official but a State Department or a liberal Republican or Democrat would be totally convinced.

Henry Kissinger's admirer, Soviet Foreign Minister Andrei Gromyko, would not permit any top-ranking Soviet official, including Fidel Castro, to announce publicly the exact dates of Soviet war-plans. Nonetheless, Fidel Castro is irrepresible; he knows the military secret, and he is bubbling over with an uncontrollable impulse to brag about what he knows is planned for 19

he made the outburst which was bound to come sooner or later: He bragged that the United States would be finished by 19

Castro's psychological profile

To understand certain important features of Fidel Castro's series of recent public statements on the imminent doom of the United States, it is indispensable to take into account his distinctive psychological profile. He is a prototype of the intelligent, Jesuit-trained, "charismatic Macho." The "macho syndrome," which Miguel Cervantes ridicules in the figure of Don Quixote, is a defective cultural trait introduced to the Iberian peninsula and southeastern (Catharist) France, from



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Syria, during the twelfth and thirteenth centuries. The Sufi chivalric love-cult, made famous by Omar Khayyam's writings, was introduced through both Islamic and Templar conduits, into Spain and the Cathar regions of southern France, whence it was spewed northward, to become the Arthurian legend of Brittany and England, and later the cult adopted by the circles of the proto-Nazi composer, Richard Wagner, the Thule Society, and Hitler's Nazis. The most naked and extreme version of this Sufi cultism, is the Sufi-Gnostic cult of would-be papal assassins, Tradition, Family, and Property (TFP). The nominally Catholic, but actually Gnostic-Sufi freemasonic cults of Spain, based around the abbey of Montserrat, are also typical of this tradition. The knight who sacrifices his life in a gesture of unconsummated love of a virgin, symbolizes the essence of the love-death cult underlying the "macho" cultural trait. This Sufism is the tradition of the *conquistadores*.

It is most relevant to the case of Fidel Castro himself, that this religious-cultural offshoot of European Sufism, was re-introduced massively into the Caribbean region during the nineteenth and early twentieth centuries. The generic name for this offshoot of Sufism is "Synarchism."

Formally, Synarchism is the name for the French variety of fascism, and is known in France as positivism and special outgrowths of French fascist positivism such as ethnology (anthropology) and sociology. The home region of Synarchism is Paris, southern France, French-speaking Switzerland, and the region of Italy dominated by Genoa.

So, in Mexico, Synarchism is associated most promi-

nently with either the political heirs of the Hapsburg emperor Maximilian, or with French influences centered around French specialists in ethnology and sociology. In Mexico, and throughout Ibero-America, synarchist ideology and Paris-based ethnology and sociology, are consistently key to the organization of ethnic, religious, and similar modes of organized insurgency by activities of missionaries, as well as anthropologists and sociologists. The Jesuit-created Sandinista government of Nicaragua, is merely one example of this. The role of the alliance between the Gnostics and TFP, in steering "death squads" and terrorism and drug-trafficking alike, in Colombia, Peru, and elsewhere, is an example of this.

Synarchist influence throughout Ibero-America has another major component: the spill-over of the Montserrat-abbey-centered, Iberian Carlist tradition, throughout the Spanish- and Portuguese-speaking regions of the Americas. Formal Synarchism flourishes, when grafted onto the Carlist substrate of the Iberian Sufi-chivalric, love-death tradition. The most accessible demonstration of this point, is the celebrity of those Ibero-American novelists, poets, painters, and sculptors, such as Colombia's Gabriel García Márquez, or Mexico's Diego Rivera and David Siqueiros, and of Havana, Cuba, whose European home-base is the "artistic" cult-circles common to both Paris and Madrid.

Naturally, in Ibero-America as a whole, the main force of opposition to Synarchism and related cults is based in the Catholic Church. If anti-clerical Mexico appears to be an exception to this pattern, this is so for the special reason that

the Cristero faction in the Mexican Church is riddled with the same Synarchist and related Gnosticism which is characteristic of the pro-Nazi party of Mexico, the National Action Party (PAN) of rabid anti-Semite José Conchello.

The most typical of the Catholic opposition to Synarchism, are the Vatican-tied Peronist movement of former Argentine President Juan Perón, and the forces linked to Pope Paul VI, which organized the Andean Pact.

To examine Fidel Castro himself, we must concentrate on three principal facts. First, Castro's entire career is linked to the Jesuit order in a special degree. Second, to this day of Bulgaria-linked Robert Vesco, the internal political life of Cuba continues to be linked massively to the apparatus which U.S. gangster Meyer Lansky organized in Cuba during the 1920s, earlier around Batista and the Cuban Communist Party's apparatus. Personally, intellectually, Castro belongs to a different track in the Caribbean than the old Lansky apparatus, but his rise to power was dependent upon arrangements with the Lansky apparatus. Third, Castro's rise to power was arranged through French Synarchist (Jean de Menil) and Boston-centered British East India Company interests. Jean de Menil was the husband of Houston, Texas's Monique Schlumberger de Menil, the latter an avowed Sufi mystic and political patron of international terrorism today.

Castro himself could reveal much about United Fruit (now renamed United Brands) and the Schlumberger family, if he chose to do so.

Castro is distinctive in the manner he combines a rationalistic view of Ibero-American objective economic interests, with a contrasting irrationalist impulse. The irrationalist impulse reflects in part, the Soviet and other circumstantial realities of Cuba today; obviously, Castro adapts to those realities of his situation. To that degree, his irrationalism suggests a chameleon trapped on a Soviet version of a scotch plaid, huffing and puffing, as he attempts to rearrange his coloration to fit his background. Thirdly, in addition to such externally-imposed, adaptive irrationalism, there is an inner irrationalism in Castro's speeches and actions, an inner irrationalism which reflects directly the Sufi-derived, "Macho," cultural syndrome.

On his rational side, Castro's public utterances are the most rational and close-to-truthful of any leading communist spokesman of the past quarter-century. Castro combines genuinely superior personal intellect with a fatalistic impulse to blurt out the truth. Unlike Soviet spokesmen, Fidel Castro hates to lie; even when he is peddling a Soviet-dictated line. Castro often "spoils" the lie, by adding in some rather rational exposition of the truth. Whenever Castro goes on a public-speaking binge on any subject, he gives brief lip-service to the Soviet line; but, for the rest, he tells a large measure of truth, mixed with falsehoods which are saturated with more less the same intense sincerity with which he blurts out the truth. The most important characteristic of Castro's sincere falsehoods, is that they reflect the influence of the Sufist

cultural influence, combined with a corresponding susceptibility to Synarchist varieties of Jacobinism in matters of politics and art.

All that we have said on Castro's psychological profile, is massively documented as to fact, documentation richly available in U.S. diplomatic and other intelligence files. Yet, U.S. diplomatic and other efforts to deal with Castro and his influence throughout the developing sector, have thus far been consistently the most wretchedly incompetent sort of bungling.

U.S. mishandling of Castro

My late-departed and dear friend, Col. Mitch WerBell, would never touch upon an area of classified secrets; but, we did have many frank discussions on U.S. bungling of the "Castro Question." When he insisted upon "facts" concerning Castro which I knew to be false, he defended those "facts" by reporting that he based himself on secret briefings he was not free to disclose to me. Since I trusted his honesty and accuracy implicitly in such matters, I knew that the relevant State Department and related dossiers on Castro were riddled with deliberate falsehoods, and I also knew that the nature of these concocted falsehoods was an effort to cover for the role of circles including Jean de Menil and the Boston British-East-India crowd, classed as "assets of the intelligence community." I insisted, to my friend, and to others, that it was in the vital interests of the U.S.A., that I be given clearance to get into those files, to the purpose of developing a competent appraisal of potential avenues for approaches to the growing instabilities in the Caribbean. I never received such clearance, but I know with certainty that the official intelligence-profile of Fidel Castro is riddled with fraud.

Apart from the cover-up and other falsehoods which I know for a fact to be permeating U.S. Caribbean and South American intelligence, U.S. diplomacy and intelligence are permeated with another crippling folly. This affects not only U.S. policy toward Ibero-America, but every other region and nation of the world. U.S. policy toward Japan, toward India, toward Southeast Asia, toward the Middle East, toward Africa, toward our Western European allies, is not merely wrong; it is disgustingly incompetent. Our diplomacy is pathetically incompetent, and our State Department controls the foreign policies of the Departments of Defense, Treasury, Commerce, Labor, as well as the Central Intelligence Agency and Federal Bureau of Investigation.

The incompetence works like this. The U.S. government adopts a policy, and then measures foreign nations, governments, and political factions, by the yardstick of conformity with each and every zig and zag in the changes in U.S. foreign and domestic policy. Since our government supports only those who are willing to submit to every turn in U.S. foreign and domestic policy, we make official friends of the United States' government appear mere "Yankees' errand-runners" in their own countries. It is this stupidity which makes "anti-

Americanism" so popular a political commodity throughout most of the world. It is this stupidity of our diplomacy, which feeds the mythology of "American imperialism" throughout most of the world, and currently nourishes the growing estrangement of Western Europe and the Middle East from the United States. The word in Washington is, "If they are our friends, they will prove themselves by following our policy."

That is only the beginning of our government's raging incompetence in diplomacy and intelligence.

If you are a U.S. government official or civil-service or Defense Department bureaucrat, and wish your career to prosper, "Learn to keep your nose clean. Stick within established policy, methods, and procedures." Do not report facts, no matter how important those facts are, if the facts tend to contradict currently prevailing policy; and report only through approved channels, by approved methods and procedures.

If a field operative stationed in some foreign country, discovers, today, important facts which are potentially very damaging to the reputation of Henry A. Kissinger, the prudent operative will suppress those facts, or will probably be soon transferred or terminated. Even if the operative is so incensed by patriotism that he reports facts contrary to current policy, his superior in the field will edit those facts out of the report transmitted to Washington. If the station-chief, for example, fails to edit those facts out of existence, they will be edited out either by the desk-jockeys in the nation's capital, or turned upside down by the desk-jockeys in the National

Security Council. If the truth should leak through the National Security Council, the State Department and the pinstriped old-boy network generally, will soon drive the relevant National Security Council official out of his post.

At the same time, the desk-jockeys working together with the private think tanks and academics on the State Department pad, will concoct total fabrications, designed to offset the facts which threaten to leak into the U.S. government through private channels. Or, especially since Admiral Stansfield Turner's reign at the CIA, British or Israeli intelligence will concoct frauds circulated among U.S. briefing officers as "best intelligence." Even the Soviet KGB cooperates with corrupt sections of the U.S. government, in supplying some of the forged intelligence circulating as "official" among U.S. briefing officers.

So, by combinations of such methods, the diplomatic and intelligence profile of most topical matters, is fabricated to the purpose of lending support for one or another faction's currently proposed policy-line.

In particular, U.S. policy toward Ibero-America as a whole is a policy of supporting the interests of the Boston and New York bankers, and their Anglo-Swiss partners. Power in Washington, and in the top layers of the major political parties, is based upon political agreements with the Boston-Manhattan-London-Switzerland crowd. The policy which that crowd demands the United States impose upon Ibero-America, is usually the policy which the U.S. State

Castro's interview on 'capitalism's debt crisis'

The following are excerpts from Fidel Castro's interview to Folha de São Paulo, published June 2:

Now we will discuss the salvation of capitalism.

The collapse, which is getting closer, is going to bring down the American and European creditor banks of the non-performing debtors. And the banks are the physical foundation of capitalism. . . . The IMF itself deserves to be saved, but as a forum for governments, not banks, to make decisions. . . . The deviations of the IMF are a byproduct of the greater crisis, the disorganization of the monetary system, the indiscipline of the financial system, and the truculence of international trade practices.

My scheme is to save the banks and not merely the depositors. A proposal to save capitalism before the defeat

which is approaching in 1988 at the latest. . . . The countdown of the time bomb of the "debt crisis" [English in original] could reach zero in 1988. The indebted countries will not be able to pay their accounts in 1986, if they are able to honor their interest obligations in 1985. The cracks will appear in 1987 and the castle will come down on top of the king in 1988. This is not just my forecast. The prophesy also comes from some American economists and certain European bankers.

. . . We are going to save the banks. The debt no longer collectable from the Third World will be reimbursed to the banks by governments, with the approval of their parliaments, through a simple budgetary transfusion with low annual payments: a small part of the military budget will be injected into the financial system, the pillar of capitalism, the basis of national security. . . .

If my proposal seems utopian, due to the foolishness of men, President Reagan's projection on the recovery of the world economy is based on a nice fantasy, if not to say an elegant lie. . . . The U.S. recovery is a facade; its foundation is not solid; the internal process is a repressed volcano.

Department and Treasury demand, and usually the policy which the United States follows, even when that policy is almost treasonous in its impact upon vital U.S. strategic interests.

The classic case is the U.S. post-war policy of overthrow of the popularly-based democratic government of Argentine President Juan Perón. The orders for the overthrow came through U.S. Ambassador Spruille Braden, with support from the Coordinator of Inter-American Affairs (CIAA) Nelson Rockefeller; the orders came from the Swiss and British banks, principally the Swiss banks. Throughout the continent, the United States' foreign policy is essentially that of Teddy Roosevelt's "Roosevelt Corollary," the U.S. Navy and State Department as a mere errand-boy for the Morgan-linked Anglo-Swiss banking community.

When this crew demanded that the United States back Fidel Castro as part of the effort to overthrow Batista, the United States' government as well as the *New York Times* and pro-Nazi Errol Flynn backed Castro. When the same Anglo-Swiss banking interests demanded the overthrow of Castro, within the year of Castro's assuming power, the U.S. government used many of the same channels earlier employed to run weapons to Castro, to attempt to overthrow his government and to assassinate him. So, through this comedy of errors in U.S. policy, Anastas Mikoyan moved in to absorb a desperate Cuba.

Naturally, Castro is rather intimately familiar with this part of history. He is familiar with this, not only from personal experience with U.S. Caribbean policy. He was raised as a member of a very closely associated group of the young elites of the Spanish-speaking Caribbean region, including the leading families of all the Caribbean nations. Spanish-speaking America, because of the common cultural and language heritages, tends to represent a single nationality, at the same time that it is represented by a group of nations. There is a close affinity and relationship among the financial and professional elites of the continent, more intimate than even that we find among the elites of the various nations of Western Europe. Castro's attitudes, policies, and actions toward the United States reflect not only the cynicism he acquired from personal experience with zigs and zags in U.S. policy during the 1950s and later; he reflects a broader experience, an experience seen largely in the same terms of reference as most of the elites of Spanish-speaking Ibero-America.

For these same reasons, Castro's personal influence in the Caribbean must be distinguished from the influence of Soviet-dominated Cuba. Ibero-Americans generally are fearful of falling into Soviet spheres of influence, either regionally or within their own nations; broadly, insofar as they see Castro himself, as distinct from Soviet-linked Cuban influence, they see him as one of themselves, who happened to have been trapped into Soviet overreach through the follies of U.S. diplomacy. Serious Ibero-Americans will not disagree in the slightest, that to the degree Cuba radiates Soviet, East German, and Bulgarian influence, it is a menace to the

Caribbean and the Hemisphere; but, they see Castro far differently than the bungling inanities of U.S. policy view him.

The root of the problem in U.S. foreign policy, and in related endeavors of U.S. intelligence, is that the "dumb American" refuses to recognize that foreign nations do have well-defined objective interests, to the effect that when U.S. foreign policy savagely violates those vital interests, U.S. foreign policy is wrong. It is true, that the prevailing policies of foreign governments do not necessarily represent the interests of their own nations; U.S. State Department policy rarely represents the true vital interests of the United States. Nonetheless, there always exists, for any nation, an objective policy-interest, often contrary to the officially perceived national interest of that nation's government.

Sound U.S. diplomacy is based on discovering the objective interest of each foreign nation, and steering U.S. policy such that we never do damage to that objective interest. It is the proper, principal function, of the U.S. intelligence services, to discover that objective interest, and to discover also the best means by which the United States can aid that interest without intruding upon the nation's sovereignty over its own internal affairs.

There are many means, by which the United States can promote the objective interests of friendly nations, without meddling into their sovereign affairs. These are chiefly economic and defense matters. The economic development of every nation is always in that nation's most vital interests, and so is its competence to defend its sovereignty. If the government of that nation has policies contrary to the nation's true interest, good diplomacy uses correct relations with that nation's government as a means of fostering policy-evolutions toward better service of the nation's true objective interest.

If we support efficiently, those kinds of policy-measures which correspond to a foreign nation's truly objective interest, this support will become clear to the institutions and people of that nation. This recognition will redound to the vital advantage of the United States.

The proper approach to Castro, is to provide Cuba's neighbors the kinds of policy-cooperation which Fidel Castro, for one, jealously desires Cuba too might share. That is not the extent of proper U.S. policy toward Cuba and Castro; that is the rock, the cornerstone, upon which effective other elements of policy and action are premised.

Beyond the 'objective'

Unfortunately, it does not follow automatically, that foreign governments and peoples will necessarily love the United States, merely because we practice a foreign policy consistent with the vital objective interests of that foreign nation. The case of Qaddafi's Libya and Khomeini's bloody lunacy in Iran, are more or less extreme as proof that the policy-perceptions of governments are often directly opposite to the vital interests of the nations over which they rule. We must follow the line of objective interests, but U.S. diplomacy and

intelligence must also appreciate, and in a fully practical way, the contrasting "subjective" factor.

In the case of Ibero-American nations, the problematic feature of the "subjective factor" is that which is epitomized by Synarchism-Carlism. In short, if our diplomatic and intelligence services do not recognize the pure evil characteristic of Gabriel García Márquez, Diego Rivera, and Jacques Soustelle's ethnology, our diplomatic and intelligence services are behaving as packs of blind fools.

The characteristic fault of the post-war U.S. intelligence services, is aptly illustrated by the popularity of the fictional "James Bond." U.S. intelligence services are at their best in "technical advice and services," in gadgetry and analogous matters of techniques. We do well in these matters, even when we have no idea of what we are accomplishing or why we operate as we do. An American operative, typically, does what he does because it is a matter of policy, methods, and procedures, that he do so. He tries to do it well. Whether it is the right policy, or not, is not his affair.

This fault in our intelligence services has been greatly aggravated during the past 15 years, beginning with Kissinger's appointment as National Security Adviser, and James R. Schlesinger at CIA. Vice-President Mondale and Admiral Stansfield Turner, virtually eliminated U.S. competence of the intelligence services in entire regions of the world. Notably symptomatic, was the imbecilic argument, that increased reliance upon electronic surveillance more or less eliminated the continued need for "human intelligence."

The U.S. diplomatic service is the most incompetent of any major nation of the world. Like the Soviet diplomatic service, the U.S.A.'s depends upon the perception and exercise of the raw muscle of a superpower. Typically, often enough, in the developing nations, and, to a varying degree, in other countries, U.S. diplomats instruct nations that their fate has been decided by backroom negotiations between the U.S. Secretary of State and Soviet Ambassador Dobrynin. The U.S. diplomatic service has all the nastiness of the British foreign-policy establishment's colonialist mentality, without British competence. To most nations of the world, the U.S. diplomatic service is a bad-tempered, ignorant, errand-runner for Anglo-Swiss masters. As U.S. raw power collapses, in face of increasing Soviet power, all of the absurdities of habitual practice of U.S. diplomatic and intelligence services become painfully obvious, to both foreign governments and U.S. observers well-informed of the interests and history of foreign nations.

The clearest example of gross incompetence of the U.S. foreign service's performance, is the twentieth-century history of U.S. diplomacy in Ibero-America. This simple fact, is Fidel Castro's most powerful weapon of influence in this hemisphere and abroad. True, Castro's statements on this matter, include sundry mistakes and exaggerations, as well as factitious falsehoods; but it would be difficult for Castro to exaggerate the ham-fisted incompetence of the U.S. foreign-service establishment.

Castro knows, that Soviet diplomacy's successes in the Americas would have been impossible, in every case, without the brutish incompetence of U.S. foreign policy and the slavishly Anglophile U.S. foreign-service "mafia." This "mafia" has turned positive U.S. diplomacy—the 1823 Monroe Doctrine, Franklin Roosevelt's "Good Neighbor" policy, and the Treaty of Rio de Janeiro—into a dead letter. The U.S.A.'s diplomacy today is consistently, directly opposed to the United States' vital strategic interests in the Americas.

Castro also knows, that the U.S. population is conditioned to behave as a collection of chauvinistic, ignorant gossips, on the subject of the nations and peoples of foreign countries. The U.S. soap-opera mentality, believes whatever ignorant gossip it receives from "my friends," or from what it identifies as the "respectable" print and electronic media.

The root of the problem in U.S. foreign policy, and in related endeavors of U.S. intelligence, is that the "dumb American" refuses to recognize that foreign nations do have well-defined objective interests, to the effect that when U.S. foreign policy savagely violates those vital interests, U.S. foreign policy is wrong.

In summary of this most important, included, point: Competence in republican diplomacy and intelligence practices, begins with discovering the vital objective interests, the cultural and political history, and the current "subjective" outlook of the various nations and their governments. Good republican foreign policy, and intelligence work, proceed from the fact, that the strategic interests of a great republic can be served only by bringing the foreign policy of the United States into conformity with the vital objective interests of our actual and potential allies, our principal current and prospective trading-partners.

Fidel Castro's current policy

The "1988 doomsday prophecy" against the United States, which Fidel Castro delivered to *Folha de São Paulo*, should be read as one of a series of escalating public pronouncements by him, beginning with his extensive commentaries on the Ibero-American debt-crisis appearing at the end of March in Mexico's leading daily newspaper, *Excelsior*.

Insofar as Castro directly contradicts President Reagan's stated views on the current economic situation inside and outside the United States, Castro is relatively accurate, and

the President savagely misinformed by former Treasury Secretary Donald Regan, et al. The U.S.A., acting on the orders of Kissinger Associates, Inc., "successfully handled" the Ibero-American debt-crisis over the 1982-84 period, by turning the threatened mere crises of 1982-83 into the global catastrophe of 1985-86. Moreover, Castro echoes relatively accurate Soviet intelligence estimates, estimates shared among leading circles in Western Europe, that the "miraculous U.S. economic recovery of 1983-84" never, in fact, occurred.

On those points, Castro's forecast of doom for the United States is relatively correct, and contrary opinion around Washington wrong to the degree of absurdity.

However, it would be totally an error, to imagine that Castro's recent public statements on these matters are of the form of a debate with the Reagan administration. Castro has been informed by Soviet and Socialist International-linked circles, that the Reagan administration is doomed. Castro echoes Soviet confidence that the President's own blunders in monetary and economic policy, combined with the treasonous impulses of the Liberal factions of the two major parties, ensure the accelerated downslide of U.S. power.

Castro is confident that President Reagan will react to the futility of his efforts on defense budgets and in diplomacy, by committing the United States to a naked show of force against the Nicaragua scapegoat. Castro states plainly, that neither the Soviet Union nor Cuba will come to the military assistance of Nicaragua in case of a U.S. intervention; they are building up Nicaragua's military capabilities, to the point of making resistance against U.S. intervention credible, but neither Moscow nor Havana intends to deploy its military forces in aid of Nicaragua.

Castro's official policy on Nicaragua is the same policy which former Soviet President Yuri Andropov announced in the pages of West Germany's liberal newsweekly, *Der Spiegel*, in April 1983. Andropov stated clearly, that Soviet policy recognizes Central America as part of the U.S. strategic sphere of influence; in that statement, Andropov invited the U.S.A. to do as it pleases with Nicaragua. Soviet strategic objectives are Western continental Europe and Asia, not the Americas. Soviet policy toward the Americas, is to turn Ibero-America into one giant "Vietnam-War" theater for the United States, to pin the U.S. military forces down in the Americas, to the degree that the United States withdraws military capabilities from Europe.

Soviet and Cuba strategic policy toward the Americas is, to use the destabilizing effects of IMF "conditionalities," to promote conflicts between the U.S.A. and the Ibero-American states. Castro is not debating President Reagan; he is laughing at the follies of the Kissinger Associates-steered Reagan administration.

Castro is not debating President Reagan; he is debating Lyndon LaRouche, LaRouche's "Operation Juárez." Castro, like the Soviet Academy of Science's Tashkent-directed subversive operations in Ibero-America, fears nothing from the United States except LaRouche's proposed transformations

in U.S. foreign policy, as typified by LaRouche's 1982 policy-paper, *Operation Juárez*.

The official Soviet policy on the subject of "LaRouche," is the classification "principled adversary." The Soviet government hates me bitterly, but respects me as the most dangerous intellectual force confronting it in the Americas. The series of attacks on me in leading Soviet publications, including the official *Literaturnaya Gazeta* of the Soviet KGB, have been very consistent on this point. It was directly on Soviet orders, transmitted through the Harriman-Mondale wing of the Democratic Party, that a campaign was launched through certain U.S. news-media and the leadership of the Democratic Party, beginning early 1984, to force the Reagan administration to publicly "distance itself" from me. The official characterization of me in the Soviet press is "ideologue of late-capitalism."

The Soviet government, during 1982-83, called back to Moscow an assortment of high-ranking specialists who had been earlier assigned to monitor me and my associates in the U.S.A. and Western Europe. Additionally, the resources of the Soviet Tashkent teams responsible for both Asia and Ibero-America, were tapped for the same purpose. According to several distinct, high-level sources, in Moscow, a daybook is maintained, up to date, on details of each and every activity by me and my immediate associates.

The Soviet attention to me was upgraded to this level after March 23, 1983. Prior to that March 23, Moscow was confident of assurances given to it by leaders of the Democratic Party, that President Reagan was efficiently blocked from adopting my proposals for a strategic ballistic missile defense (SDI). The President's March 23 address prompted Moscow to upgrade my strategic importance immediately, a decision made at the highest level of the Soviet government (e.g., Gromyko). It was as a result of this, that the Democratic Party, the Anti-Defamation League, and NBC-TV were deployed at Moscow's demand, to run the campaign aimed at forcing the Reagan administration to "publicly distance itself from LaRouche."

The Soviets are convinced, that my strategic proposals on defense and economic reforms are the only policies which might enable the United States to resume its position as a world power. Hence, the Soviets class me as an "ideologue of late-capitalism." They fear, that, under the press of perceived crisis, President Reagan might turn to my policies as the needed alternative. They fear the President very much since March 23, 1983, because on that date, he showed an unusual personal quality of command, the *Entschlossenheit* needed both to adopt a new approach to policy, and to implement that change abruptly, as if "turning on a dime." They fear that the President is capable of acting to change U.S. monetary and economic policies as fundamentally and as abruptly as he acted to dump the long-standing Nuclear Deterrence policy on March 23, 1983. Thus, the Soviets fear more than anything else, that I might gain the ear of the President.

This is the most important element of background, for understanding Fidel Castro's recent statements on the economic situation in the Americas. The Soviets have recently made a sudden about-face, away from their 1975-85 policy of total support for the policies of the International Monetary Fund. They are now assuring debt-ridden developing nations, especially those in Ibero-America, that the Soviet Union will give political and economic assistance to nations which act to reject IMF "conditionalities."

For 10 years, since my Bonn, West Germany press conference of April 1975, while Moscow was actively backing IMF "conditionalities," my associates and I have been the leading agency in the world, working for general reforms of the international monetary system. Since 1975, I have been toe-to-toe against Henry Kissinger and George Shultz personally, on the issues of international monetary policy; according to official U.S. government documents, as well as highest levels of foreign governments, Kissinger's continuing vendetta against me was launched that year, using many channels of the U.S. and foreign governments, in an effort to block those of my reform-proposals adopted as a leading part of the Non-Aligned Nations' resolution at the August 1976 Sri Lanka conference.

Now, as Castro is unleased by the Soviets, to move into the Ibero-American movements which have been opposing IMF "conditionalities" and Kissinger Associates, Inc., Castro faces the difficulty, of attempting to take over a movement throughout the Americas in which I, as an economist and policy analyst, am the leading international figure. Therefore, Castro is faced with the problem of, on the one side, echoing my numerous published analyses of the debt-crisis problem, while, at the same time, attempting to squeeze me and my associates out of our position within the international leadership of this movement.

In those parts of his recent statements, in which Castro merely echoes analyses I have been publishing over years to date, there is no doubt that Castro sincerely supports my views. He is, of course, repeating my familiar analyses, as a matter of attempting to squeeze me and my associates out of the movement: but there is no doubt that he sincerely agrees with me on those particular points.

The differences come with the "therefore." When two opposing parties agree on the facts of a problem, the differences usually appear following the "therefore": "This is the problem, therefore, what we must do is. . . ." The difference is, that I am a spokesman for the American System of political-economy (Gottfried Leibniz, Benjamin Franklin, Alexander Hamilton, the Careys, Friedrich List, et al.). The key to Castro's own economic philosophy is not Soviet doctrine; it is the Synarchism of France and of Haya de la Torre's old Caribbean Legion. To be precise, Fidel Castro is a "left Synarchist," both in cultural outlook and in matters of economics.

Thus, if my policy prevails, there is a rapid strengthening of economic and political cooperation between the United

States and Ibero-America. If Castro's policy prevails, the opposite occurs. In Castro's and Soviet eyes, I am the only U.S. public figure, and my associates the only agency, by which the alliance between the United States and Ibero-America might be rescued.

There is a recent precedent in post-war Ibero-American history, for the present issue between Castro and myself: the conflict between Peronism and Synarchism. In that sense, in the "logic" of Ibero-American politics today, I am a "Peronist" in South America as I am a "Juarista" (and "Obregonist") in Mexico. Generally speaking, there is no inconsistency between what Peron proposed as continental policy, and what my friends and I represent throughout the continent today. That is the way the conflict between Castro and me appears through Ibero-American eyes.

As a result of the legacy of lies spread by Spruille Braden and Nelson Rockefeller's crowd, almost no one in the U.S. government today knows what "Peronism" was and is. Juan Perón and his influential wife, Evita Peron, created the only major Catholic labor movement which is not based on, or at least greatly influenced by, Lassalleian "Solidarism." Peronism is distinguished from Solidarism in the respect that Solidarism was concocted by Church-linked circles in Germany which looked back to pre-Renaissance "guild socialism" as the model for society. Solidarism is a pro-feudalist sort of labor utopianism, which is efficiently antagonistic to generalized technological progress. Peronism, by contrast, is enthusiastically industrial-capitalist: promoting generalized scientific and technological progress, as the most vital interest for the moral, cultural, and material improvement of the condition of all persons in society. Peronism is fairly described, as a movement of forces of industry, the military, and organized labor, a movement resting upon the mass political base represented by organized labor.

President Juan Perón stressed emphatically and repeatedly, that Synarchism is the leading adversary of the population of Ibero-America. I discovered this, when I outlined the importance of the Synarchist menace to groups of Peronist leaders, during my June 1984 visit to Buenos Aires. There was a stunned silence in the room, and then the reply, "That's what Peron taught us." So, on the ground, every remnant of popularized U.S. myths about Juan Perón, dropped, one after the other. During the same period, as I outlined to a Buenos Aires scientific audience, my view of the implications of the SDI's technologies for society, I learned on the spot from a leading Argentine scientist, that my remarks echoed an address by Peron, the address which had motivated that figure to dedicate his life to science.

The real conflict between Peron and Spruille Braden, as distinct from the lies spread by Nelson Rockefeller's circles, was Peron's commitment to the high-technology development of Ibero-America. Spruille Braden, echoing Teddy Roosevelt and the Morgan interests, represented those Boston-centered British East India Company offshoots, who insisted that the United States' policy toward Ibero-America be



During the summer 1984 period, as LaRouche (center) outlined the implications of the SDI's technologies for society to a scientific audience in Argentina, he learned from a leading Argentine scientist that his remarks echoed an address by Juan Perón, the address which had motivated that figure to dedicate his life to science.

modeled on the British East India Company's 1763-83 policy toward the English-speaking colonies in North America. In Anglo-Swiss algebra, Juan Perón was a "new Benjamin Franklin" and "George Washington" of the Americas, rolled into one. That, the faction of Teddy Roosevelt has always hated with a special passion. Spruille Braden's hatred against Peron was bottomless.

Today, throughout Ibero-America, there are only two choices. Either a return to the principles of the 1823 Monroe Doctrine, basing relations among states upon Hamilton's American System of political-economy, or successful Soviet subversion of the entire continent. There is no way in which the present U.S. monetary and economic policies toward Mexico and South America can be continued. If the Reagan administration continues its present support for Kissinger Associates' policies, then all of Ibero-America will now fall rapidly under Soviet subversion. Either the United States changes its policies, as I have proposed, or the United States loses Western Europe, the Asian Rim, and Ibero-America as well.

The opposition to my policies around Washington, comes chiefly from exactly the same faction, formerly rallied around Spruille Braden, which organized the two coups d'état against President Juan Perón. These are the U.S. puppets for the same Anglo-Swiss financial interests which control Raul Prebisch and Martínez de Hoz. If these factional opponents of

mine win out in Washington, then Fidel Castro will beat me in Ibero-America.

If these factional opponents of mine continue to win out in Washington, then the United States is finished as a power, and the Soviet empire will dominate most of the world by no later than 1988.

Many in Washington disagree. Liars and credulous fools alike, around the White House and intelligence community, say that their "hard intelligence" refutes my estimate of Soviet strategic capabilities, my assessment of the September 1984 military threat by Marshal Ogarkov against West Germany, and my assessment of the Greek situation. On the contrary, I have the facts available to our military and other intelligence services on the ground in Europe and elsewhere, the same best sources on which the CIA and DIA must rely for their source-information. Representatives of the highest levels of European intelligence agree entirely with my estimate of these facts we share in common. Around the White House presently, the fools and liars run the show. Those who deny these facts are either liars, or the credulous sort of foolish bureaucrat who scrupulously suppresses all evidence contrary to prevailing policy.

On the same grounds, such liars and credulous fools have deprecated my 1982 analysis of the implications of the Ibero-American debt-crisis. I suspect, these are incurable fools. Perhaps the fools will continue to prevail in their silly, lying,

gossiping against me around the White House. If so, the United States will be finished as a power by about 1988. The opinions of such persons, are less than worthless. I tell you the truth, if you have the intelligence and guts to prefer truth over the incompetent gossip of your silly "friends."

Some think, we can give Moscow and Castro an exemplary bloody nose in Nicaragua. "Light at the end of the tunnel," all over again! The State Department and FBI, are in collusion to bring to power in Sonora a PAN gubernatorial candidate, Adalberto Rosas, who has recently proposed Mexican military operations to reclaim Texas! There are now about 60,000 armed PANistas in northern Mexico, prepared to mobilize an insurrection against the government of Mexico, with State Department and FBI support! Such is the wisdom of the fools who presently prevail around the White House.

Castro's falsehoods

What Castro states on the debt-crisis is analytically correct. Also, when Castro insists that the United States could reduce interest-obligations on outstanding Ibero-American debt, and organize moratoria on payment of principal amounts, his proposals are sound, as far as he goes. Moreover, it would be to the strategic advantage of the United States to do more or less what Castro proposes along these lines: The gains to the U.S. economy in trade would substantially reverse the growing trade-deficit of the United States, and would revive U.S. capital-goods industries through greatly expanded export-markets into Mexico and South America.

Beyond that, there are three general falsehoods featured in Castro's extended statements on these matters:

1) Castro's monetary analysis is sound, but his economic analysis is riddled with a mixture of Marxian and Synarchist nonsense.

2) Castro faithfully follows the long-standing Soviet line: that the solution to all economic problems of the developing sector flows from U.S.A. and NATO general disarmament, redirecting military expenditures into aid.

3) Castro is certainly lying when he argues, in *Folha de São Paulo*, that 1988 is the estimated date for the "financial crash" in the United States. 1985-86 is the official Soviet estimate for the date of such a "crash," a reasonable estimate. 1988 is not the Soviet estimate of the date for a "financial crash"; 1988 is the Soviet target-date for reaching the level of mobilization needed to launch total thermonuclear war against the United States.

Castro's reference to 1988 as the year of the fall of the United States, is plainly a reflection of his knowledge of Soviet military policy, not Soviet economic forecasting.

Some around Washington deny hysterically, that Moscow is preparing to be ready to launch thermonuclear war

by 1988. In Western Europe, among highest-level intelligence circles, there is complete agreement on the general features of my own economic and strategic analysis. There are, admittedly, differences in proposed policy among these circles, including strong disagreement with major elements of my own policy, but there is no disagreement with my facts among these circles. If anything, leading circles in Europe warn me that I tend to understate the danger. Anyone of influence around Washington who denies my facts as such, is simply a liar or a credulous fool.

On the first of the three types of falsehoods, Castro is most probably not lying; the preponderance of evidence is, that his economic thinking is sincerely his own.

On the second point, although he is merely mouthing the consistent Soviet propaganda-line since 1975, it is probable that he sincerely believes in that line of argument.

On the third point, he is only partially lying. He lies by representing 1988 as the projected date of a "financial crisis," rather than the Soviets' projected date for a thermonuclear showdown. However, he is not lying in emphasizing that the pre-1988 collapse of the U.S. economy is indispensable to the Soviets' willingness to risk such a thermonuclear showdown.

Naturally, as a Soviet factional leader to whom the U.S. government is especially sensitive, Castro is not going to say the sort of thing which might alarm the administration and the Congress into supporting a major military mobilization of the U.S.A. This must frustrate Castro greatly; how delicious it would be, to him, to announce to the world that Soviet power is going to crush the United States in 1988! Twenty-five years of deep frustration and rage against threats and containment by the United States, make "revenge" against the United States a hot point of "Macho" honor for Fidel Castro. How he must rankle at being forbidden to prophesy the military defeat of the United States in 1988! He contains himself, obviously with great difficulty. He does not refer to the military significance of 1988; but he finds a way to refer to that ominous date. He prophesies that it is the economic collapse of the United States which will doom the U.S.A. by this portentous date of 1988.

A eyebrow or two must have raised around the Kremlin, at reading the statements in *Folha de São Paulo*, and a few rumbling references to Castro's "big mouth" must have been circulated. Castro didn't explicitly violate Soviet rules of military secrecy, but he bent them almost to the limit.

My letter to Castro

For reasons which are implicit in the preceding review of the matter, the time has come for me to challenge Fidel Castro to an open dialogue on the issues of the Americas. Therefore, I am circulating the following open letter.

This letter addresses most explicitly, the leading implications of the referenced items in *Excelsior* and *Folha de São Paulo*. These items are read by me with aid of background

information which I have received recently from high-ranking circles in several Ibero-American nations. What Castro states in the two referenced items, echoes what he has been saying behind closed doors in several locations, and also echoes certain maneuvers which Castro's agencies have been conducting within the Ibero-American labor organizations. Castro himself is aware that these matters have been referred to my attention, and will read my open letter with that in view.

Diplomatically and legally, the character of my open letter is that of an editor of an international newsweekly, who is seeking to develop an important news item, for the advantage of our readers generally, and readers in the U.S. government in particular.

In view of my position as an international, as well as U.S. public figure, including my position as vigorous advocate of the SDI, this action of mine has multiple political and strategic implications. Indeed, every major news publication's writings on any important subject, including especially the *New York Times*, *Washington Post-Newsweek*, *Time*, and so forth, has major impact on the political and strategic circumstances of the United States, and often of other nations as well.

Additionally, throughout Ibero-America, major political and trade-union forces are awaiting my personal response to Castro's current maneuvers. Many of these are my dear friends of long standing; others simply regard me as the chief hope for a sane U.S. policy toward Ibero-America. When my "star" declines on the Washington horizon, all Ibero-America suffers a heavy dose of Kissinger's obscenities automatically; when my "star" rises, Kissinger's declines to the same degree, and Ibero-America's hopes are encouraged. How I respond to Castro's current maneuvers does, to a large degree, determine the alternative options available to the Reagan administration.

The time has come for a new turn in U.S. policy toward Fidel Castro and Cuba. The time has come for real diplomacy, as opposed to the British liberals' diplomacy which has dominated the State Department throughout my lifetime to date.

Our policy toward Castro and Cuba must become a shrewdly devised "hard cop/soft cop" policy concerning Castro's influence throughout the Americas. This policy must include the following elements of change:

- 1) The United States military forces are not going into Nicaragua, except possibly for limited, surgical operations against introduction of prohibited classes of aircraft and other weaponry into Central America: to destroy those weapons, purely and simply.

- 2) The United States will act to give technical advice and services and other support, under the provisions of the Treaty of Rio de Janeiro, to any Ibero-American nation or nations which issue a formal declaration of warfare against the international drug-traf-

ficking interests, and will aid in enabling such nations to conduct warfare, by methods of warfare, against all growing areas, all logistical support for supply of the drug-traffic and of distribution and processing of product, and against all forces whose assistance or sympathy for the drug-traffickers constitutes enemy operations or treason under rules of warfare.

- 3) The United States will act under the Treaty of Rio de Janeiro, to provide assistance to Ibero-American nations against the use of missionaries, anthropologists, and kindred scoundrels, to foster ethnic, religious, and other separatist insurgencies, in the Americas.

- 4) The United States will act to foster the absolute sovereignty of each and all states of the Hemisphere, as specified by the 1823 Monroe Doctrine.

- 5) The United States resumes the American System of political-economy, as defined by Alexander Hamilton and others, as the policy governing economic relations among states within the Americas.

- 6) Whoever cooperates with the United States and other states of the Americas, in service of those policies, is a friend of the United States, and will be treated in accordance with the manifest durability of such cooperative actions.

If Fidel Castro wishes to explore such an arrangement, his exploration should be welcomed unconditionally. If he wishes to enter into such principled agreement, his government should be treated according to the indicated durability of such terms of agreement. The pace of such improvements in relations should be governed by the judgment of durability of agreements by the United States, acting in consultation with other sovereign states of the Hemisphere.

This does not imply any concessions to the spread of Marxist or Synarchist ideologies and related practices. It implies, that the people of Cuba shall not suffer avoidably because of our government's displeasure with their present form of government.

It implies a different doctrine of "human rights" than that of the terrible Carter administration. We do not acknowledge the right of persons to spread the drug-epidemic among children, through their usage of drugs or by other means. We do not acknowledge pederasty as anything but a hideous crime against humanity. We do not regard "integrity" forms of religious-cult insurgency, or terrorist campaigns against unarmed villagers, as involving any human rights. Nor do we regard due process of law, under international standards of civil or military law, against such vile offenses, as violations of human rights.

The inalienable rights of man, for which cause the two wars of the United States against Britain were fought, pertain to the sacredness of those qualities of each living person which absolutely distinguish men and women from the beasts. These rights pertain to natural law, as natural law was defined

by such leaders of the Golden Renaissance as Cardinal Nicolaus of Cusa. They pertain to that divine spark of reason in each new-born infant, by means of which mankind accomplishes scientific and technological progress, in reason's constant search for truth. They pertain, in this same way, to man's power to know right from wrong, according to natural law, and to distinguish beauty from ugliness in both works of art and human practice generally. They pertain, in this same way, to the sacredness of individual human life, that no life may be taken except for defense of those institutions of society essential to the protection of human rights, as by necessary military actions, or civil actions necessary to defend the individual or society from irreparable major harm.

Various forms of society come and pass. Yet, throughout it all, some principles must forever remain in force, more perfectly known and practiced, but never otherwise changed. The Golden Renaissance, and its leading outgrowth, the American Revolution of 1776-89, represent the highest form of society produced to date, no matter how much we Americans have soiled that noble heritage with such offal from the 1815 Congress of Vienna as Henry Kissinger. For ourselves, we will not retreat from that, for any price. For others, our policy must be to persuade them to improve their form of government accordingly, but to leave the changing to their free choice, insofar as they do not damage our vital interest in this matter.

In history to date, war continues to be the unavoidable price of progress. This is necessarily the case, because mankind is divided into two irreconcilable factions, the one consistent with Solon's republican reforms at Athens, and the opposing oligarchical faction modeled variously on Lycurgus' slave-society of Sparta, upon the Roman and Byzantine Empires, and so forth. Between these two forms of society, republican and oligarchic, no durable peace is possible, and war is sometimes therefore inevitable.

The unavoidable quality of that violence, which grows out of the persisting conflict between the republican and oligarchic forms of society, springs from the fact that no common body of law is shared between the two forms. If all nations were self-governed by natural law, then differences within and among states could be resolved by process of law according to natural law; in such a state of affairs, war would always be an obscene thing. Unfortunately, oligarchic law, such as Spartan or Roman law, opposes the rightful condition of society and of the individual in society. Under oligarchic rule, such as Roman Law, the law provides society and the individual no peaceful means of redress of grievances. Lacking the force of law to redress grievances, republicans must resort to the law of force, so that an order according to natural law might be established to make force unnecessary.

Until the desired order is achieved, good generals are the best republican patriots, since only efficient force knows how to defend republican law against the insolence of the

oligarchical adversary.

Thermonuclear weapons have not outlawed general war. Thermonuclear war can be fought and won. That is the doctrine of Soviet Marshal V.D. Sokolovskii, who viewed military science rightly on this point. That is the essence of the War Plan of Soviet Marshal Nikolai Ogarkov, one of the ablest military commanders of the present century. That, from a different vantage-point, is my military doctrine. I hate war with a deep passion against the destruction of human life, but I would fight it at all risk, rather than give this planet over to the unchallenged rule of an oligarchic empire; I would fight to ensure that my republic survive and win that war, by aid of the most terrible of efficient means required.

Fidel Castro must understand very clearly, as the Soviets should also understand this. This is not only the temper of

I hate war with a deep passion against the destruction of human life, but I would fight it at all risk, rather than give this planet over to the unchallenged rule of an oligarchic empire; I would fight to ensure that my republic survive and win that war, by aid of the most terrible of efficient means required.

my mind, but also the underlying temper of the majority of my fellow-citizens, as was shown before during 1941-45.

My policy is to postpone thermonuclear war, hopefully until such point an international order consistent with Cusa's description of natural law is made efficiently universal among states. War can be postponed significantly beyond 1988, only if the United States and its allies deploy those "new physical principles," by means of which the strategic defense is afforded superiority in firepower and mobility over the offense. That does not eliminate war; it merely postpones it. Generally, for the moment, nothing more can be desired.

The postponing of war, provides time during which to develop more durable solutions. This time will be fruitful, if mobilization of war-postponing defense incorporates measures of change in economic relations among sovereign states, to afford to each and all peoples ready access to means for increasing the productive powers of labor per-capita.

My policy is, therefore, to postpone war also with Cuba, if Cuba is efficiently disposed to assist us in making that possible. Granted, the United States must offer the efficiently durable policy required to this effect, admittedly including some changes very much to U.S. advantage in current U.S. policy.

Such options come into being only if they are openly discussed. What must be explored openly, are not the details to be negotiated among diplomats. What must be explored openly are matters of principle, including principles of economy.

So, the following open letter of response to Fidel Castro is situated.

Letter

Comandante Fidel Castro!

I have reviewed your recent remarks on the subject of Ibero-American external debt, including the extended report in *Excelsior* and the more recent report in *Folha de São Paulo*. It would be superfluous to discuss areas of agreement, since my own warnings and proposals on this matter have been widely circulated and hotly debated internationally since my Bonn press conference on this subject in April 1975, including my widely circulated *Operation Juárez* of August 1982.

I limit attention here, to certain important points of disagreement, especially your mistaken argument, that reduction of the U.S. defense budget is more or less indispensable, to enable the U.S.A. to solve the Ibero-American debt-crisis.

The economic crisis

Contrary to widely publicized delusions, the past 25 years of U.S. military expenditures have not added a single dollar to the present level of the U.S. budget deficits. If the actual rate of U.S. monetary inflation is taken into account, the United States has spent far less on military expenditures under the Reagan administration, than it did under the Carter-Mondale administration. In fact, the total expenditures by the U.S. federal government, excepting debt-service charges, have dropped significantly since 1980.

Contrary to your assumption, the high-technology portion of the military budget has had a positive impact upon the health of the U.S. economy, to the degree, that if this sector of military expenditures were to cease, the U.S. economy's rate of collapse would be accelerated as a result. Such a reduction of U.S. military expenditures would have a catastrophic impact upon the still-surviving margin of the industrial and agricultural sectors of Ibero-American states! Why this is true, I shall explain in the course of this Open Letter.

Summarily, the recent history of the U.S. economy is this.

During the 1936-38 period, President Franklin Roosevelt knew that the world was headed into a new major war. Certain policy shifts, in preparation for such a war, were already under deliberation in the U.S. government and other influential U.S. circles at that time. By 1939, the President had begun certain lines of action, intended to mobilize the U.S. economy to the extent needed to support a major war. Thus, the period 1939-43 was one of general recovery of the U.S. economy from the Great Depression.

From the close of that war, despite the dangerous postwar inflation and the 1957-59 recession, there was an irregular advance in the levels of productivity of the U.S. economy into 1966. This 20 years of progress was sustained chiefly by the combination of technological spill-overs from military production, and a sustained growth of investment in improvements of basic economic infrastructure.

During 1967-68, under President Johnson, a profound and disastrous shift in U.S. economic policy was introduced as a newly adopted policy of the federal government. This was introduced under the demagogical cover of the "Great Society" programs, a fundamental shift in U.S. economy policy, toward transforming the United States into a "post-industrial society," sometimes called a "technetronic society." This policy led into the monetary crises of 1968 and 1971-72.

Over the interval 1967-71, the U.S. economy's rate of growth came to a stagnating halt. Prior to 1977, the combination of the 1972 Azores and 1975 Rambouillet monetary conferences, and the 1973-75 "energy crises," turned the U.S. economy's productivity downward, led by a general collapse in expenditures for maintenance of basic economic infrastructure. The Carter-Mondale administration introduced a nakedly Malthusian policy, and unleashed a full-scale, accelerating collapse of the U.S. economy, with Carter's and Paul A. Volcker's introduction of a policy called "controlled disintegration of the economy," beginning October 1979.

President Reagan has continued the monetary and economic policies which he inherited from the Carter-Mondale administration. So far, President Reagan has made no significant deviations from the policy guidelines which the New York Council on Foreign Relations laid down for the incoming Carter administration in the CFR's 1975-76 *Project 1980s* manuals. Since February 1980, when the first impact of the Volcker measures was felt in the economy, the U.S. economy has been continuously on a roller-coaster-ride downward, with no impulse for general recovery toward 1979 levels.

As my associates and I forecasted at the close of 1979, and during early 1980, the economy plunged downward, from February 1980 until it reached a temporary plateau during the autumn of that year. Then, it plunged to deeper levels, again, during 1981-82, until it reached a new, lower plateau, at the close of 1982. During 1983 and most of 1984, agriculture, industry, and infrastructure continued to collapse, although at a slower rate than during the worst period of 1982. During the second quarter of 1984, the economy began to collapse more steeply again, with effects of this showing clearly during the third quarter of 1984. During March of 1985, a precipitous rate of decline began.

There never was a 1983-84 economic recovery, nor was the rate of monetary inflation ever turned back. During this two-year period, the real rate of inflation was in the order of between 10% and 15% per annum, and, despite temporary increases in number of automobile units sold, the net physical

output of the economy continued to decline at a generally accelerating rate throughout this period. The important net increases in reported National Product were, partially, increases in financial and services income, whose impact upon the real economy is chiefly parasitical. The increases in some categories of sales were chiefly a reflection of increased indebtedness, not increased net income. The remainder of the illusion of a 1983-84 "recovery," is nothing but fraudulent manipulation of statistics by, chiefly, the Federal Reserve System and the Bureau of Labor Statistics.

The increase of the U.S. federal debt, since October 1979, has not been caused by increases in real rates of federal expenditures; those rates have declined. The increased indebtedness has been caused by the combination, of a contracting (real) tax-revenue base, and of a usurious cost of refinancing public indebtedness.

There is no competent objection to this portrayal of the general trends. Granted, the data on physical input and output by U.S. and official supranational agencies, are riddled with margins of error. However, my associates and I have made an exhaustive compilation of this data for the 1952-82 period, and some later data. In terms of physical output per capita, the rate of collapse since 1970 is clearly shown, and the rate of collapse since 1979 massive and accelerating. If this raw data is used, rather than the arbitrary indices, the picture is simple and clear.

To trace the impact of this upon developing nations, three principal points must be considered:

- 1) Impact of monetary policies;
- 2) Impact of decline of demand for primary materials by contracting industrial sectors of principal industrial nations;
- 3) The mid-1960s shift, away from the avowed development objectives of the U.N.O.'s "First Development Decade," toward an increasingly Malthusian policy of collapsing the economic basis for sustaining populations of developing nations.

In Ibero-America, for example, the 1950s policy of the United States was so-called "import substitution": the movement of U.S. firms toward "cheap labor" markets in the Hemisphere. This was deployed to gobble up capital available within Ibero-American nations, but also attuned to the role of Ibero-American industrial development as a supplier of cheap goods into both the U.S.A. and Western Europe, and into other markets. The United States had a significant interest in at least the limited development of the Ibero-American economies, on condition that "no new Japans" emerged south of the U.S.A.'s Rio Grande border.

During the middle of the 1960s, this changed, echoing the introduction of "neo-Malthusian" dogmas into the policies of Western Europe and the United States. The shift came very quickly, but increased in intensity of effects only step by step. The 1967-68 crisis of the British pound and U.S. dollar, was followed by the 1971-72 monetary crises,

the 1974-75 energy crisis, the 1975 Rambouillet conference, the 1979 introduction of "controlled disintegration of the economy," and the 1982-83 "debt-crisis" measures. Beginning 1971-74, a bubble in external indebtedness of Ibero-American states was generated, through IMF interventions to force down currency-values arbitrarily, and increasingly usurious refinancing of existing debt.

In part, the Ibero-American governments are themselves largely to blame for this. In 1975 and 1976, they refused to unite in support of the policies of monetary reform adopted at the August 1976 Non-Aligned Nations' conference in Colombo. In 1982, they refused to unite in support of Mexico's President José López Portillo. In 1982, they preferred the policies of Kissinger Associates, Inc., to those of President López Portillo; entire nations of this hemisphere could be swept away in convulsions of the coming period, as a consequence of that fear-ridden submission to Kissinger.

Admittedly, the weak and frightened governments of Ibero-America have far more credible excuses for their lack of courage than the United States' government. That does not lessen the price entire nations and peoples are now paying for such lack of awareness of irreversible destruction caused by the submission.

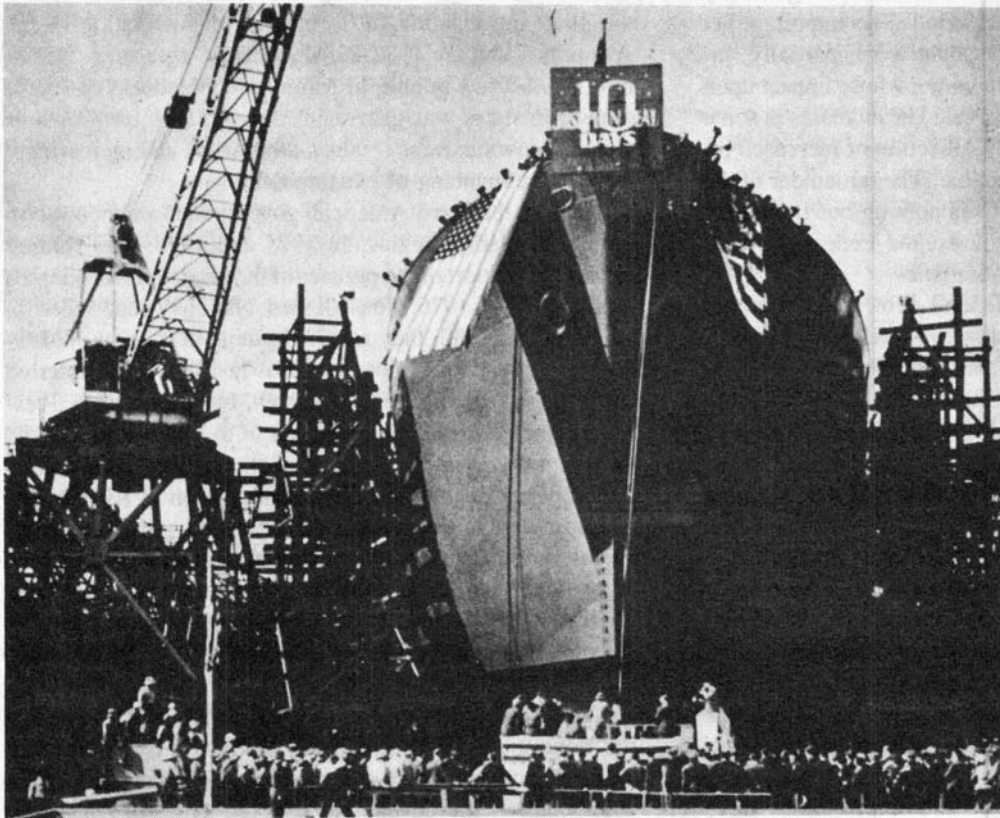
The more general lesson to be learned, is that it is chiefly the domestic economic policies of the United States and Western Europe, which determine the circumstances of the economies of the developing nations. True, in *Operation Juárez*, I elaborated the joint measures by which the nations of Ibero-America could defend themselves efficiently against the worst effects of the deepening world-wide economic depression. Although each and all of those nations are vastly weaker now than they were in 1982, and the benefits of such measures far less now than they would have been then, these are still the optimal measures of economic defense. Optimal they may be, but without a change in the economic policies of the United States, tens of millions of people in Ibero-America are doomed soon to die, as the price to be paid for failing to take courageous and effective joint-actions earlier.

The U.S. Strategic Defense Initiative

Directly contrary to your proposal, the only possibility for a change in U.S. monetary and economic policy toward Ibero-America, is an accelerated rate of implementation of the U.S. Strategic Defense Initiative (SDI).

During the period 1871-86, the United States was put through a deep and prolonged depression, by joint actions of the Anglo-Swiss financial interests and their Morgan-centered agents inside the United States. This was highlighted by a corrupted Congress's passage of the U.S. Specie Resumption Act, which made the U.S. dollar and banking enslaved to foreign, Anglo-Swiss financial interests' manipulations.

Since that period, there has been no general economic recovery in the U.S.A., except during major wars or mobi-



A merchant ship is launched in Vancouver, Washington in the fall of 1942. "The possibility of a change in U.S. monetary and economic policies today, can occur only as the result of an undeniable collapse of the monetary order, or a perceived military threat to the United States itself. It is probable that only a perceived military threat would prompt a positive change in monetary and economic policies."

lizations in preparation for anticipated wars. Although certain aspects of military expenditures do stimulate civil economy most directly, it was not military spending which accounts for these economic recoveries. Rather, it is only in anticipation of war fought in aid of the British cause, that the Anglo-Swiss financial interests permit the U.S.A. to resume the kinds of economic policies specified by U.S. Treasury Secretary Alexander Hamilton.

At the beginning of this century, Lord Milner's circles adopted a policy of economic mobilization to arm Britain for the impending war on the continent; they explicitly borrowed some of Hamilton's policies to accomplish this. A few years later, Britain directed the United States to aid in these preparations, and a general economic boom persisted in the United States, from the aftermath of the 1905-07 crisis, until the close of World War I.

Again, at the onset of World War II, Britain ordered the United States to mobilize, to assist Britain in the coming war in Europe. Until the middle of the 1960s, a similar arrangement persisted.

In each case, "Hamiltonian" measures of economic mobilization, permitted the U.S. economy to be expanded in scale and technological advancement, to the extent the mobilization of military preparations required.

Today, behold the behavior of leading U.S. institutions and the electorate generally. Over the recent 20 years to date, the U.S. economy has been collapsed to a relative degree

unprecedented in its history. Not even during the interval 1929-38, did the relative levels of output fall as deeply as they have fallen since 1970. How much impulse do you witness, to change those monetary and economic policies which have caused this accelerating enmiseration of agriculture, industry, and the lower half of the household-income groups?

The United States is not to be specially ridiculed for such foolish behavior. It is the record of history, that nations and peoples respond to a step-by-step worsening of conditions, rather by grumbling accommodation to this decline, at each level, than by becoming aroused to demand correction of the policies which have sponsored such calamities. Contrary to populist mythologies, the "people" generally have learned nothing from "lessons of experience," as long as those calamities develop only gradually.

For such reasons, the history of major changes in popular opinion, is a history either of gradual changes for the worst, or a history of wars and kindred convulsions.

From the top to the bottom of U.S. society, like all societies of the world, only convulsive shocks can prompt a general reaction of leading institutions and citizenry against policies which have fostered calamitous conditions.

The possibility of a change in U.S. monetary and economic policies today, can occur only as the result of an undeniable collapse of the monetary order; or a perceived military threat to the United States itself, or a combination of

both. It is probable, that only a perceived military threat, would prompt a positive change in monetary and economic policies.

The effect of military threat upon economic policies occurs in this way. In modern democracies, most emphatically, the diplomats and bankers dominate monetary and economic policy, and military policy, too, until a military threat causes the military to be given relatively greater weight in policy-shaping. Since military planning emphasizes material and logistics, the influence of the military upon general policy-making, in such crisis-circumstances, is directed to promoting rapid increases in output of physical goods, in development of basic economic infrastructure, and in emphasis upon rapid rates of introduction of advances in technology.

The first reaction of the U.S.A. and NATO, to a perceived threat in the presently accelerating Soviet mobilization, is a shift to "launch on warning," to offensive deterrence, of course. However, since the SDI is already established U.S. policy, the escalation of "deterrent" posture must be accompanied by a somewhat slower-paced but accelerating emphasis on rapid deployment of strategic defensive capabilities. It is not necessary, and would be incompetence, to speculate upon imagined "secret plans" in the U.S. Defense Department. Military affairs, more than any other aspect of policy, are governed by principles which impose their guidance upon thought, even among those who have no forewarning of such new directions in their own thinking. In face of a threat, the U.S. military policy will become rapidly what reason dictates it must become, despite any contrary thinking presently afoot.

Reason in military science stipulates that absolute preponderance of the offense is both unscientific and intolerable. Whenever the offense runs ahead, the emphasis must be placed on seeking to make the defense preponderant. As firepower and mobility in military arms, is merely the complement to increased productivity in economy, there are fundamental principles of economic science which dictate that wherever the defense or offense presently prevails, the other must next prevail.

The essence of SDI is three kindred frontiers of science today: 1) controlled thermonuclear fusion; 2) coherent modes of directed energy; 3) optical biophysics. There are other technologies involved, of course. Those others are essentially auxiliary; it is the three cited which are primary. These represent the greatest firepower and mobility ever supplied to weapons, by an order of magnitude or more, and represent implicitly less cost to destroy offensive weapons, than to build and deploy those offensive weapons. Thus, the power which emphasizes the defense, prevails over the power which continues to emphasize the offense. The military logic is obvious.

These same technologies also represent the basis for the immediate emergence of the greatest technological revolution in economy. This potential for the economy of our planet, is typified by the fact, that thermonuclear fusion is essen-

tial to both powered interplanetary flight and to powering colonies on Mars, for example. Coherent modes of directed energy, powered by fusion, are the tools indispensable for space-colonization. Optical biophysics, is the frontier of biology, a biology which is the precondition for sustaining life in space-exploration and colonization.

It is the case, that a U.S. defense budget of between \$400 and \$500 billion annually could be easily sustained, on condition that the impact of new military technologies spills over into the expansion of the civil economy. There is no conflict between U.S. military expenditures and assistance to the Ibero-American economies. Probably, the higher the U.S. military budget, the greater the impulse and ability of the U.S. to assist Ibero-America economically: A new mobilization resembling that of 1939-43, is probably the only circumstance under which the U.S.A. would be able to improve the economic conditions of Ibero-America substantially and quickly.

Requirements for economic recovery

After the wicked Malthusians, the most dangerous fools today, are those influential spokesmen of developing nations, who insist that the essence of the problem of developing economies, is an inequitable distribution of shares of income between the OECD and developing sectors. These fellows are dangerous, not merely because they are passionately attached to silly superstitions. One of the most effective means which the Anglo-Swiss usurers have deployed, to sabotage Non-Aligned unity on the issue of monetary reform, was U.S. Secretary of State Henry A. Kissinger's mid-1970s manipulation of terrified and credulous developing-nations governments, into supporting such diversionary schemes as the proposed "Common Fund."

You must certainly remember, in some vivid detail, that the notion of establishing OPEC-mimicking primary-materials cartels, to create a fund out of which development might be financed, was presented during the 1970s as an alternative to changes in international monetary organization. Typical of that "Abe Rellis of diplomacy," Henry A. Kissinger, as you may recall, the governments were warned to the effect: "If you demand monetary reform, a terrible example will be made of your government, you, and the members of your family." It was "suggested," that such homicidal unpleasantness might be avoided, if those governments would support physiocratic concoctions, such as the "Common Fund," instead.

Kissinger's variety of tricks has been complemented on the Soviet side, emphatically since 1975, by the repeated argument, that the problem of "technology transfer" to developing nations can not be solved, until the United States accepts a drastic reduction in its military spending, and agrees to donate a large portion of the funds cut from military spending to development assistance. Even now, when the Soviet government has recently reversed its 1975-85 policy of sup-

port for IMF "conditionalities," Soviet spokesmen, and you, repeat the argument, that "technology transfer" must come chiefly out of a redirection of U.S. arms-expenditures. This line of argument is identical in essence, to Kissinger's recommendation of such schemes as the "Common Fund."

A certain leading aspect of modern history helps make clear how and why some spokesmen of developing nations are lured into such destructive delusions as the Kissingerian and Soviet dogmas identified. Beginning with the arrival of the seventeenth-century British colonial governor Sir Edmund Andros in Massachusetts, but most emphatically beginning in 1763, the leading motive for the preparations of the American Revolution, first by the networks of Gottfried Leibniz, Jonathan Swift, and Cotton Mather, and, continued by Mather's protégé Benjamin Franklin, was the same British colonialist policy defended in Adam Smith's *Wealth of Nations*, and continued as Anglo-Swiss monetary and trade policies down to the present date. Indeed, in chief, the two U.S. wars against Britain, 1776-83 and 1812-15, were fought against the "free trade" dogmas of the British East India Company's Adam Smith.

Smith was a basely immoral creature, who insisted that public morals should be based on nothing but the Hobbesian beast-man's doctrine of exclusive service to hedonistic impulses, for individual pleasure and avoidance of pain. He insisted that the individual and society should never intervene on account of the foreseeable consequences of such hedonistic impulses. Smith was a follower of British intelligence's David Hume, and since no later than 1763, explicitly an agent of Lord Shelburne. Smith's education in economics, like Hume's earlier, was taken under sponsorship of the same Swiss circles which co-sponsored Montesquieu, Voltaire, Rousseau, and, later, in alliance with Shelburne, Bentham, and William Pitt the Younger, Necker, Robespierre, Danton, and Marat. In France, these circles of the Geneva and Lausanne banking interests, were allied with the same Clermont which produced the Jacobite circles in Britain. The chief economic apologist for these Swiss bankers, was the anti-Colbertist Dr. Quesnay, from whom Hume and Smith received the chief part of their modest instruction in political-economy.

The British themselves have insisted, *ex cathedra*, that it was the radical version of Hume's and Smith's irrationalist hedonism, nakedly advocated by the British East India Company's Bentham, Malthus, James Mill, and John Stuart Mill, which constitutes the essence of what is alternately styled as "British nineteenth-century philosophical radicalism," or more simply, "British nineteenth-century Liberalism." This was the essence of Anglo-Swiss nineteenth-century colonialism. After approximately 1950, the Anglo-Swiss and the U.S. Eastern Liberal Establishment, retreated into a thinly disguised neocolonialism, until the last half of the 1960s. Now, the British-based private firm, Kissinger Associates, Inc., has reverted to naked nineteenth-century British colonialism, resurrecting the "debt-for-equity" policies by which nine-

teenth-century Britain used Egypt's Suez Canal debt, to loot and conquer Egypt. The political-economy of the British East India Company's Haileybury economists, Smith, Malthus, Ricardo, James Mill, J.S. Mill, Jevons, et al., can not be understood apart from the Hobbesian form of hedonistic immorality, the which is embedded in the Mill-Jevons adoption of Bentham's "felicific. [hedonistic] calculus," the dogma of "utility."

To understand why many educated circles of developing nations are seduced into such physiocratic delusions as the "Common Fund" or the Soviet argument on transfer of U.S. military expenditures, the post-1945 experience of developing nations must be examined in light of Franklin's, Hamilton's, the Careys', and List's emphasis upon the feudalistic character of British (Anglo-Swiss, Venetian) political-economy.

That is, the British economy, from the Stuart Restoration of 1660 to the present date, is a mixed feudalistic-industrial economy, with the feudalistic component politically and financially on top.

Smith's colonialism, and neo-colonialism, have three leading and interconnected impacts upon developing nations. First, is the export of usuriously refinanced indebtedness. Second, is the persisting effort to reduce these nations to exporters of cheap primary commodities. The third is exemplified by the efforts of the Morgan-centered and Anglo-Swiss interests, to prevent any "new Japans" from emerging, south of the United States' Rio Grande borders, or in any other part of the developing sector as a whole. These three are precisely the policies which the United States fought against in its two wars against Britain.

The self-destructive tendency prevailing among developing nations' governments, up to this point, has been to capitulate on the first issue, usurious monetary and banking practices, and on the third, domestic capital formation, and to concentrate on supposed remedies in the form of higher prices for primary commodities.

The formal side of this failure of perception among developing nations, is the utter ignorance of economic science widespread among those governments which believe that either they or their specialist-advisers, are qualified professionals in political-economy. This problem, and its correlatives, you fail to address efficiently in any among your known statements of the recent period. This is in no respect a merely academic issue, for reasons I shall now indicate in summary.

Economic science

Forgive me for including this brief lecture on the ABCs of economic science. This is required on two counts. First, very few governments today possess even the rudiments of knowledge of economic science. Second, although I am certain that you have the practical knowledge of economy adequate to learning rapidly the rudiments of economic science, there are included major errors of grave practical importance

in your public statements, whose implications must be made clear.

Modern economic science was founded, as a science, by Gottfried Leibniz during the interval 1672-1716, beginning with his 1672 paper on "Society and Economy." Until Leibniz, up through the policies of Leibniz's sponsor, France's Jean-Baptiste Colbert, there was a movement toward establishing an economic science, beginning with the collaboration on the subject between Plethon and Cosimo de Medici. This movement led through the Erasmians in sixteenth-century Tudor England and France, including Jean Bodin, and through Naples, a current known during the sixteenth and seventeenth centuries, variously, as "*les politiques*" or "the cameralists." It was Leibniz, whose work on the subject of the heat-powered machine, and whose conception of "technology," established economics as a science.

After Leibniz, eighteenth-century economic science developed through, chiefly, three channels, the English colonies in North America, the circles centered around the Oratorian teaching-order in France, and instruction in Leibniz's economic science as "physical economy," in the cameralist training-centers in Germany. Leibniz's economic science became institutionalized at the turn of the nineteenth century, under the name supplied by U.S. Treasury Secretary Alexander Hamilton, "the American System of political-economy." In the revival of Hamilton's policies, under Presidents Monroe and John Quincy Adams, the work of the Ecole Polytechnique's economists, Chaptal, Ferrier, and Dupin, was incorporated, largely through the collaboration between the Marquis de Lafayette and Friedrich List. This became not only the basis for the industrial development of the United States, but also of Germany, and the work of Cavour's circles in unleashing the economic development of northern Italy.

The successful Anglo-Swiss subversion of the United States, through the Specie Resumption Act of the 1870s, the containment of the republican faction in Germany, especially under Bismarck and his successors, and the suppression of governments committed to the American System in Ibero-America under the reign of President Theodore Roosevelt, made the doctrines of Adam Smith and his utilitarian successors politically hegemonic world-wide. The United States' surrender of its sovereignty over its currency and banking, beginning with the Specie Resumption Act and continuing with the establishment of the Federal Reserve System, eliminated all efficient resistance to Anglo-Swiss financier monopoly over international banking and monetary affairs.

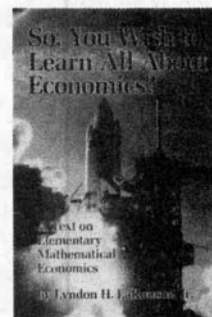
Since the American System ceased to be a policy practiced by powerful factions of government and business, its study was more easily eradicated from the universities and the professions. Although nineteenth and twentieth centuries' Anglo-Swiss political-economy is merely a collection of "money theories," which can not, by definition, recognize actual issues of physical economy, the Anglo-Swiss have attempted to circumvent this inherent incapacity of "money theories," by borrowings from, chiefly, the positivist Lau-

sanne School of Walras and Say, and, since the 1890s, by aid of adding borrowings from Marx to the Cambridge Apostles' doctrines of marginal utility: the root of so-called "systems analysis."

On the subject of economy today, the professional economists of all countries, are, chiefly, pathetically, viciously, conceited ignoramuses.

I refer your attention to a refutation, published in the June 10, 1985 issue of *Executive Intelligence Review*, of the recent item by Prof. Wassily Leontief, "The Choice of Technology," the latter published in the June 1985 issue of *Scientific American*. Relevant background is also provided in my "The Continuing Hoax of 'Artificial Intelligence'" (*EIR*, May 14, 1985), indicating the exemplary points of synthetic geometry applicable. In these locations, and in my 1984 introductory text to mathematical economics, *So, You Wish to Learn All About Economics?*, you will find the essential points to be made on my line of argument here. On the history of British political-economy, see LaRouche and Goldman, *The Ugly Truth About Milton Friedman*, 1980. On the documentation of the three-point conspiracy among Cotton Mather, Jonathan Swift, and Gottfried Leibniz, in establishing the movement which Franklin soon after headed up in North America, see the forthcoming book by Graham Lowry.

To be continued



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The TWA hijacking: Can Reagan break the syndrome?

by Paul Goldstein

The hijacking of Trans World Airlines Flight 847 by the members of the Islamic Amal militia and the murder of four U.S. Marines in El Salvador are part of a well-orchestrated global terrorist campaign launched by the Soviet secret intelligence service, the KGB, the Khomeini regime, and the Soviets' chief Middle East surrogate and ally, Hafez Assad's Syria.

The primary strategic objective of this operation is the breaking of the political will and popular mandate of President Reagan and the demoralization of the American population in the face of evident impotence. It is Moscow's conscious intent to "Carterize" President Reagan into accepting a "political deal" with Moscow, based upon the back-channel negotiating positions developed by NATO Secretary-General Lord Carrington and former Secretary of State Henry Kissinger. These positions include "negotiating away" the Strategic Defense Initiative (SDI).

Testing the U.S. command

Ever since the Korean Airliner 007 incident on Sept. 1, 1982, Soviet intelligence has been creating crises, and then monitoring the political and psychological profile of the United States command under crisis conditions. Each time the Soviets have tested the U.S. command, including the Major Nicholson shooting in East Germany, Moscow's conclusions have led them to initiate another action, escalating their psychological warfare and provocations, which in turn increases the pressure upon President Reagan.

As long as the State Department "appeaser" faction has the upper-hand, along with National Security Advisor Robert McFarlane, in directing the President's actions, the Soviets believe that they can continue to escalate without incurring

much risk that the United States will actually retaliate in appropriate fashion—with strikes at Moscow's key flanks.

Each time, of course, the situation eventually "calms down." But if the Reagan administration continues to act on such a profile—believing that "waiting it out" will solve the crisis, it will be accepting a very dangerous situation.

In fact, the only way to stop Soviet escalations is as *EIR* Contributing Editor Lyndon H. LaRouche, Jr. has recommended: The President must call a national defense emergency, and use his powers as Commander-in-Chief for national security purposes, including the creation of a top-down counter-terror apparatus that includes the military, intelligence community, and law-enforcement agencies.

Although the President has directed Vice-President Bush to set up a new study to prepare for such an option, the critical problem remains: Immediate response capabilities and pre-emptive actions are "only an option."

As LaRouche has pointed out the Soviet economic mobilization for war and their global campaign against the United States will force the crisis upon the United States over the coming weeks. Unless the United States's means for handling these attacks are formally established now, Moscow will be able to maximize the advantage they gain, using terrorist operations to the fullest.

According to high-level U.S. intelligence sources, the next series of moves by Moscow, should the United States not act decisively, will include not only escalating their Syrian intelligence-controlled Shi'ite murderers' conduct of surrogate terrorist warfare, but will move to a confrontation with the West over West Berlin, by as early as September.

Moscow's calculations for this confrontation are based upon the fact that the U.S. intelligence community and mil-

itary are in a weakened position. With the aid of the British and the Sharon faction of Israeli intelligence, Moscow believes it can shift "the correlation of forces" against the United States.

Sharon's invasion

The Israeli position in the whole hostage matter, and Israel's decision, at this point, not to release the Shi'ite Al Amal prisoners as demanded by the hijackers for the release of the Americans on the TWA flight, can only be understood in the context of former Israeli Defense Minister Ariel Sharon's June 1982 invasion of Lebanon. Sharon's strategic madness, of course, was based upon a deal between the Syrian dictator Hafez Assad and Israel, to partition Lebanon into Syrian and Israeli camps.

But this, in turn, is based upon a broader Israeli deal with the Soviet Union, which the Sharon group views as the increasingly dominant factor in the Middle East.

According to Israeli sources, Sharon is reportedly pleased with the predicament of the United States, stating that it completely justifies his invasion of Lebanon in the first place.

However, according to a leak appearing in a nationally syndicated column by Evans and Novak, Israel is worried that a U.S. counter-strike could upset their deal with the Shi'ite Amal. The column, entitled, "Big Talk, Little Clout," states:

"Retaliation by the United States might also damage Israel's scheme for an allinace with (Nabih) Berri's Amal as the safest way to seal its northern borders against hostile attack froms Palestinian and Shi'ite extremists. When they entered Lebanon, Israeli troops were greeted with flowers by a passive Shi'ite population terrified by the marauding guerrillas of the Palestine Liberation Organization."

The shift by the Amal against the Israeli invaders, which was due to a deliberate Israeli policy of radicalizing the more moderate Amal, coupled with well planned and coordinated Iranian and Syrian operations against U.S. intelligence capabilities in Lebanon, made possible the establishment of terrorist operations in the Baalbeck/Bekaa Valley area of Lebanon.

According to a U.S. intelligence source, 10 years ago, U.S. intelligence had at least 200 agents on the ground reporting on each faction and militia organization operating in Lebanon. By June 1982, at the time of the Israeli invasion, U.S. intelligence had approximately 60 operatives. After the Israeli invasion, the blowing up of the U.S. embassy in which the CIA director for Mideast affairs was killed, and the killing of 241 Marines in October 1983, U.S. intelligence capabilities were practically reduced to nil.

This dismal state of affairs is one of the primary reasons that terrorist operations against the United States have been successful in the region, and that Israel has not been forthcoming in aiding the United States in the hostage crisis.

The KGB, Syria, and Greece

The immediate operational team which carried out the hijacking in Athens, Greece was under the control of a split-off faction of the Lebanon-based Shi'ite militias of Al Amal, the "Islamic Amal," under the direction of pro-Iranian Shi'ite, Hussein Mousavi.

According, to high-level U.S. intelligence sources, one of the terrorists from this group spoke German, indicating a potential East German link.

Moreover, the operation at the airport in Athens was under the control of the ministry of the interior, headed by a man who is a known collaborator of the KGB.

The weapons for the operation were placed on board the plane before the terrorists boarded. They knew in advance which passengers were U.S. military personnel. The hijackers took off for Beirut where Nabih Berri's group, along with other Shi'ite militias, commandeered the airport and took over the hijacking. Once in Beirut, Robert Stethem, from the elite Navy Seals commando unit, was beaten, shot between the eyes, and dumped out on the tarmac.

During the unfolding drama, the elite U.S. counter-terror unit, Delta Force, was dispatched to the region, but its whereabouts were reported prior to its landing in the Middle East.

The blowing of the cover of Delta Force was carried out by the U.S. news media.

More importantly, the KGB and GRU were conducting regular intercepts of U.S. communications traffic and then tipping off the terrorists to each and every move the United States was undertaking. The conduit for the intelligence was the Syrians.

The result is now upon us: a crisis reminiscent of the hostage crisis in Iran during the Carter administration.

The next phase

From all indications, the immediate next phase of Moscow's terrorist gameplan is to target the United States itself. As *EIR* has been reporting, there exists in the United States a terrorist infrastructure which can be activated at a moment's notice. This apparatus of Shi'ite, Libyan, and anti-Arafat Palestinians are in place for assassination operations as well as operations designed to produce chaos. Nearly 300 Shi'ite terrorists are presently in the United States, and are now under the direction of Ayatollah Mahalati, a newly arrived Ayatollah who was deployed into the United States by Khomeini.

With the blind terrorist bombing at Frankfurt International Airport on June 19, the enemies of Western civilization have embarked on a campaign ultimately analogous to Ghengis Khan's invasion of Europe. The White House is absolutely correct to call the terrorism wave an attack on Western civilization by barbarians. But unless the President makes a dramatic move against the barbarian tide, Ronald Reagan may be "the last President of these United States."

Moscow orders 'planetary terrorism'

by Thierry Lalevée

The hijacking of TWA Flight 847 on June 14 in Athens by members of the "Hussein Suicide Commando Group Abu Arab," and the detonation of a military explosive device at Frankfurt International Airport on June 19, constituted an extension of Mideast-style blind terrorism to Europe. This is the modus operandi of Syrian intelligence, which perpetrated similar crimes in France in 1982 and 1984.

This is not terrorism as people are accustomed to thinking of it: These are acts of war by the Soviet Union and its surrogates against the United States and its allies, who have planned what an intelligence source described as an "upcoming wave of planetary terrorism." Involved both in the hijacking and the Frankfurt terrorist bombing have been not mere terrorist groupings, but Moscow's satrapies, the governments of Syria, Libya, and Iran—and Papandreou's Greece. And the stakes are very high. As the French daily newspaper *Liberation* editorialized on June 19, the hijacking brings to mind one word: "Sarajevo." "Wars have been declared for much less."

According to the intelligence sources of several nations, a series of new hijackings and terrorist bombings is to follow the present events. Even if the passengers of the TWA flight were successfully freed, others would be immediately taken hostage.

The bombing in Frankfurt on June 19 is revealing. It made the point that although the international community had rightly blamed Socialist Prime Minister Andreas Papandreou for the lack of security at Athens airport—or rather, for outright collaboration—Frankfurt made the point that no airport can be safe in front of determined terrorists. Creating a new focal point of attention, it decreased the pressures on Papandreou and the Beirut terrorists. Behind it, it was said, is emerging a global strategy which will see similar terror-bombings worldwide to ensure that precise identification of the culprits and potential retaliations simply become impossible.

The plot behind the hijacking

It is no coincidence that at the height of the Beirut hijacking crisis, Syrian President Hafez al Assad was summoned to Moscow by Mikhail Gorbachov. Although the public re-

lease described their talks as having focused on the need for Palestinian unity, other reports indicate that the real substance of the unannounced visit was to plan the next stage of the Middle East crisis, just as Assad is rumored to have made a secret trip to Moscow in early June before the present crisis. The next step may include a staged war with Israel.

This was the process set in motion in the early part of this year when, under Soviet sponsorship, the foreign ministers of Libya, Iran, and Syria met in Teheran on Jan. 25 to create an "anti-American, anti-Zionist" front. The rhetoric is not new, of course. However, as was later revealed, the meeting served as a cover for tightening of intelligence ties between the three countries.

Between the end of December and early February, a series of conferences took place in London whose significance has yet to be appreciated by the American administration and its allies. The conferences occurred under the leadership of Hojatessalam Hadi Gaffari, leader of the Iranian Hezbollahi (Party of God), Hojatessalam Sayyid al Hashemi of the Supreme Council of the Islamic Revolution in Iraq, Sayyid Hussein al Sadr of the Iraqi Shi'ite Da'wa Party, and Hassan Hashim, chairman of the executive council of Al Amal in Lebanon. They created a new organization called "The Supreme Council of the Islamic World Revolution" (SCIWR), an impressive name to institutionalize what already existed.

One of the concrete results was officially announced on March 24 by Ali Al Hussein, member of the politburo of the Amal organization. Under the sponsorship of the SCIWR, the Lebanese and Iranian Shi'ite organizations in Lebanon were united. As Hussein described it bluntly in March of 1985, "Amal acts as an umbrella organization" with a single Military Coordinating Council for Al Amal, Sheikh Mohammed Hussein Fadlallah, Hussein Moussavi's "Islamic Amal" split-off, and other commandos (see box).

Then, on April 1, Muammar Qaddafi announced the creation of the "Arab Revolutionary Command." Given Qaddafi's reputation, this was not taken seriously. Nonetheless, the conference was attended by large groups from Syria, Iran, and Lebanon, as well as Palestinian rejectionists and Iraqi Shi'ites. Stressing again the objectives discussed in Teheran on Jan. 25 for a stronger and more effective "anti-American front," Qaddafi announced that the new organization, together with associated groups, would sponsor "mass-suicide actions," and would also place bombs in "airports, hotels, streets, train stations, everywhere where we can hit the enemy." A day later, the Libyan press agency, JANA, announced that the Command was establishing new links with European-based terrorist groups.

With Moscow's logistical support, the new institutions to wage a war against "Western imperialism" had been created.

The decision, then, to hijack a TWA plane on June 14 was not fortuitous, but coincided with the end of Ramadan for some of the Middle Eastern countries. It also coincided with "Jerusalem Day," a public holiday in Iran, Libya, Syria, and Lebanon.

Plotting the hijacking were a series of conferences held at the beginning of June in Lebanon between Ayatollah Mohammed Mehdi Kharroubi, chairman of the Foundation of the Martyrs of the Revolution, Hossein Lavassani, deputy foreign minister, Lebanese Shi'ite representatives, and Syrian intelligence representatives. Kharroubi's foundation, which cares for wounded Pasdarans (Revolutionary Guards), has medical facilities all over the world. In July 1984 in Spain, these were exposed as a cover for Iranian terrorist operations.

Monitoring the hijacking has been Iranian Minister of the Pasdarans Mohsen Rafiq-Dust, who had visited Damascus and Beirut prior to the operation, arriving in Damascus on June 13. On the same evening, Syrian President Hafez al Assad held a public dinner where he announced that Washington had requested his help for the release of the hostages. Assad declared that "because of our code of honor," he had accepted the role of mediator, but that he had "great admiration for the courage and strength of our comrades of Islamic Jihad who are fighting such a powerful enemy."

By June 15, Rafiq-Dust was in the Bekaa Valley, and soon after, in Beirut, while one of his associates in Lebanon, Pasdaran leader Ali Avaie, was reported by the Lebanese newspapers to have met with three of the hijackers on June 16 in Beirut! On June 18, Avaie and other representatives of the Pasdarans held conferences in Beirut with Sheikh Mohammed Hussein Fadlallah, the real controller of the hijack-

ers and their hostages. In the summer of 1984, Fadlallah had created the "Hussein Suicice Commando" group, to which the hijackers belong.

A global counter-terrorism war

Though Washington is the immediate target, few outside the Kremlin would be wise to gloat over America's "new impotence" and seeming return to the days of Carter. An American humiliation will immediately put in danger the very existence of those clever Israelis, for example, who thought it wise to play the Shi'ite card against the Palestinians of Yasser Arafat, going so far as to release some 249 members of Amal last May to beef-up their fighting strength against Palestinian camps.

This leaves little doubt, too, as to the future of the European countries. The Frankfurt bombing should have come as a shock to those German foreign ministry officials who negotiated non-aggression pacts with Mideast terrorists.

It is a global terrorist war which is being waged. It should be answered globally, with diplomatic, political, economic, and military means. Military retaliations hitting at the economic infrastructure of the terrorists, such as Iran's oil terminal at Kharg Island should be considered. In the realm of diplomatic initiatives, Washington should immediately play the card of the moderate Palestinians around Yasser Arafat. No answer, as at present, except seeking "mediators" who are America's worst enemies, would be the worst policy.

Behind the hijacking: Lebanon's Shi'ites

The Iranian revolution of Ayatollah Khomeini did not radicalize the Lebanese Shi'ite movement, Al Amal. Al Amal trained and groomed those Iranians which were to organize the overthrow of the Shah, from Sadegh Ghotbzadeh, foreign minister later executed, to Mostapha Chamrane, founder of the Revolutionary Guards (Pasdarans) and defense minister until his death on the Iraqi front.

Al Amal (The Hope) was created in 1974 as the "Movement of the Disinherited" by Iran's Imam Musa Sadr, who had been sent to Lebanon in 1960 on orders of the Shah and his secret police, the SAVAK, to join the Lebanese Higher Shi'ite Council. He became national chairman in 1969. In 1975, the "movement" was transformed into the Amal militias, receiving financial support from Libya's Qaddafi. The SAVAK withdrew his support. In 1978, he disappeared in Libya and is believed to have been killed. Qaddafi disliked the way he was using his money.

After an interim leadership, Nabih Berri, a Sierra-Leone-born Shi'ite with an American green card, was made President of the Executive Council and Politburo, which also include: Col. Akef Haydar, Politburo chief, Hassan Hashem, council chief, Ali Al Hussein (foreign relations), Daoud Daoud (former Southern Lebanon commander), Ali Hamdani (press spokesman), and Hajj Mohammed (social affairs).

At a March 1982 congress, a resolution calling on Lebanese Shi'ites to recognize Khomeini as their supreme chief was rejected. Hussein Moussawi, the resolution's sponsor, split from the organization in the summer and established the "Islamic Amal" headquartered in Baalbeck. Its garrison was bombarded by French jets in retaliation for the Oct. 23, 1983 kamikaze operations in Beirut.

Also in Baalbeck are the military garrisons of the Iranian Hezbollah (Party of God) led by Lebanese Shi'ites Subhi Tufeily and Sheikh Arefi, and the garrisons of the Pasdarans, who fought against Israel in June 1982, led then by Ali Reza Mo'ayeri—today the Iranian chargé d'affaires in Paris. Their present leaders are Commander Ali Avaie and Sheikh Soyyed Ahmed Fekhari, also the liaison to Damascus. A regular liaison between Baalbeck and Teheran is Mortada Chamrane, Mostafa Chamrane's brother.

Who in the U.S. protects terrorists in Papandreou's government?

by Phocion

In our last issue, one day before the tragic highjacking of a TWA flight from the Athens Hellenicon airport, we published the name of the person who assassinated, back in 1975, the CIA station chief in Athens. We also identified by name those in the present Greek socialist government of Andreas Papandreou who are still protecting the assassin and his accomplices.

Subsequent to that publication, the TWA highjacking occurred under the most exceptional circumstances. Most exceptional was the fact that among intelligence and law-enforcement agencies, it was known that this particular highjacking was going to occur about one month prior to its occurrence. The decision to carry it out was taken in early May at a conference of Iranian, Libyan, Syrian, and Lebanese terrorist leaders under the supervision of East German intelligence agents. The story leaked to Western intelligence agents.

On May 23, 1985, the First Secretary of the Soviet embassy in Athens, 44-year-old Sergei Bokhan, defected to the United States. Bokhan, according to our information, had full foreknowledge of the planned highjacking. He had extensive knowledge of the Eastern Mediterranean region, especially Cyprus and Greece, where he had served under various diplomatic covers for at least seven years. He is reported to have been an officer of the Soviet military intelligence branch, the GRU, rather than the KGB. In this capacity, Sergei Bokhan was the controller of highly trained terrorist and assassination groups, *spetsnaz* (special forces) units, as well as military espionage units.

His style in controlling espionage units was to place heavy reliance on the technique of homosexual blackmail. Sergei Bokhan's handiwork is evident, for example, in the espionage case of seven British Royal Air Force homosexuals at the British high-security installations at Akrotiri and Episkopi in Cyprus, who were arrested in February 1984 and whose trial in London began June 14, 1985. The sordid tale of drugs, blackmail, and frequent homosexual orgies now unfolding in British courts, observers believe, had been stage-managed by Sergei Bokhan.

The Soviet First Secretary's penchant for homosexual entrapments reaches into the bedroom of at least one member of the Papandreou cabinet, Youth Minister Costas Laliotis. A pathetic public figure, the 40-year-old Laliotis maintains a

"steady" homosexual relationship with a painter, by the name Talaganis, who is a hard-core communist who lived most of his life in Tashkent, U.S.S.R. Tashkent, until 1975, was the headquarters of the then-exiled Greek Communist Party, and the originating point of a special *spetsnaz* capability now deployed inside Greece under the command of Gen. Markos Vafeiadis. Youth Minister Laliotis is not only an overt sympathizer of terrorist causes, not only of communist persuasion, but also under homosexual blackmail by the GRU—a not inconsiderable odium in macho Greek society, especially when it comes to *passive* male homosexuals such as the Youth Minister.

Another ranking passive homosexual under GRU control is the director of the Greek Munitions and Small Arms Industry, one Vincent "Takis" Arsenis, the brother of Minister of National Economy Gerassimos "Gerry" Arsenis. Another high-ranking Greek official known to provide "aid and comfort" to terrorist groups is Interior Minister Agamemnon Koutsogiorgas, described as an "intimate friend" of Robert Kealey, designated to become the next U.S. ambassador to Athens. The degree and type of "intimacy" of the Koutsogiorgas-Kealey friendship has not yet been ascertained. Nor are the interior minister's sexual preferences very clear.

What is known is that he is providing massive protection for terrorist operations in Greece and from Greece.

U.S. liaisons

The Greek principals involved in this matter, Papandreou, the Arsenis brothers, Koutsogiorgas, and others, have for many years maintained relations with numerous U.S. officials and agencies. The Greek embassy in Washington maintains as its legal counsel the notorious terrorist attorney Leonard Boudin. Zbigniew Brzezinski and Robert McNamara maintained intimate personal relations with most of the Greek officials in question, even prior to their entering government service. The outgoing U.S. ambassador to Athens is the closest thing to a "boyhood sweetheart" of Andreas Papandreou; the incoming U.S. ambassador, according to our information, is probably literally a boyhood sweetheart of Interior Minister Koutsogiorgas since the days they shared in the same boys' high school.

In short, the Greek government terrorist controllers enjoy

heavy "clout" in Washington. The question is how much clout. The answer to this question may seal the fate of those innocent unfortunates now held hostage in the hands of Shi'ite terrorists in Lebanon.

The answer to this question is known somewhere inside the U.S. government. It can, and must be dug out, and here is how:

There is no question that since the defection, induced or otherwise, of GRU officer Sergei Bokhan on May 23, 1985, the CIA's debriefing officers received ample information to indicate to them that the TWA highjacking would be taking place soon. The debriefing officers, unless they are assumed to be total incompetents, would also be in possession of detailed information about the inner working of the terrorist-control apparatus inside the Papandreu government.

This information had been obtained by the CIA prior to the Greek election of June 2, 1985. Had the information been made public prior to the election, Papandreu could not have possibly won reelection; the Greek ministerial terrorist-controller apparatus would have been dismantled; the TWA highjacking would not have taken place. Instead, the CIA made the decision to withhold the information.

Well, let me rephrase this: Someone inside the U.S. government made the decision that the information developed by the CIA be withheld from public use so as not to influence the pre-rigged outcome of the Greek election. Whoever this "someone" is, he bears full responsibility for the TWA highjacking and for all its dramatic political repercussions. He is one hell of a "mole," and one of President Reagan's deadliest enemies.

The larger stakes for which the TWA highjacking was staged involve, primarily, a Soviet-controlled experiment to ascertain how low the U.S. government can be made to stoop before it takes forceful action on behalf of its vital interests, e.g., to protect the very lives of its citizens. The TWA highjacking was the follow-on action to the assassination of Major Nicholson in Berlin, two months earlier. The highjacking was also intended to shatter the last remnants of U.S. prestige among Near Eastern and Middle Eastern governments and political groups, and also to cast President Reagan in the same light of impotent frustration as Jimmy Carter during the grueling days of the Teheran hostage crisis.

As columnists Evans and Novak identified in their column of June 19, Israeli and other presumed "allied" intelligence services acted in such a way as to have the effect of "stabbing in the back" every effort President Reagan had made and could have made on behalf of rescuing the hostages before they were dispersed to various neighborhoods of Beirut.

At the height of this tragic crisis, it was discovered that United States intelligence has been compromised by its purported "allies" and has been blinded by "moles" from within. Whatever the enemy control points have been from within, they are associated with those within the government who are running cover for Andreas Papandreu's outlaw government.

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Agca's trial in Rome: Will the real conspiracy vs. the Pope come out?

by Paolo Serri

On May 27, before 500 international journalists, watched closely by governments and elites all over the world, the second trial of Turkish terrorist Ali Agca and seven other Bulgarian and Turkish defendants opened in Rome. They are accused of conspiring to kill Pope John Paul II on May 13, 1981 in St. Peter's Square. On that dramatic afternoon, at 5:20 p.m., the Pope was severely wounded, hit in the abdomen and the hand, by two bullets fired by a Browning 9 mm. pistol. Agca is the alleged gunman.

The current proceedings before the Rome Supreme Court have been defined by many as the "trial of the century," because, besides the Turkish and Bulgarian defendants, in the dock or on the run, it is Bulgaria as a state and the Soviet Union and its secret services (KGB) which are also on trial.

After a period of silence and cryptic messages sent from his cell, the arrested assassin Ali Agca began to collaborate with Italian justice. Despite many changes, contradictions, and lies, Agca's long declaration, confirmed by years-long investigations, has led to the exposure of the "Bulgarian connection": the role in the plot of the Bulgarian state and secret services, and behind them, the Soviet KGB, at that time headed by future Soviet party chief and President, Yuri Andropov.

Agca on the witness stand

In the first, approximately two weeks of trial sessions, Agca was at the center of the interrogations. In addition to confirming what he had said during the investigation, and adding important new elements, though in the midst of apparent contradictions, the most striking new feature was his repeated declaration that he was "Jesus Christ reincarnated," and his announcement that the assassination attempt against the Pope was linked to the "third secret of Fatima." Yet, even the commentators most hostile to Agca and the Bulgarians' fiercest defenders did not call Agca's mental equilibrium into question.

If Agca is not crazy, what's the sense of his statements?

The "third secret of Fatima" announces the destruction of the present world signalled by the killing of the Pope (defined by the Fatima cult as an "anti-Christ") and the takeover of the entire earth by the Russians. Despite the many comments on this testimony and reports and speculations around the "third

secret of Fatima," no report has stressed the fact that the second attempt on the Pope's life also came on May 13 (1982), Fatima Day, this time at the shrine of the Madonna of Fatima in Portugal. That second attempt was by the fanatical priest Fernandez Khron, a Fatima believer who saw the Pope as the "anti-Christ." Khron was part of integralist "Catholic" networks linked to the paramilitary sect Tradition, Family, and Property, an evil, feudal instrument of the European and Latin American "black nobility."

Agca's Fatima declaration, though cryptic and given out as a "message," gives a glimpse of the truth, and confirms what this magazine has been saying for years: In matters such as this, there is no difference between players East and West. The evil "Bulgarian connection" arms-for-drugs plot and the feudal integralist "armed arms" of the "Western" oligarchy, represent, like a mirror-image, the two sides of the same conspiracy.

The 'absolute cause'

On June 7, Agca sent another cryptic message from the dock: "There is an absolute cause and there is a lateral cause for the attempt against the Pope. I am here denouncing the lateral cause, that is, the Bulgarian protection [for the murder attempt], but the real reason is officially known to the Vatican."

What is the "absolute cause" Agca is talking about? The general explanation by those pursuing the "Bulgarian connection" is that the Soviets wanted to eliminate the "Polish Pope" because of the ongoing instability in Poland, and even to provoke an upheaval in Poland, to then be crushed by Soviet tanks. Though this might have been a feature of the thinking of the Eastern strategists, in itself it does not explain the decision to eliminate John Paul II, and does not even touch upon the Fatima connection.

In the same session, Agca charged, "There are facts in between. . . . The Bulgarian vice-president is going to the Vatican" to meet the Pope.

Agca was referring to the visit to the Holy See by the Bulgarian vice-president which took place only three days before the trial. While the Pope reaffirmed that the trial is in the hands of Italian justice and the Italian state, nonetheless, he pronounced this ambiguous sentence: "Everyday I pray

for the good and positive solution to this affair, so that it will not be a burden to a Slavic country and people." The reference to Bulgaria is obvious.

The Bulgarian delegation at the Vatican also discussed the 1,100th anniversary celebration this year of the death of St. Methodius, who with his brother St. Cyril, was the Byzantine saint considered to have Christianized the Slavs and Central Europe. This celebration is similar and preparatory to the 1988 anniversary of the millennium of Russian Christianization, a fundamental date for the Russian Orthodox Church and for the messianic proponents of the world imperialist "Third Rome" clique in the Kremlin and Soviet armed forces, which believes in the cult-prophecy that Moscow is destined to become the capital of a Third and Final Roman Empire. Though Byzantine and "anti-Western," in the sense of the rejection of the key Augustinian concept of the *Filioque*, Cyril and Methodius are also recognized by the Roman Church, and considered by this Pope to be the "protectors of Europe" together with St. Benedict.

Furthermore, for years, and particularly through the work of Lyudmila Zhivkova, the late cultist daughter of the Bulgarian party chief and President, the Bulgarian state has been trying to make the two saints "Bulgarian," denying their roots in Macedonia (i.e., Yugoslavia). In other words, this historical and theological issue is an integral part of the current destabilization of the Balkans and the attempt to form there the "Third Rome" Soviet satrapy-empire of "Greater Bulgaria." In fact, after 1980, which "coincidentally" corresponds to the initial phase of the assassination plot against the Pope, Soviet "academicians" changed their position and started to support the Bulgarian claim to St. Methodius and St. Cyril.

Agca's left-right terrorist past

If this is the big question mark around the trial, Agca confirmed during the first sessions what he had said to Judge Ilario Martella during the investigation period. He reconstructed for the court his terrorist past, since the period he arrived in Ankara in 1977 under the auspices of the right-wing terrorist group "Grey Wolves." Later on he was to join left-wing terrorist groups in common training in Syria, under Bulgarian and Czechoslovakian instructors.

This convergence of right and left terrorism is defined by the "Nazi-communist" ideology professed by Agca: "I had ideas about the destruction of the Turkish capitalist system since 1974." So, he found no problem being together with his nominal arch-enemy, Turkish leftist terrorist leader Tore Eslim, in the Latakia Syrian camp. The weapons came from the powerful Turkish mafia, headed by Abuzer Ugurlu. And all three sections of what Agca calls "our organization"—right and left terrorism and the mafia—had indirect and direct contacts with the Bulgarian secret services and state. This connection exists and has been confirmed by many investigations, in Turkey, in Italy, and elsewhere. In Agca's words: "In Bulgaria, the arms and drug trafficking is all controlled by the state—that's the truth."

On June 11, Agca summarized his charges: "The Bulgarians are not the string-pullers of the attempt against the Pope. The Soviet Union intervened directly, paying through its embassy in Sofia the 3 million deutschemarks to carry out the crime. . . . We Grey Wolves acted with the decisive complicity of three Bulgarian functionaries in Rome, Ayvazov, Vassiliev, and Antonov. For the attempt the Soviet embassy paid 3 million deutschemarks, through Bekir Celenk [wanted Turkish mafioso, still safe in Bulgaria]. In July 1980, I met in Sofia with Ayvazov, Celenk, and Oral Celik [Agca's Turkish accomplice], in room 911 of the Vitosha Hotel. . . ."

As proven by documents, Agca stayed in Bulgaria two full months (July-August 1980), and attempts by the Bulgarian authorities to prove that the other individuals cited by Agca were not there at that time, were discovered to be so

The current proceedings before the Rome Supreme Court have been defined by many as the "trial of the century," because, besides the Turkish and Bulgarian defendants, in the dock or on the run, it is Bulgaria as a state and the Soviet Union and its secret services (KGB) which are also on trial.

false as to encourage Judge Martella to continue in his investigation. After his Bulgarian stay, Agca went through a complicated and expensive international carousel, visiting many European and Arab capitals and cities, something beyond the domain, interest, and capacities of the "Grey Wolves" and the Turkish mafia.

Finally, Martella's investigation and Agca's revelations dovetail with a number of other matters: Judge Carlo Palermo's years-long investigation of the international arms-for-drugs traffic; the cracking by Rome Judges Priore and Imposimato of the Bulgarian role in the Italian Red Brigades and in the kidnaping of American Gen. James Dozier, in the aftermath of which, trade unionist Luigi Scricciolo of the socialist UIL confederation was arrested as a Bulgarian spy.

In these, one discovers the same names (like Bekir Celenk), the same terrorist and mafia organizations, the same smuggling routes, and the complicity of the same secret services and states. Furthermore, a combined investigation of these matters would provide better insight into the "Western" side of the conspiracy, which could make Agca's statement on the "absolute reason" a bit more intelligible.

Brazil seeks to impose 'conditions' on IMF

by Lorenzo Carrasco

In Brazil, President José Sarney and a growing group of Congressmen are trying to create a "political pact" which will allow them to reject Brazil's previous agreement with the International Monetary Fund, and impose new rules of the game on their foreign creditors.

Sarney understands that democracy cannot be consolidated in Brazil in the midst of restrictive measures which lead to recession, and he is unwilling to undertake actions against the large state industries, defended by his Minister of Mines and Energy and by a majority faction of the high officialdom of the Armed Forces.

The arithmetical calculations of the foreign creditors are being thrown out of whack by President Sarney in person. In his first press conference upon assuming the presidency, on June 16, he said: "We cannot accept any accord which implies a compromise of Brazil in the sense of plunging into recession, plunging into unemployment, plunging into hunger, and through hunger, plunging into social convulsion. Therefore, we can never make a negotiation which implies a sacrifice which the nation cannot tolerate."

The possibility of nationalist actions against the IMF is getting the creditors worried. Since negotiations began again in Brasilia, the IMF sent as a supervisor the chief of its Western Department, Eduardo Wiesner, a fact which shows how much of a hurry the international banks are, in to close a deal with Brazil. But Wiesner, known as the "mercenary of the IMF," went back to Washington with empty hands.

Now, it has been announced that by the end of June, the staff of renegotiators of the Brazilian debt will arrive in Brasilia. Chief of the mission will be William Rhodes, vice-president of Citibank; he will be flanked by John Spurdle, vice-president of Morgan Guaranty Trust, and Guy Henthrodf, director of Lloyds Bank International; they will analyze the economic situation *in loco*.

The conditions Brazil demands

According to an announcement by the Planning Minister, João Sayad, the government aspires to a 6% growth rate, and wants this written into any accord signed with the IMF.

The conditions which the government wants to exchange for the previously agreed-upon letters of intent with the IMF are six:

- 1) Reduce interest payments;
- 2) Reduce amortization of the debt;
- 3) Eliminate the clauses which keep Brazil from contracting "new money," given that this year and the next, the government needs minimally \$4 to \$5 billion to attain the desired rate of growth, and it does not think that it can sacrifice all of its monetary reserves;
- 4) Change the forum of the negotiations, from New York City, where meetings are now held, to The Hague;
- 5) Put an end to *relending*, i.e., speculations in cruzeiros by the international banks; and
- 6) End the surveillance of the Brazilian economy, which under the present accords will allow the IMF to govern the country until the year 2000.

The international bankers label these demands "nationalist fantasies," and consider that in the end, Brazil will not assume such a radical position and will have to come to terms with the IMF. This implies the dismantling of the great infrastructure projects and the great state enterprises, leaving standing only those elements of the economy which directly serve economic looting for the export market.

Some congressmen also think differently from the creditor banks. The Economic Commission of the Chamber of Deputies just passed a resolution calling "fantasies" the explanations which attribute the foreign debt of Brazil to "the excesses of government spending, the army of disorganized state enterprises, and high patterns of consumption."

In calling for the "reestablishment of the truth" on Brazil's foreign debt, some congressmen are articulating a base of political support which could allow President Sarney to impose conditions on the IMF.

The position which the Brazilian Congress proposed at the meeting of the Latin American Parliament in Brasilia during the third week of June, consists of convening a continental conference, with the participation of the United States, to give an immediate, *political*, solution to the problem of the foreign debt.

'There is a limit'

Even though it is not precisely known what the final position of Sarney will be on negotiations with the creditor banks, one thing is certain, which was spelled out in the same press conference.

When the Brazilian President was asked about a statement he had made in private, that if the monetary reserves of the country go down, he would suspend interest payments on the debt, he replied: "Those who are most interested in knowing what our position might be, are our creditors. We only have to say that there is a limit on what Brazil can tolerate to pay its debt."

He added: "I have absolute certainty that this country is going to overcome its crisis."

Betancur in showdown with oligarchy

Colombia's drug-pushing oligarchy is manipulating Communists and terrorists in a coup drive against the President.

The drug-pushing Colombian oligarchy, led by the followers of former President Alfonso López Michelsen, is making use of the Communist Party and their terrorist fellow-travelers in a bid to overthrow the government of President Belisario Betancur.

Although firm action by the Betancur government against an illegal strike on June 20 has temporarily averted the threat, and also won the full support of Defense Minister Vega Uribe, Betancur's acceptance of International Monetary Fund austerity means that his control of the situation may be tenuous, at best.

The June 14 summit conference between Betancur and President Luisinchi of neighboring Venezuela, at which an effective anti-drug axis was to be forged between the two nations, was nearly sabotaged by pro-drug groups in both countries. The next step was the buildup to a coup d'état inside Colombia.

At the summit Betancur invoked mutual self-defense in his statements to Luisinchi: "In the face of common enemies—backwardness, poverty, ignorance, the brutalizing drug trade—our national and strategic interests are the same. We will work together, President Luisinchi! . . . We will not allow those who want to see us disunited, easy prey to modern neo-colonialisms, to divide us. We will not allow the arms traffickers to poison the exemplary relations between our two countries."

A wave of terrorist bombings, kidnappings, assassinations, and armed

confrontations with the military over the preceding weeks set the stage for anti-government violence and pro-coup sentiment on June 20, the day the Communist Party-linked CSTC labor federation called a "civic strike" against the Betancur regime. Leaflets were circulated throughout the country by a purported "Strike Coordinating Committee," which gave instructions on how to set fire to police stations and make molotov cocktails.

The strike action, endorsed by nearly every terrorist organization in the country, was denounced by the three democratic labor federations, declared illegal by the government, and the army put on "maximum alert" in anticipation of trouble.

The strike was nonetheless given implicit backing by the López Michelson wing of the opposition Liberal Party, whose likely presidential candidate, Virgilio Barco, called on President Betancur to step down and permit the installation of an "emergency cabinet," due to the people's alleged "loss of faith" in their President. Liberal Party director Ernesto Samper Pizano labeled the "motivations" behind the Communist strike "justified."

The country's top oligarchical forces, represented by the National Industrialists Association, the National Merchants Federation, and the private urban bus owners, privately threw their support to the strike as well, according to the strike organizers. The bus owners, in particular, threatened Betancur that unless they were granted increased fares, they would keep their

buses off the streets on June 20.

President Betancur went on national television June 18 to warn against "terrorist infiltration" of the strike action and to appeal to the leadership of the Communist Party and allied labor federation not to lend themselves to "the enemies of peace." His appeal fell on deaf ears. The Communists responded by calling the President a terrorist!

The coup scenario began on May 23, when a busload of soldiers was bombed and machine-gunned by unnamed terrorists, triggering a series of army-guerrilla battles that reportedly left as many as 100 dead.

Several top leaders of the amnestied M-19 guerrilla organization were then the targets of assassination attempts, leading the M-19 command to break off its "national dialogue" with the Betancur government and blame the President personally for the hits. The M-19 has been operating actual paramilitary encampments in the poorest *barríos* of the cities of Bogota and Cali, using the amnesty from the government to build up its forces under the cover of "political organizing." Several sophisticated arms factories were uncovered on June 4 in the Cali region, believed to belong to the M-19. Clandestine arsenals of explosives and weapons were discovered in several other major cities across the country.

On the eve of the "civic strike," 21 bombings and dynamitings across the country had already taken their toll in lives and infrastructure, with railroad lines, bridges, and oil pipelines particular targets. The authorities counter-attacked effectively, by rescinding the legal status of trade unions and officials taking part in the strike, and with preventive detentions of M-19ers and other "amnestied" guerrilla supporters of the strike.

PAN readies electoral violence

The "Party of National Treason" has already begun holding dry runs of its election-day violence scenario.

The preparations of the National Action Party (PAN) for unleashing thousands of shocktroops in an orgy of anti-government violence on election day, July 7, are well under way. On June 5, in a synchronized, military-style dry run, PAN thugs moved to block off all highway access into the eight largest cities of the northern state of Sonora for one precisely-timed hour. Chaos and confusion ensued—as intended.

At the same time, in the northern state of Chihuahua, the PAN-controlled municipal government of Ciudad Juárez has recruited some 4,000 gang youth into paramilitary brigade formations to deploy for maximum violence on July 7. Coordinating the project, according to PRI official Francisco Rodríguez Pérez, is PANista Sergio Américo Lastra, who received his training in Vietnam before hooking up with the fascist TECO gang of Guadalajara. The 4,000 youth are part of a virtual army of 60,000 which the PAN has reportedly been training and arming along the U.S.-Mexican border in preparation for full-scale confrontation with government forces following the elections.

In the Sonoran town of Caborca, two would-be PAN candidates who were disqualified from running have been staging a hunger strike in protest since June 4, despite the fact that the PAN itself had voted May 23 to uphold rigorous electoral standards, the same standards which led to the disqualifications of the two PANistas, along with 16 others.

PAN secretary general Bernardo Batiz has declared that the PAN may adopt the hunger strike as a tactic nationally as the elections near. The hunger strikes would be designed to attract the sympathies of the international human rights crowd, who already have extensive experience in organizing support for terrorists globally.

That the PAN has its election-day chaos scenario well plotted was suggested by recent statements of PAN congressman Humberto Rice, who insisted, "There are no indications of legality in the upcoming elections, and we are not about to be trodden underfoot."

The PAN has consistently predicted that its election-day victories would be stolen through government fraud, an argument designed to serve as the excuse for pre-planned violence throughout the northern border region. Declared the coordinator of the PAN's national congressional slate, Javier González Garza, June 8: "The process of grabbing power from the government has begun with energy, and its action is irreversible."

The PAN's anti-government mobilization has been followed with due concern by nationalist layers both within and outside the ruling PRI party who understand that the PAN's terror scenario could provoke bloody civil war, and even a U.S. military deployment into Mexico, if it is allowed to play out.

In an interview granted to the daily *Unomásuno* on June 17, the day after a 100,000-person labor rally orga-

nized to back the candidates of the PRI, Mexican Labor Confederation leader Fidel Velázquez warned that the PAN was planning "armed uprisings, which are going to have an immediate response, and I believe it will be a hard response."

Velázquez, although by no means the only leader inside the PRI who has charged the PAN with plotting the overthrow of the Mexican government, has been one of the most outspoken. On June 14, speaking in the PANista stronghold of Monterrey, Velázquez promised, "The workers' movement will stop the advance of the reaction. . . . The workers are keeping a close eye on the actions of the enemies of the revolution." Velázquez was particularly incensed by recent statements of PAN chairman Pablo Emilio Madero, who said his party is fighting for "the disappearance of the cooperative farm, free public education, and the trade union," precisely the conquests of the 1917 Mexican revolution.

At the June 16 rally, PRI Senator José Ramírez Gamero called the PAN by its rightful name: "Party of National Treason."

The Mexican Labor Party (PLM) has gone even further. On June 6, PLM Secretary-General Marivilia Carrasco told a Mexico City press conference that the PAN is a tool of foreign interests out to destabilize the Mexican government, and demanded that its legal registration as a political party be rescinded by the de la Madrid government. Carrasco announced the imminent release of a book, authored by a PLM investigative team and entitled, *PAN: The Party of Treason*, which she promised would expose the Nazi-Communist nature of the PAN and its international ties. Carrasco concluded that, in light of the PAN's history of violence, she was asking for round-the-clock police protection to guarantee that the PLM revelations be heard.

The Soviets capitalize on paralysis

Kohl appears incapable of resolving the troubles he has now, let alone the troubles Richard Burt would bring.

The four days between June 13 and June 17 marked a drastic change of the political climate in Bonn. On June 13, Chancellor Helmut Kohl's official spokesman, Peter Böhnisch, resigned from his post because of ongoing investigations into his tax declaration of three years past. On June 16, one of the most prominent arms-control experts of the Christian Democrats, Alois Mertes, serving the foreign ministry as an assistant secretary, died of a stroke. Chancellor Kohl was suddenly missing two of his most important advisors and confidants.

The need to find replacements for Böhnisch and Mertes provoked new tensions within the government coalition. Kohl named Friedhelm Ost, one of the country's best known television economics commentators, to be his new spokesman. The Free Democrats complained they had not been consulted; the Christian Social Union (CSU) demanded a spokesman representing them, since the Free Democrats already have the other spokesman, Jürgen Sudhoff.

The CSU, providing the more conservative part of the government, insists on this "third man" because they want tighter restraints on the public activities of the Free Democrats. Too often, Foreign Minister Hans-Dietrich Genscher has used an official government newsletter to propagate his policy against that of Chancellor Kohl. The most recent example was Genscher's letter to all German embassies abroad, which contradicted Kohl's public support for President Reagan's Strategic Defense Initiative.

But the brawl over the government

spokesmen's posts is nothing compared to the expected struggle over the successor to Alois Mertes. The CSU demands that the new assistant secretary should be more pro-American than Mertes was, providing a counterweight to Genscher's anti-Americanism, which is just barely disguised behind "European concerns."

The best solution would be, naturally, to replace Genscher himself, but Kohl does not give the impression that he is inclined to risk a fight with the Free Democrats on that.

The paralysis of the government, which translates into fights over posts and secondary issues, rather than a fight over policy essentials, is being exploited by the Soviet Union. Running short of scandals in Bonn which could be used against Kohl, they have chosen to make use of the agreements reached with Willy Brandt's Social Democrats (SPD) in Moscow recently. The agreements between Brandt and Gorbachov aimed at tighter coordination of anti-defense mobilizations in West Germany. Now, three operations have been launched at once.

On Friday, June 14, the SPD made known that Hermann Axen, politburo member of the East German Socialists (SED), would give a press conference in Bonn on June 19. On Monday, June 17, Egon Bahr, one of the four SPD members who accompanied Brandt to Moscow, questioned West Germany's membership in the Western Alliance. Said Bahr, "Partition of Germany and membership in NATO are like Siamese twins." What made Bahr's statement important was not simply that it resembled propaganda

frequently heard on Radio Moscow, but the date on which it was said: All of West Germany was commemorating the failed rebellion of East German workers against the Communist regime on June 17, 1953.

Bahr's statement delivered a signal to Moscow, which had all its propaganda channels begin blasting against the "threat of revanchism in West Germany," and against Kohl's support for the SDI and the stationing of American nuclear weapons on West German soil. The director of Kohl's chancellery, Wolfgang Schaeuble, commented that this had to be "taken very seriously, because the SPD is providing the cues for Soviet propaganda."

Then, a third anti-government flank was activated: A strategy session of the anti-defense ("peace") movement over the same June 16-17 weekend in Cologne, decided to drop all anti-defense actions for this coming autumn, and instead support labor strikes against the government's austerity policy. This decision made the hand of Moscow and the German Communist Party visible. They pushed for "alliance between the movement and the workers."

In the midst of these troubles, the Reagan administration announced that Richard Burt would be its nominee as the next ambassador to West Germany. Remarkably, the Kohl government decided to agree to Burt's nomination—while his official confirmation by the U.S. Senate is very much up in the air. The decision came despite much protest by conservatives in Bonn against the appointment of this SPD-supporter and, if it need be shown, Soviet agent-of-influence.

Kohl appears incapable of resolving the troubles he has now. Things look very bleak for West Germany's survival, given the troubles Richard Burt would bring.

International Intelligence

NATO meeting warned of Soviet military buildup

Admiral Giasone Piccioni, head of the NATO naval forces in the Mediterranean, charged on June 16 that "Soviet aviators are training in Libya and Syria."

Speaking at a NATO meeting in Palermo, Sicily, he said, "While we are discussing NATO as an instrument of peace, a few miles away Soviet submarines with missiles are sailing undisturbed, and their missiles may be aimed at Sicily. A Soviet aviation squadron is training in Libya. Moreover, the Syrian and Libyan runways are equipped for landing and takeoffs by Soviet MiGs and Backfire bombers."

Also attending the NATO meeting in Palermo was NATO Supreme Commander Bernard W. Rogers, who called on the Western European allies to support the U.S. Strategic Defense Initiative. "Europe should support the SDI, since its first application might be here in Europe," he said, "against Soviet SS-20, -21, and -23 missiles."

Rogers emphasized the gap between NATO and the Warsaw Pact: "The U.S.S.R. developed and deployed more than 15 new airplanes, 9 new ballistic missiles, more than 50 submarines and warships of new or modified classes, and at least 50 new ground-weapon systems. The danger is that this gap is becoming so big, that it cannot be filled any more, making it possible for the Soviets to control, scare, and blackmail our nations, obtaining political and economic concessions without even firing a shot. This is the aim of the Soviets, and I consider it the biggest threat for Western Europe."

Gen. Abrahamson outlines Europe's role in SDI

Lieutenant-General James Abrahamson, the director of the U.S. Strategic Defense Initiative, announced in an interview with Italian newspapers published June 18 that "an Italian delegation on the SDI will be in Washington in a few weeks." According to the

daily *Il Tempo*, "the Italian delegation led by Gen. Carlo Jean will soon be in Washington again." The paper commented that Abrahamson's interview was intended to pressure the Italian government to make a final decision on the SDI.

Asked by journalists what contracts Western Europe could expect under the SDI program, Abrahamson replied: "No form will be excluded. We could even have direct government-to-government contracts in case of an advanced research program, or in the case of scientific centers directly dependent on governments."

Abrahamson reported that he and other U.S. officials had been meeting with many foreign delegations to discuss the SDI. "At this moment there is a Dutch delegation in the next room. We met with the Italians, the Norwegians, Canadians, Germans, and British. There was also a French delegation with which we had informal discussions on the use of a light mirror for space lasers. The more interested ones were, strangely enough, the Norwegians, even though their government has rejected the SDI, and then the Dutch. With the Italian delegation, we had an in-depth discussion on areas of mutual interest, such as infrared sensors."

German radio denounces Richard Burt nomination

The West German radio station Deutschlandfunk on June 18 opposed the appointment of Richard Burt as the next ambassador to the Federal Republic of Germany, and sharply criticized the Bonn government for endorsing the nomination even before it was made official by the U.S. President. Burt is currently Assistant Secretary of State for European Affairs. Before joining the Reagan administration, he worked as a correspondent for the *New York Times*.

"The German government did itself a disservice by approving his nomination," the commentator said. "Burt is the wrong man at the wrong time for the wrong place." The broadcast described the State Department official as an ambitious career diplo-

mat, power-hungry and unscrupulous, who achieved a good standing with the Republican Party by attacking the SALT II treaty during the Carter administration. His father is very close to George Shultz, the analyst added.

Burt has been named to replace Ambassador Arthur Burns, who is retiring. His nomination has not yet been confirmed by the U.S. Senate.

Frankfurt judge joins KGB's 'peace movement'

Accusing the United States of "threatening European peace," a judge in Frankfurt, West Germany ruled June 20 in favor of six protesters, on trial for blockading roads to an American military base in Frankfurt-Hausen in December 1983. Judge Jahr ruled that the six were justified in their actions, because:

- The U.S. Pershing II and cruise missiles are first-strike weapons, and thus forbidden by the German constitution;
- The missiles could also be fired on targets in East Germany, and thus kill Germans, which Jahr said was against the West German constitution's mandate to "take care of all Germans";
- The United States has "evil-minded aggression plans against the Warsaw Pact," and "seduced the Bonn government to agree to stationing the missiles."

Judge Jahr's decision contradicted a sentence by the Federal Court in August 1984, which declared the stationing of the American missiles "in compliance with the constitution." The Bonn conservative daily *Die Welt* said that the case was without precedent, and called for Jahr's dismissal.

Pakistan's President under Soviet attack

President Zia ul-Haq's days as the leader of Pakistan are numbered, according to a Soviet columnist writing in the June 4 issue of

Sovetskaya Rossiya newspaper.

Telling of demonstrations and statements by opposition figures against Zia's foreign and domestic policies, the daily asked, "Why is [Pakistan] participating in U.S. imperialism's dirty military adventure against Afghanistan? . . . Understanding is growing . . . that Zia ul-Haq's policy will plunge the country into national disaster." One of the sources cited is an ex-chief minister of Baluchistan, the Pakistani province where the Soviets have covertly sponsored separatist insurgencies.

Asserting that Zia had sent his money abroad and has discussed flight into exile with the Americans, the Soviet commentary concluded, "Do they sense the inevitable; are they making preparations?"

The Soviet attack comes in the context of weeks of bombings by Soviet and Afghan air forces against Pakistani border villages. On June 3, the Pakistan foreign ministry protested a Soviet-Afghan bombing of two Afghan refugee camps in Baluchistan, near the Afghan border. Press reports also indicate that the Soviet Union has installed surface-to-air missiles in the Pamir Plateau region of Afghanistan, adjoining the China-Pakistan border.

At the end of May, a senior Soviet diplomat in Islamabad warned that "the Pakistanis are playing with fire" for allowing Afghan rebel forces to operate from their territory. "We know the concrete locations of each of the *mujahideen* bandit training camps," he said. "So far, we have not come across the border in hot pursuit."

'Comintern' relaunched for campaign against SDI

For the first time in five years, the Communist Parties of Western Europe have gathered to discuss strategy and tactics, with a particular focus on preventing the implementation of the U.S. Strategic Defense Initiative (SDI). On June 13, in the suburbs of Paris, representatives from 18 countries met "to exchange ideas about strategy, based on national experiences," reports the Italian pa-

per *La Stampa*.

Following this session, leaders of the Communist Parties of West Germany, Austria, and Luxembourg signed a communiqué in Trier on June 18, denouncing U.S. "Star Wars" plans as a "threat to world peace and humanity." The communiqué called for a stop to "President Reagan's plans to militarize space."

The Communist Parties of Norway and Iceland met the same day in Copenhagen to denounce President Reagan's plans to "militarize space." The meeting, reported by Radio Moscow, also called for the creation of a nuclear-free zone in the Nordic region.

KGB's Armand Hammer is up to his old tricks

Following a 90-minute meeting in Moscow with Soviet leader Mikhail Gorbachov on June 18, multimillionaire and decades-long KGB asset Armand Hammer told reporters that negotiations are under way for a summit meeting between Gorbachov and President Reagan.

According to Hammer, Gorbachov told him: "We are in contact with Washington on this subject, but it has not been decided where or when."

In an interview with the Italian daily *Corriere della Sera* published June 14, Hammer praised the new Soviet leader to the skies: "I am the first American to be received by the new Kremlin head. . . . Gorbachov is a man of broad vision . . . very pragmatic. . . . I think the Soviets are very fortunate to have such a leader as he. When Gorbachov and Reagan meet, they can confide in each other."

Hammer predicted that the U.S. and Soviet systems will "compromise" and "merge with each other" in the future, becoming "like Hungary."

Hammer, the magnate of Occidental Petroleum Corp., is also negotiating to sell the Soviets supplies of superphosphoric acid, in exchange for which the Soviet Union would sell the United States ammonia, potash, and urea, for the manufacture of fertilizer.

Briefly

● **RAMSEY CLARK**, the former U.S. attorney general who helped install Ayatollah Khomeini in power in Iran, gave an interview to the German Communist Party-linked journal *Rote Blätter (Red Pages)* in June. He said that it is "totally absurd" for Europeans to expect that participating in the U.S. Strategic Defense Initiative would bring them any benefits. "You can be assured that the U.S.A. will monopolize the results of this research," he said. The interview was reported in *Pravda* on June 13.

● **ARNE TREHOLT**, the KGB's spy in the Norwegian foreign ministry, was sentenced to 25 years in prison on June 21, for giving the Soviet Union detailed information on the defense of NATO's Northern Flank. Treholt shaped the "nuclear-free zone" propaganda of Swedish Prime Minister Olof Palme's disarmament commission (two American members of the Palme Commission are former Secretary of State Cyrus Vance and former State Department official Leslie Gelb). Treholt was also a personal friend of Greek Prime Minister Andreas Papandreou.

● **NABIH BERRI**, the Lebanese Shi'ite leader and justice minister, and Druze leader Walid Jumblatt, have been invited to participate in the next congress of French President François Mitterrand's Socialist Party in Toulouse, France, in October. PSF international affairs spokesman Jacques Hunzinger has expressed his support for the Syrian-backed Shi'ite-Druze axis, because this axis "makes history."

● **EAST GERMAN** Defense Minister Heinz Hoffmann told party cadres that it is "possible" to stop the U.S. "Star Wars" program, according to the Soviet military daily *Krasnaya Zvezda* of June 13. "Wrecking the plans to increase the arms race and forcing the U.S.A. to give up space militarization is not only necessary, but also possible," Hoffmann said.

Conference honors space pioneer with drive for SDI

by Nancy Spannaus

"Let us proceed to colonize the Moon and Mars, as Krafft Ehrlicke committed himself to implementation of this process. Along the way, we have a military problem to solve, which the technologies of space colonization are best suited to solve. Being patriots and world-citizens, we shall solve that intervening task, but we shall solve it best by never taking our eyes away from our primary mission-assignment. Once civilization is secured, and the productivity of labor throughout this planet increased greatly by the technological revolution flowing through our SDI task, we shall have established the more powerful economy we require to begin actually the colonization, first of the Moon, and then of Mars. All this we shall do best, if we view the practical task of colonization of Mars as a necessary way of bringing to all of mankind a vision of man as man in the universe, and thus fostering the opening of the long-awaited Age of Reason."

With this statement, keynote speaker Lyndon H. LaRouche, Jr. summed up the theme of the Krafft Ehrlicke Memorial Conference held in Reston, Va. June 15 and 16. LaRouche was addressing 450 individuals brought from four continents, including leading military men from Western Europe, Asia, and Ibero-America, and constituency leaders from throughout the United States.

Indeed, as LaRouche pointed out, the individuals or groups represented at this conference represented a body of knowledge and experience best equipped to devise, and fight for, the necessary policy for the SDI. Faced with a direct war threat by the Soviet Union, the Western alliance must put its resources behind a broad scientific program, which was developed in all essentials nearly 50 years ago by the great German scientists at Peenemünde, and which holds the unique promise of saving civilization today.

An extraordinary set of greetings read to the Ehrlicke

conference demonstrated the degree to which international forces are looking to the Schiller Institute for a way out of the current crisis. As Schiller Institute founder Helga Zepp-LaRouche stressed in her opening remarks, this conference is unique in proceeding from the culturally optimistic standpoint of Krafft Ehrlicke, from the absolute belief that man has the capacity to reach the Age of Reason.

Most moving was the message read from Dr. Hermann Oberth, the German scientist who inspired the pursuit of space travel in the 1920s, and built the team of scientists who were eventually to realize that dream after they had come to the United States following the Second World War.

Also sending a greeting was prominent pro-SDI spokesman Dr. Jürgen Todenhöfer, the spokesman for the Christian Democratic faction of the Foreign Policy Committee of the German Bundestag, or Parliament, and chairman of the Bundestag committee on disarmament (see *Documentation*).

Greetings were also read from Ehrlicke colleague Rolf Engel, and Kiyoshi Yazawa of Tokyo, science journalist and translator of the Fusion Energy Foundation's *Beam Defense* book into Japanese.

Beyond the keynote, the discussions at the first day of the conference focused on two subjects: 1) the European view on the necessity for the SDI, and 2) the lessons of the German space program at Peenemünde, and how it led to the U.S. landing on the Moon.

Speaking from Europe were Admiral Zenker of West Germany, Gen. Wilhelm Kuntner of Austria, and Christian Democratic Senator Vincenzo Carollo of Italy. The first two speakers stressed the danger hanging over the Western alliance in the face of the current Soviet drive for world domination, especially the danger of the decoupling of Western Europe and the United States.

Senator Carollo's theme was the relationship of economic policy to the policy of the SDI. The destructive U.S. economic policies since 1979 must be changed, he argued, because we cannot afford to have Western European nations turned into Third World countries. U.S. economic policies are in fact helping the Russians to implement their policy of subversion, and they must be changed now.

Three speeches in the afternoon focused on the lessons of the Peenemünde scientists. Two of the presentations were from associates of Ehricke, now or previously working at the space center at Huntsville, Alabama. Dr. Konrad Dannenberg, and Dr. Arnold Ritter, both paid tribute to Ehricke's unique contribution to the U.S. space program—in particular, the development of liquid-hydrogen fuel for space travel.

The concluding speaker in the afternoon, Dr. Uwe von Parpart, concentrated on the roots of the Peenemünde tradition in the Göttingen school of science. He shocked the audience by contrasting the U.S. program *before* individuals such as Ehricke and von Braun were recruited here, with its accomplishments afterwards. If the Peenemünde group had not been brought to the United States, no one would yet be able to develop the theory to advance space flight!

Under the gun

The Krafft Ehricke conference, jointly sponsored by the Schiller Institute and the Fusion Energy Foundation, was conceived as a direct challenge to the current KGB-run witch-hunt against German scientists in the United States. This witchhunt, LaRouche pointed out in his keynote, can only be described as *treason* to the United States, under conditions of an undeclared, but actual Soviet war against the United States.

Thus it was fitting that the second day of the conference featured a twenty-minute tape by Maj.-Gen. John Bruce Medaris (U.S.A.-ret.), who has waged a vigorous fight against the unconstitutional activities of the Office of Special Investigation (OSI), especially in the case of Arthur Rudolph, developer of the Pershing missile.

Also addressing the conference with explosive revelations about the OSI was Dr. Friedwardt Winterberg, a nuclear fusion scientist at the University of Nevada Desert Research Institute. Dr. Winterberg told the audience that he had personally tracked down the "evidence" against Dr. Rudolph, only to discover that it had come from East Germany!

Why the Soviets are so anxious to eliminate the Peenemünde tradition was underlined in the presentation of Rolf Engel, who documented date by date, from official Soviet commentary, Soviet development of its SDI.

The latter portion of the conference was devoted to discussion of the contributions which U.S. allies, in Europe and Japan, can, and must, make to the SDI, as well as a panel discussion on the scientific frontiers opened by this work.

EIR will continue its coverage of this important event in coming issues.

The SDI together with the Europeans

by Dr. Jürgen Todenhöfer

The following is the policy paper, translated from the German, submitted to the Krafft Ehricke Memorial Conference by Dr. Jürgen Todenhöfer, Member of the German Bundestag, chairman of the Bundestag Committee on Disarmament, and Christian Democratic Spokesman on the Foreign Policy Committee of the Bundestag.

1) The Chancellor of the Federal Republic of Germany, Dr. Helmut Kohl, has the full backing of the Christian Democratic Caucus of the German Bundestag for his fundamental affirmation of the goals of the American Strategic Defense Initiative, and his declared policy that the Federal Republic of Germany should participate in SDI research.

2) SDI is a research program for laser- and particle-beam weapons, which is to demonstrate to what extent the utilization of these new technologies can alter the previous "offensive deterrence" into a "defensive deterrence." If the research succeeds in making such a breakthrough, it would have far-reaching effects upon the strategy of the Alliance. The question is thus posed, whether the European NATO-partners, and particularly we Germans, can stand aside from these changes?

3) The Soviet Union is the only country in the world, that possesses a ground-based, nuclear-missile defense system against ICBMs, located in the area around Moscow. Moreover, the Soviet Union is improving this defense technology, and expanding its production capacities for new developments in these technologies rapidly. There is evidence, that Moscow intends to defend its most important military installations with ground-based missile defense systems within a few years. One part of these systems will be mobile-stationed, and thus difficult to discover by means of Western reconnaissance satellites. Furthermore, the Soviet Union has been working intensively for a number of years on a space-

based missile defense system, based on laser and particle-beam weapons. The Soviet Union has expended several times more financing in this area than the corresponding American program, and leads the United States in its research results.

4) Parallel to these efforts to construct a missile defense, the Soviet Union is engaged in a massive program of modernizing its offensive weapons. The Soviet Union currently produces 350 nuclear ICBMs per annum, 150 of which are ground-based, while the United States has had considerable difficulty in obtaining at least 100 new MX-ICBMs. This discrepancy in both the offensive and the defensive areas makes an American reply imperative.

5) The prerequisite to a decision in favor of constructing a space-based defense system of the United States against ballistic nuclear missiles must, of course, be that the conclusion of the initial five-year phase of SDI research demonstrates that:

- a. SDI is technologically feasible with reasonable financial allocations;
- b. Europe must be just as securely protected from ballistic nuclear missiles as the United States; and
- c. military stability between West and East must be increased, and not reduced, by SDI.

If even one of these conditions is not fulfilled, the Alliance partners of the United States will hardly be able to agree to American SDI plans. But it is hardly to be expected, in any case, that the United States would continue to pursue realization of SDI were these conditions not met.

6) Objections raised to West European participation in SDI, based on the concern that we might receive too many contracts and too much work, are totally new to me! I have confidence in the energies and ingenuity of German firms.

7) We have sympathies for the idea of the French President, Eureka; but Eureka is not an alternative to SDI. Eureka cannot replace participation in SDI. We will therefore do our utmost to achieve a participation of the most important industrial nations of Europe in the SDI research program. We will seek the broadest unified standpoint of Europe possible, in order to give SDI research the broadest possible European support.

8) The West, however, should entertain no illusions. The Soviet Union will initiate the grandest propaganda campaign of the postwar period, in the attempt to destroy the American SDI plans, without giving up or restraining their own missile-defense plans. The campaigns against the neutron bomb and the Pershing II/cruise missile modernization of nuclear forces in Europe were but a harmless foretaste of the Soviet propaganda campaign we will now face. The only means to use against this propaganda offensive is a broad-scale offensive information policy on the part of the West. One who has a strategy for defense, as the West does, must wage an offensive information policy.

9) The West must also refrain from belittling the successes which SDI has already achieved. However one might wish to judge the SDI, and the transition from a strategy of "offensive deterrence" to one of "defensive deterrence" in the context of Flexible Response, it has already achieved one thing: In addition to the unanimity and steadfastness of the West, and especially the Federal Republic of Germany, on the issue of the modernization of NATO's nuclear forces in Europe, the SDI has brought the Soviets back to the negotiating table at Geneva. I am convinced that this will not remain the last of the successes of President Reagan's Strategic Defense Initiative.

10) If it is possible, by means of a purely defensive screen in space, to reliably destroy missiles flying through space, we will have achieved two of the central aims of our policy for security and peace. First, neither the West nor the East would then have the capability of conducting so-called first strikes and decapitating strikes. Second, nuclear missiles would then only be worth their value in scrap metal, from a strategic standpoint. This would be, de facto, the grandest disarmament since the Second World War.

Dr. Hermann Oberth: 'Selenopolis?'

The following greetings were submitted to the Krafft Ehrlicke Memorial Conference by Dr. Hermann Oberth, the man widely considered "the father of space flight."

I have a great interest in the conceptions of my very dear and esteemed colleague Krafft Ehrlicke for the exploitation and settlement of the Moon by men.

I have myself devoted considerable thought, earlier, to the exploitation of the Moon for industrial and astronomical purposes. The Sun ought to be used during the 354 Moon-day phase for continuous operation of electrical-power installations. Shots into space should be effected with electromagnetic accelerators, or slings, and the energies required for the long Moon-nights and the peak-use periods of accelerating payloads, should be charged as follows: A series of strong-wall metal containers, filled at the bottom with fluid, and at the top with compressible gas (materials for this purpose depend upon those found on site on the Moon), are to press the fluid through appropriate turbines, into similarly formed empty containers.

My conception of the Moon accelerator, or Moon sling, is that of a sufficiently long horizontal accelerator-rail, which drives a magnetic car, which is open at the front or can be

easily opened. Breaking energy will be produced, as far as possible, by dynamos, and used to drive the fluid back into the containers which have become empty. The velocity by which the freight leaves the magnetic car ought to be approximately 2,320 m/sec. If the velocity is 2,540 m/sec., the freight would fall to Earth.

The distance required for braking, decelerating the freight, ought to be as short as possible. The end of the sling ought to be so positioned, that the freight stops at the rear end 60° *Libration point* of the Earth/Moon system, where the freight is caught and transported to its final destination. Structures in space can then be assembled out of their components at the appropriate places in space. Krafft Ehricke's idea is very good, to decelerate vehicles that are to land on the Moon on a skid-track of Moon-sand. I had never thought of this method of braking the freight velocity. Hopefully, it will work.

The more I think about the settlement of the Moon and the future of mankind in space, the more I discover, that it is improbable that we still have the time to undertake such things. Mankind would have to learn to think anew philosophically and psychologically. It is paradoxical, for example, that the expenditure of \$25 billion for the Moon-landing is considered a waste of money, because people still go hungry, but we spend \$4,600 billion for arms each year.

I am of the same opinion as my colleague, Krafft Ehricke, that space-flight technologies can overcome all of the apparent limits of our present existence on Earth—lack of energy, scarcity of resources, environmental pollution, scarcity of food, and provide for an expansion of human population. This would presuppose, of course, that the willingness to conduct war in our democratic era immediately ceases, and it becomes possible to create the conditions of justice, which alone are guarantees of peace. To stop the willingness to conduct war, knowledge and the correction of psychological and sociological aberrations are necessary.

Were I to report from my own experience, why the first and second world wars happened, the chief cause that crystallizes is the *political lie*. Claims were made which did not correspond to truth, but remained uncontested, or that these claims had been refuted was unknown to humanity in large part. I am, after all, 91 years old, and have often held positions, which gave me deep insights into political events. The psychological preparation for war is once again to be seen everywhere. The two power blocs in the East and West mistrust each other fundamentally, for the media-bosses only let that news through which proves the degeneration and evil of the adversary. The only common bond is that of hate they both bear against their former adversary, Germany. This hate is cultivated by both sides. Recent events provide impressive material for study in this regard.

Although they were encouraged by some reasonable foreign commentators, official representatives of the German people did not dare to insist upon highlighting historical

events in their true relationships, at least to take the burden from the shoulders of postwar generations.

If the human being is continuously harassed, his intelligence alone cannot yield an objective view of his situation. I learned this, when I visited the well-known Swiss scientist, Professor Bluntschli. I wanted to take the side of a former student in an argument, and we set a discussion date. When I arrived, he greeted me with a flood of lying accusations that had been spread during the world war, and which he had collected—and he told me he would never even consider doing anything on behalf of my student, and that he had invited me to see him to have the opportunity to unload everything he wanted to say upon a German. I knew that most of what he said was wrong, but when I told him that, he screamed: "Surely, you do not want to insinuate that Swiss journalists lie." "Anyone who says such things," I told him, "is wrong—even if he is a Swiss journalist."

Finally, I asked him: "Let's assume a researcher on Africa comes to a tribe, and the chief of the tribe tells him, the Swiss live in caves, eat human flesh, and clothe themselves with animal skins." As the researcher wants to refute him, the chief says: "Our medicine men here said so, and Mr. Researcher surely will not insinuate that they lie." At this Professor Bluntschli escorted me out the door.

The case of Lloyd George demonstrates that this is not an exceptional example. He wanted to create a just world at the end of the First World War. But it turned out he could not reach his goal, because incitement was stronger than the commands of reason.

I think such false insinuations and claims are especially dangerous, when German statesmen have nothing to say against them. Since, aside from the Germans, practically every people has a sense of nation, an unprejudiced person has to come to the conclusion, "There must be something to it." Those who do not combat lies are more dangerous to world peace than the enemies of Germany, of whom one knows at least that they are such.

This German attitude will lead people in East and West to let the nuclear bombs fall on Germany, because "it doesn't matter much if this bunch dies."

That, however, the Third World War—and the probable end of humanity will be the result—is unfortunately not acknowledged by public opinion makers.

I conclude:

The indispensable prerequisite for the further cultural development of mankind is the yearning for historical truth.

In war, both sides commit injustices, but it needs to be said finally that one cannot make one side solely guilty.

I only hope that we shall have enough time to raise the sails to realize Ehricke's vision of "Homo Sapiens Extraterrestris," so that man may leave his berth in the flaming harbors of the Earth, and steer a new course into the world of unlimited growth.

Henry wants to sell SDI, dirt-cheap

Friends of Henry Kissinger, East and West, will be gathering at the historical site of Chautauqua near James-town, in upstate New York, for a week of political and cultural exchanges, June 24-28.

But at the last minute, a good friend of Dr. Kissinger, Moscow Oriental Institute head Yevgenii Primakov, cancelled out. Rumors are that Primakov is not travelling abroad quite so much these days. He is wary of the circles associated with PLO head Yasser Arafat. Primakov, after all, was the one chosen to deliver an unmistakable KGB death threat to Arafat, in a public speech in Moscow. Now the case officer for the outbreak of terrorism in the Middle East, he was last in the United States, meeting with Kissinger's cohorts at Harvard University, just weeks before the hostage crisis broke out.

In his stead, top-level representatives of the Soviet embassy, possibly headed by Ambassador Anatolii Dobrynin, will be at Chautauqua, together with Dr. Yuri Zamoshkin, the head of the division of Georgii Arbatov's USA-Canada Institute in Moscow that oversees the study of "American ideology and public opinion."

On the American side, the scheduled keynote speaker is R. Mark Palmer, a Kissinger trainee who heads the State Department's Soviet/East Euro-

pean affairs desk at Kissinger protégé Richard Burt's European Affairs division. Palmer is being joined by two other Kissinger associates, Brent Scowcroft and Helmut Sonnenfeldt, and by National Security Council head Robert McFarlane.

The 'temptation' of unilateral disarmament

What will they talk about? The tip-off is found in an interview granted by Kissinger to West Germany's *Stern* magazine, and reprinted in English in the June 16 *Sunday Observer* of Great Britain, under the title, "How to Talk to Gorbachov."

The interview throws light on Dr. K's apparent "Damascus road" conversion to the Strategic Defense Initiative. At an Atlanta, Emory University conference at the Jimmy Carter Center in April, Kissinger, in the presence of Dobrynin, took a "pro-SDI" stance, in opposition to such Khomeiniac fanatics as IBM's Dr. Strangelove, Richard Garwin. It is now clear why: Henry wants to bargain the SDI away.

"I favor a concept of strategic defense. I would favor building the SDI into arms-control proposals now and would not separate the issue of research from the issue of deployment. . . . [Arms control] is necessary. We have an obligation to try to talk to the Soviets about serious arms control. But that, in my view, requires a serious defensive component."

He also wants to give the Soviets all of Europe.

"Whether the Europeans participate or not seems to me to be entirely a European decision; it is not something on which we should expend a huge amount of energy." Never mind that American-European cooperation on the SDI is now the foundation of the Western Alliance.

Not desiring to take personal blame for the Neville Chamberlain sell-out he proposes, Kissinger hands responsibility for the matter over to State Department arms-negotiator Paul Nitze. "I would not be available for this or any other operational assignment," he asserts, but "Nitze could."

"I have in mind a philosophical or conceptual discussion of the relation between offense and defense. Paul Nitze has said this should happen, but he wants to do it in 10 years, after we have defensive weapons. I want to do it now."

What does Henry want to do? "While as a statesman, I cannot accept unilateral disarmament, I can understand how many serious people are caught up in this temptation."

Is Kissinger running the show?

In the introduction to the interview, *Stern* commented: "What Henry Kissinger says or writes, can be official policy in Washington tomorrow." France's *Le Figaro* magazine was not alone, as the Beirut hostage affair unfolded, in speculating on June 19 that Kissinger now runs policy in the White House, at least on terrorism.

On June 18, at the State Department, for example, Kissinger underling Richard Murphy was holding a meeting on Afghanistan with Oleg Sokolov of the Soviet embassy, and Yuli Alekseyev of the Soviet foreign ministry. This was the third in a series of "regional crisis-management" talks, the earlier two on the Middle East and southern Africa.

After concluding these talks, Murphy took his own "Damascus road," and told a congressional committee June 20 that it was his evaluation that the United States should make new openings to Syria.

Unreported: one of the biggest stories in years

One of the biggest stories to hit Washington in years barely made the papers in most parts of the country. No wonder—it involved crimes by four of the nation's biggest banks!

Yes, the very New York money-center banking nexus that Lyndon LaRouche and *EIR* have been pointing at for years turned up guilty of failing to report over \$1.3 billion in cash transactions since 1980.

Assistant Treasury Secretary John Walker, Jr. made the blockbuster announcement at a press conference here on June 18. David Rockefeller's Chase Manhattan, Manufacturers Hanover, IrvingTrust, and Chemical Bank were all levied fines of over \$1 million for violations of the Bank Secrecy Act.

Moreover, Walker made it clear that these crimes were not the result of oversight by poorly trained bank tellers, but that the money transactions involved were handled by persons of vice-presidential status, minimally. In the case of Chase Manhattan, for example, the size of the average unreported cash transaction was over \$500,000. Such transactions, Walker said, were typically transfers from foreign banks, handled directly by vice-presidents.

The number of cases that went unreported, and the amounts, are staggering:

Bank/Cases	Amount
Chase/1,442	\$862,852,762
Manufacturers/1,393	139,761,697
Irving/1,242	309,824,072
Chemical/857	25,839,835

The timing of these revelations is especially noteworthy. Walker said that the banks came forward voluntarily, but he also smiled while saying that the Bank of Boston case probably

figured in their decision to "voluntarily" reveal their "violations."

They knew they were going to get nailed, so tried to preempt it.

Now, the only question is whether the case is closed, or whether the Treasury, Justice, and IRS will move in to put the appropriate people "above suspicion" behind bars for laundering the billions that finance the international drug trade. The similarity between these unreported cash transactions and those of the Bank of Boston drug-money-laundering case is very marked.

Walker indicated that "nothing precludes a further investigation," should evidence of any criminal activity be related to these huge unreported transactions. He added that over 140 banks are now under official, Treasury-authorized investigations by the IRS.

The fact worth noting is that Walker is the point-man in the Treasury Department for the administration's War on Drugs. He was with Attorney-General Edwin Meese only one week earlier, briefing the press on the administration's new bill to make money-laundering a formal crime. Naturally, he judiciously denied that there is any evidence "at this time" indicating that the unreported cash was linked to criminal activity. But then, why was the Treasury's War-on-Drugs man chosen to brief the press?

In short, this was the best news to come out of Washington in a long time. The entire press corps was there to catch it, too. Surprised it didn't make the big banner headlines it warranted, aren't you?

Tunisia's President calls on Reagan

The message delivered to President Reagan by the venerable, 81-year-old

President of Tunisia, Habib Bourguiba, during his trip to Washington on June 18 was an appeal to follow Jordan King Hussein's lead in resolving the Middle East crisis.

Bourguiba has stood for even-handed, negotiated settlement of the Mideast crisis, dating back to the beginning of his leadership in 1956. He drew the ire of then Egyptian President Nasser in 1965 for advocating a U.N. framework for resolution of the Palestinian crisis.

Today, his nation is host to the leadership of the PLO, which it considers the most moderate of the groups at odds with Israel in the region today. This is why Syria is the enemy of the PLO, Bourguiba contends: Syria is manipulated by the Soviets and Qaddafi, who gain from increased turmoil in the region. Tunisia is encouraging Arafat to go along with Hussein, and would like to see the United States encourage Israel to open talks with the PLO on the basis of the principles of U.N. Resolutions 242 and 338.

Tunisia, itself, is looking around for trade in technology. The South Koreans were recently there. Since winning independence from 75 years of French rule in 1956, the country has stressed free education and great public works as the keys to economic development. Today, the country has virtually 100% of school-aged children in school. It built its economy from scratch, mostly with help from the United States and then Europe.

But the country was invaded by Qaddafi in 1980, requiring a military buildup that upset the economic balance. Despite its laudable progress, Tunisia feels "penalized for having succeeded" because, as a government official put it, "rules drop like a guillotines" from international agencies when per-capita income rises above a certain point.

Bull-Shi'te awards go to Pressler, Scheuer

EIR's Capitol Hill correspondents are pleased to announce the Senate and House winners of the first ever B.S. Awards, for acts below and beyond the call of duty during the TWA hostage crisis. One day after President Reagan officially issued a travelers advisory concerning the Athens airport and several days after Greek Prime Minister Andreas Papandreou negotiated with and made concessions to the terrorists, Sen. Larry Pressler (R-S.D.), one of the KGB's resident assets in Congress, announced that the Greek government had taken a bum rap in the hijacking. Pressler said "there is some unfair anger directed against Greece," and proceeded to place the Greek government's rebuttal in the June 19 *Congressional Record*.

Scheuer, on the other hand, took the hijacking as an opportunity to remind his colleagues that the underlying cause for instability in the world was overpopulation. In a June 18 floor statement, Scheuer pointed out that while the TWA events "dominate the television screens . . . sometimes underlying events, inexorable events that are taking place globally, escape our attention . . . I hope we will keep in mind the massive population increase that is taking place around the world and the impact that growth has on global security, on global tension, and on global violence."

African aid proposal: right label, wrong content

Rep. Benjamin Gilman (R-N.Y.) introduced legislation on June 18 to provide U.S. assistance in an effort to

stop desertification and deforestation in Africa. Gilman correctly points out that "Sub-Saharan Africa's productive land is undergoing such a change for the worse, that the deleterious impact on the production of locally grown food, if not checked, will render all our good will and other efforts valueless. We shall only have to look forward to more famines that will make each preceding one seem mild in comparison."

Unfortunately, Gilman has succumbed to the arguments of the "appropriate technology" genocidalists at the World Bank and the International Monetary Fund when it comes to his solution. His bill, H.R. 2782, says: "There is substantial and growing evidence that the most effective, quickest, and least costly way of maintaining and restoring the resource base is through small-scale, affordable, resource-conserving, low-risk, local projects, using appropriate technologies and methods suited to the local environment and traditional agricultural methods in Africa."

Such primitive methods, as opposed to the "Great Projects" approach advocated by *EIR's* research staff, will ensure the continuation of the holocaust in Africa.

Helms 'Save the Poseidon' amendment is defeated

Senator Jesse Helms (R-N.C.) and 16 other senators waged a rearguard battle to prevent the destruction of a Poseidon submarine, as called for by President Reagan when he agreed to abide by the limits set by the unratified SALT II treaty. In motivating his June 19 amendment to the FY1985 Supplemental Appropriations bill, Helms ar-

gued, "This Senate has recently voted to spend several billion dollars to deploy the MX-ICBM in an unsurvivable mode. It seems to me that it would be the height of irresponsibility for this Senate to turn right around and vote to scrap our highly survivable Poseidon submarines in order to comply with an unratified SALT II Treaty which the Soviets are confirmed to be violating in at least 11 ways."

Helms charged that any vote against his amendment would be construed as a "vote for appeasing the Soviets in the face of their very clear SALT violations . . . and a vote of acquiescence in the face of Soviet military supremacy."

Those 16 other senators who agreed with Helms were Democrats Ernest Hollings (S.C.) and Ed Zorinsky (Neb.), and Republicans Jake Garn and Orrin Hatch (Utah), Phil Gramm (Tex.), Paula Hawkins (Fla.), Chic Hecht (Nev.), Gordon Humphrey (N.H.), Bob Kasten (Wis.), Mack Mattingly (Ga.), Jim McClure and Steve Symms (Idaho), Frank Murkowski (Ark.), Strom Thurmond (S.C.), Malcolm Wallop (Wyo.), and Pete Wilson (Calif.).

House slashes the SDI budget

In floor action on June 20, the House of Representatives agreed to chop over \$1 billion from the President's requested FY1986 budget for the Strategic Defense Initiative. In a series of six votes, the House rejected each attempt to increase or decrease the funding level of \$2.5 billion, set by the House Armed Services Committee and its chairman, Les Aspin (D-Wis.). President Reagan had requested \$3.7

billion for the SDI program and the Senate had cut that request down to \$3 billion during its own debate on the defense bill several weeks ago. The final authorization for strategic defenses will fall somewhere in between the Senate figure and the House figure.

Indicative of the state of mind of the House were the votes on amendments put forward by Rep. Ron Dellums (D-Calif.) and Jim Courter (R-N.J.). The Dellums amendment, which might as well have been drafted in the basement of the Soviet embassy, would have cut the SDI program to \$955 million—half a billion below its current level. One hundred and two congressmen choose to identify themselves as KGB assets by voting for that amendment, with 320 voting against. The amendment by Courter, who has taken up the role as one of the SDI's leading House supporters, would have restored funding to the administration level of \$3.7 billion. It was rejected by an almost identical margin of 104 to 315. In short, there are as many KGB assets in the House as there are patriots ready to fight for defense. In between are about 225 who need an object lesson in strategic reality.

Other amendments, which would have banned specific SDI experiments that might "bump up against" the Anti-Ballistic Missile Treaty and which cut different amounts of funding, were also defeated.

That the committee proposal remained intact and was neither cut nor restructured to "protect" the ABM treaty, was in part a result of Courter's ability to expose a ploy by House Armed Services Committee Chairman Les Aspin (D-Wis.) to undercut his own committee's SDI proposal. Earlier in the week, Courter released a memo written to Aspin by one of his

staff members, outlining a strategy to cut the SDI below the already-agreed upon Committee level and to back a "save the ABM treaty" amendment. Aspin, who tries to carry himself off as pro-SDI, was exposed as a double-crosser by the memo and was probably less able to undercut his own Committee's bill on the House floor.

Number of MX missiles cut by House

Following the U.S. Senate's disastrous decision to cut the number of MX missiles requested by the President from 100 to 50, the House of Representatives struck another 10 missiles from the defense budget on June 18, thus limiting deployment to only 40 missiles. That 40 missile limit was affirmed with a 233-184 vote on a "sense of the House" resolution put forward by Rep. Nicholas Mavroules, a Massachusetts Democratic crony of House Speaker Tip O'Neill.

Now a House-Senate conference committee must resolve the difference between 40 and 50 missiles, with President Reagan insisting that he will accept nothing below the 50-limit ceiling. The Soviet Union has over 700 equivalent missiles already deployed.

Almost identical votes came on other amendments regarding the MX, indicating that the mind of the House was quite set on the 40 missile ceiling before debate ever started on the floor. An amendment by Rep. Charles Bennett (D-Fla.), to kill the MX outright, was rejected by a vote of 230 to 185. Another amendment to conform with the Senate's 50-missile limit, put forward by Rep. Jim Courter (R-N.J.), also lost, 234 to 182.

Senators put hold on Burt nomination

The nomination of Assistant Secretary of State Richard Burt, to be ambassador to the Federal Republic of Germany, has been placed on hold by nine conservative senators. Led by Jesse Helms (R-N.C.), the senatorial hold also prevents further action on Rozanne Ridgeway to be assistant secretary of state for European affairs (replacing Burt), Thomas Pickering to be ambassador to Israel, and Henry Kissinger-fellow-traveler (and former Mondale campaign adviser!) Winston Lord to be ambassador to China. Helms has been opposed to Secretary of State George Shultz's ideological purge of conservatives from State Department and Foreign Service posts and his appointment of Kissingerians and KGB assets such as Burt to sensitive positions.

Burt, who was charged by the Senate Intelligence Committee in 1982 with having done "significant damage to U.S. national security" by his leaks as a *New York Times* reporter, is also opposed by the Schiller Institute and the National Democratic Policy Committee. Also, Helms recently charged that Burt had conspired with the Soviet Union to coverup the Major Nicholson murder.

A "hold" means that the Senate Foreign Relations Committee will delay a confirmation vote on an administration appointment as a courtesy to the senator requesting the hold. Joining with Helms are Republican Senators Jim McClure and Steve Symms of Idaho, Strom Thurmond (S.C.), Paula Hawkins (Fla.), Chic Hecht (Nev.), Orrin Hatch (Utah), Phil Gramm (Tex.), and Mitch Connell (Ky.).

Chicago gang vows revenge for MOVE

"The consequences of a Philadelphia-type assault will be far more devastating and have greater repercussions in Chicago than anyone can possibly imagine," threatened El-Rukn "General" Rico-El at a press conference May 29 at El Rukn headquarters in Chicago. The El-Rukn Muslim Nation is more widely known by its previous name, the Black P. Stone Rangers street gang, notorious for terrorizing Chicago's south side during the 1960s and 1970s.

The purpose of the "press conference," attended by 25 wives and children and 50 male group members, was to call for "press and community protection" from what the El-Rukns call "a conspiracy to set them up for mass extermination by the police." Rico-El and three other El-Rukn members, Salim Khaadim-El, Nechon-El, and Jabar Mutawally—all "divine ministers" of the group—compared recent "slander and harassment campaign by the police against them to that launched against MOVE prior to the bombing episode in Philadelphia."

'Discovery' tests laser tracking for SDI

The 18th mission of the Space Shuttle Discovery performed the first in a series of laser beam tracking experiments for the Strategic Defense Initiative (SDI) program on June 21. The success of the test demonstrates the capability to track and hit with a laser, a Soviet satellite in orbit.

The High-Precision Tracking Experiment was designed to test the ability of a ground-based laser to accurately track an object in low-Earth orbit. The laser, based on the island of Maui in the Pacific, produced a blue-green light which was aimed at the orbiting spacecraft.

Scientists reported that the light was re-

flected back through the Earth's atmosphere to a detector at Maui island. Because the Shuttle is traveling at over 17,000 miles per hour, the maximum amount of time an object could be tracked would be eight minutes, from horizon to horizon. Officials of NASA's Johnson Space Center in Houston report that the SDI office would have been happy with even one minute of tracking data, but got 2.5 minutes' worth.

Aboard the Shuttle was an international crew that included Prince Sultan Salman Al-Saud of Saudi Arabia and Patrick Baudry of France.

Soviet U.S.A.-watcher says beams won't work

A member of the U.S. Ideology and Public Opinion Department of the Moscow-based U.S.A. and Canada Institute defended the Kissingerian doctrine of Mutual Assured Destruction and attacked the Strategic Defense Initiative for beam-weapon defense, in a June 19 speech to the International Society of Political Psychology in Washington, D.C.

Claiming that the United States and Soviet Union "are locked into deterrence" and that the "problem of U.S.-Soviet relations is the problem of Star Wars," M. Malishenko demanded that the Reagan administration abandon the SDI if it wants the Geneva arms talks to continue.

Malishenko admitted that there is a consensus in the American population that the SDI could make nuclear weapons obsolete, but stated: "I don't think, and many American experts agree with me; that SDI is feasible."

Malishenko spoke on a panel entitled "Soviet-American Relations and Arms Control," with two of his colleagues, Andrei Melville and Yuri Zamoshkin. The latter is director of the U.S.A. and Canada Institute's project on American ideology, and has worked closely with "Aquarian Conspiracy" godfathers Jim Hickman and Michael Murphy of California's Esalen Institute.

Vernon Walters demands austerity for Africa

In his first major foreign policy address since becoming U.S. ambassador to the United Nations, Vernon Walters demanded that African governments impose harsh austerity on their people, no matter what the cost.

Vernon told the Washington World Affairs Council June 18 that Africa is suffering an "unparalleled economic crisis," caused by "misguided policies of African governments," including "a hostile attitude toward foreign investment, excessive borrowing, and a bias toward industrialization at the expense of agriculture."

African governments have recently come to accept austerity as a necessity, he asserted: "We now have quite a change in Africa. We are seeing drastic policies under way, as more and more governments take unpopular measures, and austerity, even at great social costs."

Walters singled out Zaire for special praise, noting that it has "undertaken a drastic austerity program, which has reduced inflation and government spending." Stressing what "courage" this requires, Walters pointed out that in Africa and other poor regions, "even small cuts have a vastly magnified impact on the population."

Walters also insisted that the United States "has neither the means nor the answers to lift Africa out of its present crisis."

Joint Chiefs map out war on drug traffickers

A strategy for using the U.S. military to an unprecedented extent in fighting drug production and trafficking in Central America has been drawn up by unanimous consent of the U.S. Joint Chiefs of Staff, and submitted to U.S. Defense Secretary Caspar Weinberger for approval, U.S. Chief of Naval Operations Admiral James Watkins told a naval strategy conference in Newport, R.I., June

19. This strategy, Watkins said, "could be a rallying point for this hemisphere."

Watkins said that the U.S. Army, Navy, Air Force, and Marine Corps chiefs wanted to launch a "massive new program," in which all the U.S. services would help Central American countries that ask for assistance in combatting the drug trade. The intent, he declared, was to help countries like Colombia, Peru, and Venezuela, if their governments desire it, in training highly mobile teams to stamp out rural production of marijuana and heroin, while U.S. aircraft and ships try to stop export of the drugs.

Watkins charged that the sale of heroin and other drugs was financing weapons for terrorist insurgents in the Western Hemisphere. Therefore, he declared, drug production and distribution had become "a national security problem" for the United States.

Efforts so far by the U.S. military to interdict drugs from Central America, he said, are "not good enough." Therefore, Watkins insisted, "a more coherent plan" was needed to stamp out the drugs that finance terrorist insurgencies.

The Joint Chiefs will meet with some 33 U.S. civilian agencies that would play a role in fighting drugs.

U.S. debtor status is focus of House hearings

C. Fred Bergsten, of the Institute for International Economics, testified on the foreign debt crisis of the United States at hearings entitled "The U.S. as a Debtor Nation," on June 20.

Speaking before John LaFalce's (D-N.Y.) Banking Subcommittee on Economic Stabilization, Bergsten stated: "The international position of the United States is now developing in an ominously similar way, both qualitatively and quantitatively, to that of the developing countries during 1973-82." Bergsten's remarks were seconded by former Reagan economic adviser Martin Feldstein and by Chairman LaFalce.

While all agreed that the U.S. budget deficit was the cause of the crisis, it was

Bergsten who called for increased supranational surveillance. The International Monetary Fund is currently increasing such surveillance over the U.S. economy, including dictating cuts in the defense budget.

"The current international monetary system is inadequate," Bergsten said. "It can only work when it pushes various nations to adopt policies which are consistent with international policies."

Science adviser takes fight for SDI to Europe

President Reagan's science adviser George Keyworth gave a speech in London on June 17, urging the allies to support the U.S. Strategic Defense Initiative (SDI). "It's not a 1980s version of 'Fortress America,'" he said.

Keyworth described the extent of the Soviet beam-weapons research program last year as "bigger than that envisaged by the Americans for 1986. Yet they have the nerve to parade the very scientists who lead that effort before the public to denounce our efforts as futile and destabilizing."

Keyworth told the European Atlantic Group, "The bottom line of this duplicity is that we can be reasonably sure that the Soviets will be phasing in their own version of SDI in the same time-frame that we could be. . . . The SDI's goal is to protect people, not weapons. We intend to do that by developing effective boost-phase defenses that stop missiles while they're still rising over the Soviet territory—without regard to what their targets are—whether they're SS-20s targeted at London or SS-18s heading for Washington."

That even if the protective "dome" created by the space-based defenses were found to be leaky, Keyworth said, it would be more than effective enough as a deterrent against a first strike by the enemy—"which of course is our goal."

"That's why strategic defense can render intercontinental ballistic missiles useless as offensive weapons—and that obsolescence would enable us to negotiate their removal."

Briefly

● **FBI DIRECTOR** William Webster asserted on June 20 that no terrorist acts have ever been committed by pro-Khomeini Iranians living in the United States. He lied. In July 1980, anti-Khomeini leader Ali Tatabai was murdered by persons known to Webster, and let go scot free by Webster and the Carter Justice Department.

● **JESSE JACKSON** is among the featured members of a new commission being established by Imam Mohammed Jawad Chirri, spiritual leader of the 36,000-person Islamic Shi'ite community of Dearborn, Mich. In an interview with the London *Daily Telegraph*, Imam Chirri said the commission would aim to send Jackson to the Mideast, to mediate the TWA hostage crisis.

● **RIGHT TO LIFE** convention delegates in Washington seem to be waking up. After hearing three attorneys defend the leadership's "new strategy" of "modifying," rather than opposing, "right to die" (euthanasia) legislation, a delegate from Minnesota stood up and denounced them, saying, "We'd still be *defeating* euthanasia bills if the National Catholic Conference hadn't capitulated!" She received a thundering ovation. President Reagan had earlier told the 2,000 delegates: "When we first predicted that unrestricted abortion would lead to talk of infanticide or euthanasia, some laughed and scoffed. But that is just what has happened."

● **MOOREHEAD KENNEDY**, a former hostage held in the U.S. embassy in Teheran, declared in an interview in June, "It's about time that groups like Islamic Jihad start bringing the war back home to the United States. You know, any well-dressed man could shoot the President." Three years ago, Kennedy hosted U.S. supporters of Ayatollah Khomeini, at a meeting at the Cathedral of St. John the Divine in New York City.

Editorial

Time to act against the media!

The taking of American airline passengers hostage by Lebanese Shi'ite terrorists on June 14, inaugurated a wave of terrorism which constitutes an act of war against the United States by the Soviet Union through surrogates. Would President Reagan respond as this appreciation of events warrants, he would strike at the terrorists' Syrian/Iranian infrastructure, declare a national defense emergency, direct the production of 1,000 MX missiles this year, and place the Strategic Defense Initiative on a crash basis. He would then quickly find it his not unpleasant duty to ride roughshod over the U.S. Congress—in consultation, perhaps, with those 14 senators who did vote for the MX.

The same circumstances of national emergency demand that the President take decisive action against the *New York Times*, *Washington Post*, and major-network news media, including the jailing of parties responsible for "giving aid and comfort to the enemy." Those are the words used by Defense Secretary Weinberger himself, several months ago, to characterize a *Washington Post* article which wittingly revealed classified data bearing upon U.S. anti-satellite capabilities. Those are the words the framers of the U.S. Constitution employed to define Treason.

There is no "Freedom of the Press" to aid the nation's enemies, in peace time, let alone in time of threat to the nation's survival. To wit:

- Upon first report of threats to the lives of American hostages aboard TWA Flight #847, the United States' elite Delta Force anti-commando unit was deployed into the region. On June 15, NBC News led other media in disclosing the fact and location of the Delta Force deployment, compromising any contemplated live rescue operation in advance.

- ABC News has reportedly paid \$30,000 to the Al Amal militia now holding the hostages in "undisclosed" locations in Beirut, for an interview with the TWA pilot, during which terrorists held a gun to his head—in compliance with ABC's request!

- The pretext for Shi'ite terrorism against U.S. targets is alleged CIA involvement in a Beirut bombing

which killed many Shi'ite leaders in Beirut last spring. The terrorists' source of information on CIA involvement? An "exposé" in the *Washington Post*.

Such acts not only now endanger American lives. They have knowingly compromised U.S. military and intelligence capabilities. They are acts of treason.

This touches upon what President Reagan appears to have finally perceived as betrayal by the country's British and Israeli "allies." Israel, whose operational capabilities vis-à-vis Lebanon are controlled by Ariel Sharon's faction, is not only party to a deal with the Syrian controllers of the terrorists, to divide Lebanon into respective spheres of influence. It is party to a deal with the Soviet Union on Israel's prospective satrapal status in an expanded Soviet empire.

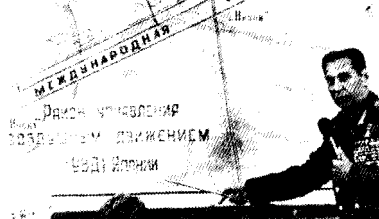
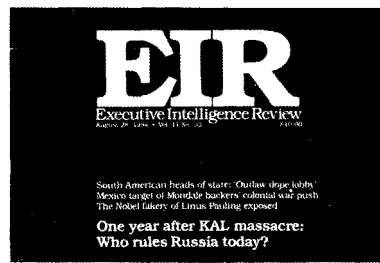
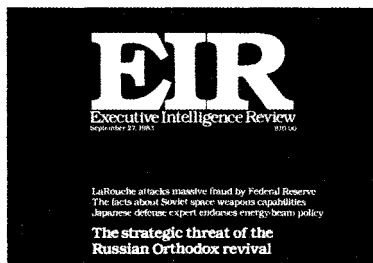
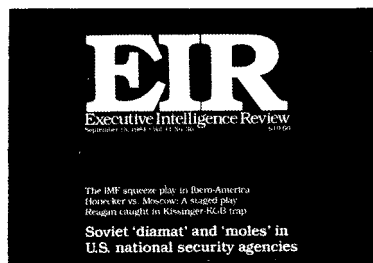
The British, led by Lord Carrington and his friend, Henry Kissinger, are the devisers of that "New Yalta" deal—to reduce American influence to "25% of its postwar extent" (Kissinger).

Who but these Anglo-American oligarchs, through such agencies as the International Institute for Strategic Studies (IISS) in London, control America's news media, as they control and deploy traitors at the U.S. State Department?

Take, for example, the would-be ambassador to West Germany, State's European Affairs assistant, Richard Burt. He has not only worked for the Israeli Mossad in the past. He served an apprenticeship at IISS, and was then seconded to the *New York Times* where he leaked security-sensitive information repeatedly. Some have now charged that his nomination for the German ambassador's post reflects a policy of Secretary of State Shultz to nominate individuals who "do not agree with the President's policies." But let us come to the point: Shultz's policy is to nominate traitors, which Burt is.

The American people detest the American news media. Any action taken by the President against this treasonous media—why not begin by withdrawing Richard Burt's nomination?—would be thunderously applauded by the American people.

Who Really Rules Russia Today?



Since the spring of 1983, when Lyndon LaRouche first laid out his groundbreaking analysis of the “Third Rome” imperialism that forms the Soviet Union’s cultural matrix, the author and his associates from the staff of *Executive Intelligence Review* have developed rich documentation of the thesis. Russia is not a communist state! Marxism there was adapted to the pre-existing Russian ideology, to “agrarian socialism” and the cult of Mother Russia. *EIR*’s material is indispensable for the specialist as well as for the patriotic citizen determined to preserve the values of Western Judeo-Christian civilization. Photocopies of highlights of this coverage are now available for **\$100**.

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