

EIR

Executive Intelligence Review

March 12, 1985 • Vol. 12 No. 10

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Executive Intelligence Review (ISSN 0273-6314) is published weekly (50 issues) except for the second week of July and first week of January by New Solidarity International Press Service 1010-16th N.W., Washington, D.C. 20036 (202) 955-5930

In Europe: Executive Intelligence Review
Nachrichtenagentur GmbH, Postfach 2308,
Dotzheimerstrasse 166, D-6200 Wiesbaden,
Tel: (06121) 44-90-31. Executive Directors: Anno Hellenbroich,
Michael Liebig

In Mexico: EIR, Francisco Díaz Covarrubias 54 A-3
Colonia San Rafael, Mexico DF. Tel: 592-0424.

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

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All rights reserved. Reproduction in whole or in part without
permission strictly prohibited. Second-class postage paid at New
York, New York and at additional mailing offices. 3 months—\$125,
6 months—\$225, 1 year—\$396, Single issue—\$10
Academic library rate: \$245 per year

To Post Master: Send all address changes to EIR, 1010-
16th N.W., Washington, D.C. 20036 (202) 955-5930



From the Managing Editor

President Reagan's Strategic Defense Initiative, pending Congressional funding approval, is being pushed ahead rapidly. The President's war on drugs is also moving ahead, with some of the damage done by the State Department in connection with Mexico repaired (see *International*). However, these vital initiatives, and the nation itself, are perilously close to catastrophe because of this administration's mystical commitment to "free enterprise" and continued backing for the International Monetary Fund.

"Free enterprise" is drug-running—everywhere in the world that a model under that name is proposed. The IMF's policies are synonymous with drug-running. As our continued coverage of the Bank of Boston dope-money laundering scandal highlights (*Economics* and *National*), the IMF aims, in the United States itself, as in Ibero-America, to destroy industrial capacities and elevate Dope, Inc.'s "black market" to the sphere of approved and dominant "free enterprise." And the same crowd of usurers, as our *Economics* lead reports, have one last card to play against the Strategic Defense Initiative: the financial power the pro-IMF position of the administration continues to allow them to blow-out the U.S. dollar and bust the defense budget.

This week's *Special Report*, compiled by Christopher White, Marcia Merry, and George Elder, is the outcome of a task force commissioned during the 1984 election campaign by then presidential candidate Lyndon LaRouche, who used numerous television appearances to interject the farm crisis as a major issue of the campaign. Again, the President's Achilles Heel: On the impending bankruptcy and destruction of U.S. agriculture, as usual on such matters, the President is being lied to by his economic advisers—like budget director David Stockman—and manipulated around the same idiotic ideology of "free enterprise." The grain cartels are the Invisible Hand of this so-called free market—and the deck is stacked in their favor by the Federal Reserve's not-so-free interest-rate policy and the IMF's budget-busters.

Where are the Russians in all this? See page 10 for just who helped the Cargill executives formulate Secretary Block's 1985 Farm Bill.

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NSIPS/Chris Lewis

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March financial war on U.S. has begun

by Chris White

The March financial offensive against the Reagan administration opened this past Feb. 27 when coordinated dumping by especially European central banks sent the U.S. currency tumbling. From a record high against the deutschemark of 3.4780, the dollar collapsed at one point to almost 3.18. The intervention brought the dollar lower in one day than had even been achieved last Sept. 21 during the International Monetary Fund meeting, when European central bankers were warning that the dollar's rise had to be stopped, or in mid-January, after the IMF's Group of 5 meeting in Washington, D.C.

It is, perhaps, too much to expect that a mere one-day tumble in the dollar rate, however sharp, will dispel some of the deep-seated illusions that fill the heads of economic policymakers in Washington. However, the time left for those heads to clear is running out, and rapidly.

The central bankers' coordinated dollar dumping is a warning of what's in store over the month of March, and into the spring, and what is at stake is the sovereignty of the United States.

In the prevailing Washington wisdom, the dollar's strength is attributed to the strength of the so-called economic recovery. This view, pumped into the President by his economic-policy briefers like Donald Regan, from the Crédit Suisse and White Weld connected Merrill Lynch, argues that other currencies are weak relative to the dollar because they haven't had the full benefits of the recovery yet.

As is well known, what is called the U.S. recovery was nothing but a typical financiers' swindle. For the last three years, the United States has been turned into a gigantic vacuum cleaner sucking in funds from all over the world. The "recovery" was financed out of the flesh and bones of the rest of the world. It is sufficient to cite the continuing growth in

the budget deficit over that period, and also the growth of the trade deficit. The dollar was artificially jacked up to cover the collapse of the United States' economy by forcing the rest of the world to pay.

In whole categories of U.S. physical production of goods, there was a catastrophic collapse, accelerating in the years 1981-82, to levels half of what prevailed in the early 1970s. This includes producer goods, such as machine-tools, machinery for other branches of production, and finished capital goods, such as locomotives, bulldozers and railroad freight cars.

Auto production fell from 12 million units annually in 1972 to 5 million in 1982—and auto was not the worst. Steel led the way, collapsing from over 200 million tons per annum in 1972 to 100 by 1982, and then continuing on down.

Here, agencies of the U.S. government, if they were doing their job, should compare the production numbers which they themselves have, with the Gross National Product, dollar, or index values for the same categories of production.

To cover internal collapse, the U.S. economy was turned into a parasite on the rest of the world. In the process, as this magazine has stressed repeatedly, to maintain solvency and the apparent integrity of its credit and financial institutions, the United States became first a net importer of capital, for the first time in this century, dependent on a constantly increasing flow of externally originating funds. Then, over the last year, the United States became a net debtor nation. Its obligations overseas exceeded what was owed it.

Internally, we are told, we got inflation under control. But while the dollar reaches 15-year highs against the deutschemark on foreign exchange markets, one U.S. dollar commands in a U.S. supermarket exactly what one deutschemark commands in a West German supermarket. That's inflation.

This is a pattern familiar to those who have studied cycles of national and state bankruptcies in the modern as well as ancient periods. The United States and its dollar are bankrupt, and will therefore be reorganized. The question is, on whose terms? That is what is implied in the warning shot the representatives of America's creditors, namely the combined central banks of Europe, fired off last week.

Stubborn mules and worse

There are those, some stubborn mules, others worse, who argue that such a view is crisis-mongering, is seeking to create a crisis that isn't there. They look forward to a decade of expanding trade deficits, to the dollar rising above 4.00 to the deutschmark.

The reality is that they were given the rope to hang themselves back in 1982. That was when they bought the nonsense about the "recovery" in the first place, to gutlessly avoid a fight with Paul Volcker, and his central banker friends, on the question of who controls international financial and economic policy, the sovereign government, or the international financial institutions like the privately owned central bankers' club, the Bank for International Settlements, and its collection agency, the International Monetary Fund.

Before that point, and after that point, the threat of what is known in some circles as "a financial fire-storm," of the sort portended by Feb. 27's tumbling dollar, has been enough to force the administration into capitulations, which are called "accommodations and compromises," with the cited international financial institutions. Those who argue against what they call "the crisis-mongerers," are either once again avoiding a fight that has to be carried out if the nation is to survive, or worse.

In parallel with the Russians

Since the first Reagan administration took office, the International Monetary Fund has campaigned vociferously for cuts in the United States budget deficit, including especially defense. They have done this on behalf of the central bankers who went into action at the end of February.

High officials of the International Monetary fund have not been ashamed to speak of the need to cut back on overseas basing arrangements for U.S. troops, while, at the same time, the Russians have funded and backed political movements for the closure of the same bases. The peace movement, so-called, in Europe is exemplary, as is what has been going on in the Philippines and elsewhere in Asia.

They have regularly campaigned against particular U.S. weapons systems, such as the MX missile. Again their efforts on behalf of "financial discipline and rigor," have paralleled Russian political campaigns to the same effect. They have opposed, and do oppose, the President's Strategic Defense Initiative, not merely on the grounds of cost, not merely as a military hardware system, but because of the scientific and technological revolution which is implicit in the program.

And so do the Russians.

According to participants in last fall's international conference of the International Monetary Fund, which put the question of both the U.S. dollar and the U.S. budget deficit high on its agenda, what was discussed at that time was a plan to force the capitulation of the United States to IMF demands over the course of this spring. They anticipated at that time an international financial crisis, to erupt this March to help their effort. U.S. vulnerability to such manipulations has been established since the policy swindles of 1982.

From Jan. 15 through 17, representatives of the same institutions met again in Washington, as the IMF's Group of 5, to again review their agenda. As in the previous fall's meeting, the dollar and the U.S. budget deficit took highest place on the agenda. Both meetings were acting on the expectation that U.S. policy could be changed before the up-

The European central bankers' coordinated dollar dumping on Feb. 27 is a warning of what's in store over the month of March, and into the spring.

coming meeting of the IMF Interim Committee in Washington April 16. The meeting of the Interim Committee will involve a broad review of questions pertaining to international indebtedness and the dollar.

The January meeting announced plans to "rein in the dollar." Within the next week, the European central bankers took their first coordinated steps to do just that. And now, as we enter March, the month that had been slated for the crisis to force Reagan into line with their policy, they have acted again. This time more forcefully.

Henry Kissinger, himself an over-paid employee of Goldman Sachs in New York, was involved in last fall's discussions. His friends, like former State Department official Robert Hormats, now with the same Goldman Sachs, are saying, "The Europeans banded together, and decided it was the right time to hit the market. What's impressive is not so much the volume of intervention, but the fact that they worked together. Unity has a considerably greater effect than any of them working alone. . . . What had been a one-way speculative market was really a two-way street."

Hormats' "Europe" is not the Europe which supports the Strategic Defense Initiative; it's the Europe of the old oligarchical opponents of that policy, acting through the financial institutions they control. It's about time again for the republic to show it knows how to deal with such opposition, and not just in Boston.

Venezuela's 'Boston connection': A tale of drugs, debt, and capital flight

by Gretchen Small

Explosive new investigative leads in the First National Bank of Boston's dirty-money laundering scandal were revealed Feb. 28 in Caracas, Venezuela. According to *El Mundo*, "the majority of the money exported [by the Bank of Boston] came from deposits made by Venezuelan politicians and businessmen, among whom appear some ex-presidents."

First National Bank of Boston's illegal financial dealings are already under investigation by six different U.S. federal agencies and institutions (see page 55). *El Mundo*'s revelations open up a new angle: Bank of Boston's role in channeling the massive capital flight which has drained Ibero-American nations, including Venezuela, of billions of dollars over the past five years. An estimated \$20 billion left Venezuela alone, a goodly portion of it believed to stem from "laundering" of drug monies.

El Mundo political-intelligence specialist José Cupertino Flores reports in his column "Supersecreto" Feb. 28, that Boston investigators say Venezuelan deposits moved en masse into the Bank of Boston from October 1983 until Feb. 18, 1984. A Boston newspaper editor told Cupertino Flores, "As I understand it, the politicians and businessmen from your country had, and still have, more than \$12 billion in capital which fled [through transfers] from Caracas, Valencia, Barquisimeto, and San Cristobal." Valencia, Barquisimeto, and San Cristobal are nodal points in distribution of narcotics in Venezuela. Caracas has, for the past several years, been the drug mob's happy money-laundering grounds.

El Mundo suggests that a study of the "passenger lists of flights between New York and Miami and the Boston airport would find famous [Venezuelan] names and surnames," although "others come by private jet. . . . After last year's intervention into Continental Illinois, the funds of innumerable personalities of our country were transferred with due speed to the vaults of the Bostonian institution."

El Mundo adds: "The \$500,000 fine [imposed on Bank of Boston] is limited to only 1,163 cash transfer operations carried out between July 1980 and September 1984, amounting to \$1.218 billion dollars. No record is kept of operations, other than cash ones. Federal inspectors suspect that Venezuelan deposits in Chicago, New York, Boston, Dallas, and Miami banks exceeded \$18 billion as of Dec. 31 of last year."

Ibero-American speculators, drug-money launderers, and private interests used every loophole they could find to get

"their" money out—no matter what happened back "home." In that big business, the amounts flowing through and out of Venezuela were even more spectacular. Federal Reserve member Henry Wallich revealed in February that amounts estimated at 90% of Venezuela's foreign debt left the country in recent years!

Of course, that doesn't stop anyone from demanding the nation pay that debt—no matter that it never saw productive use. Venezuela is a case study in how the same bankers who so merrily lent billions to Ibero-American nations and businessmen and then facilitated its return flight to their bank vaults, are now using their titles to that debt to demand these countries turn over the title to the country itself.

On Feb. 11, top debt negotiator Carlos Guillermo Rangel announced that the last round of talks with the country's creditors had been "very positive," and that only "technical details" remained before the long-sought global refinancing package covering some \$20 billion in public sector debt could be signed, sealed and delivered.

Ah, but how those "technical details" can hurt.

On Feb. 14, UPI reported that an International Monetary Fund (IMF) technical team has issued a report demanding that Venezuela further "liberalize" prices, lift all import restrictions, and immediately unify exchange rates, eliminating the bottom 4.3 tier in the exchange rate system—in effect, a sharp devaluation. Venezuela's finance minister duly called a press conference to reject the demands.

Then, Venezuelan debt negotiators in New York nearly walked out when the commercial banks demanded some form of written "guarantee" of private-sector debt obligations before any public-sector package would be accepted. The response within Venezuela was hot. It would be "treason" to accept the banker's conditionalities, stated Paulina Gamus, a leading congresswoman from the ruling Accion Democrática party.

That point has yet to be resolved, however, and may prove the stickiest. With international bankers projecting a collapse in the price of oil in the second-quarter of the year, and the dollar's value dropping, no banker is in any rush to sign an agreement based on conditions that may disappear practically upon signing. The demanded guarantees allow the banks to stall until the collapse hits, while inching the government, towards accepting a full restructuring of the

economy along lines that the bankers are demanding.

In effect, the demanded restructuring is nothing but a scheme to turn Venezuela itself into one big drug-money laundromat—as Miami once was. “Debt for equity” is the mechanism by which this is to be achieved.

Determined to get a bank agreement quickly, the economics team within the government has acceded to the pressure to the extent politically possible, signalling the banks that they expect to force their government to accept the demanded “debt-for-equity” exchange. On Feb. 27, Alfredo Gonzalez Amare, superintendent of foreign investments (SIEX), announced that a “debt for equity” plan has been in effect since September for seven private companies. New percentages allowed for foreign capital to associate with local capital were announced at the same time.

The “debt-for-equity” scam was put together at a secret meeting in Vail, Colorado in August 1982 which was led by Henry Kissinger. Under its terms, foreign creditors can claim title to shares of local companies as “payment” for foreign debts which they cannot meet otherwise. Under current world depression conditions, the scheme means that control of major chunks of the country will be turned over to foreign financial interests in short order, and on that basis, has been fought valiantly throughout the continent.

So far, the largest debt paid through a debt-for-equity arrangement is that of the Cerveceria Nacional, which turned over \$18.3 million worth of stock to 17 American banks to pay off loans, but more can be expected shortly. As Amare made his statements, Caracas papers reported that U.S. banks had initiated suits against eight Venezuelan companies for non-payment.

Bankers hope Amare’s faction of the government can force through the changes in foreign investment laws by the April refinancing deadline. The changes under consideration include allowing unlimited numbers of foreigners to be named to local-company boards, larger profit remittances, and “investor” guarantees against local currency devaluations.

It is this foreign investment plan which brings the story full-circle back to *El Mundo*’s shocking revelations of Venezuelan billions funding Bank of Boston’s laundromat. Last November, Gonzalez Amare had described the intent of his proposed changes as that of having “the Miami effect over the Venezuelan economy.”

From the late 1970s until the imposition of exchange controls in February 1983, billions of dollars poured into Florida real estate, hotels, construction, stores, restaurants, and anything else buyable. The majority of that capital wore a “Venezuelan” tag—although investigators knew the astronomical funds involved came from Ibero-America’s drug trade as a whole using Caracas as its laundromat.

If Gonzalez Amare and the foreign bankers for whom he works have their way, that money, extracted at high cost to the nation, will now “buy” out Venezuela again, which will become their laundromat.

Argentina's IMF agreement unravels

by Cynthia Rush

A group of Peronist legislators has introduced a bill into Argentina’s national congress calling for the confiscation of all assets “belonging to the United Kingdom and Northern Ireland in the territory of the Republic of Argentina.”

Introduced on Feb. 21, the bill cancels payment of interest due or coming due on all public and private debt contracted by the Argentine state, public or private companies, or individuals with British banks, financial entities, insurance or reinsurance companies. The bill’s authors state that it will remain in effect “as long as the circumstances which created the situation of belligerency between the Republic of Argentina and the United Kingdom”—referring to the 1982 military conflict between the two nations over the Malvinas islands—“continue to exist.” The bill stipulates that one-third of the funds deriving from the public administration of these confiscated assets will be allocated to the national emergency food program; one-third will be allocated to the medical and social assistance for veterans of the Malvinas war, and one-third to bolstering the budget for the armed forces.

This bill, which must be debated in committee and go to the entire congress for a vote, was introduced at a time when president Raul Alfonsín is under pressure on two fronts: to make a deal with Britain’s Margaret Thatcher on the Malvinas issue—accept a “cessation of hostilities” so that normal diplomatic relations can be restored; and impose the International Monetary Fund’s austerity program so as to ingratiate himself with the United States prior to his scheduled March 19 meeting with President Ronald Reagan.

The legislation is a sharp reminder that the Argentine population isn’t likely to tolerate either of these two items.

The nailing down of a tough IMF program was a virtual precondition for Reagan meeting with Alfonsín this month. U.S. Treasury and State Department officials are expected to further blackmail Alfonsín with offers of “private investment” and other of David Rockefeller’s pet themes when the Argentine President arrives in Washington.

Jacques de Larosière, the director of the Fund, has launched a new round of debt crisis throughout the continent. He was first reported to have said that he was “fed up with Brazil” and credits were abruptly suspended. In quick succes-

sion, it was announced that the Fund was "not satisfied with Mexico," that the agreements with Argentina were "in jeopardy." Then came the resignations of the country's central bank governor and economics minister.

New York bankers greeted the Feb. 18 resignation of Finance Minister Bernardo Grinspan and Central Bank president García Vásquez with some enthusiasm. The nomination of Planning Minister Juan Sourrouille as Grinspan's replacement was interpreted as a sign of Alfonsín's willingness to impose tougher austerity.

Grinspan, described by one banker as a "Radical Party hack," hadn't gotten along very well with the New York crowd. The *Wall Street Journal* happily predicted on Feb. 19 that Sourrouille and new Central Bank president Alfredo Concepción "are likely to work more easily than their predecessors with the IMF. They are also thought to be more willing to impose further economic austerity measures." The banking community liked the fact that Sourrouille is a "foreign-trained economist, reads English, and talks sense."

So far, Sourrouille isn't living up to bankers' expectations. A few days after taking office, his staff announced that the IMF austerity guidelines agreed to by Grinspan for the rest of 1985 were very problematic, and might have to be made more "flexible." Reports that the new minister would seek a total renegotiation of IMF guidelines have circulated widely both in New York and Buenos Aires.

The IMF delegation that had been visiting in Buenos Aires, led by Spaniard Joaquín Ferrán, reportedly left in frustration on Feb. 22 to give an unfavorable report back to director Jacques de Larosière. On Feb. 25, the steering committee of Argentina's creditors met in New York to nervously discuss the fact that the Fund is not expected to grant the \$236.5 million tranche of its standby agreement scheduled for payment during the second half of March. If this is the case, then the entire negotiation process and further granting of commercial bank loans will be indefinitely delayed.

It's true that Sourrouille is no rebel against IMF policy. His five-year national austerity program introduced in mid-January is based on bolstering Argentina's traditional role as an agro-exporter rather than an industrial leader. But the new minister is staring at a national economy that is unraveling at an astonishing pace.

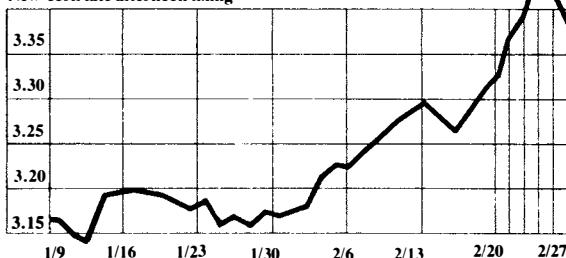
The government has not complied with IMF guidelines on inflation, money supply, fiscal management, or growth, and any effort now to enforce them for the rest of 1985 would result in a politically unacceptable recession and social chaos. Alfonsín is already beset with labor demands for salary increases, major protest from the nation's agricultural producers, and a dramatic increase in social conflict, especially drug-related crime, stemming from growing unemployment and economic dislocation.

Aware that the population is reaching the limits of its tolerance, leaders of the governing Radical Party insist that Sourrouille will serve the "forces of production," and not the detested *patria financiera*, the financial fatherland.

Currency Rates

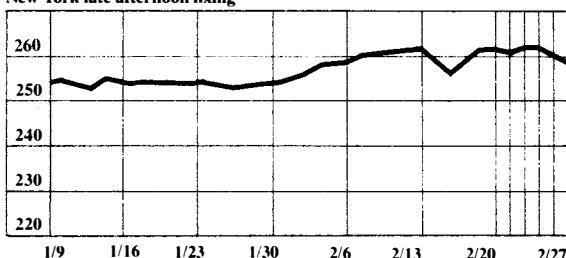
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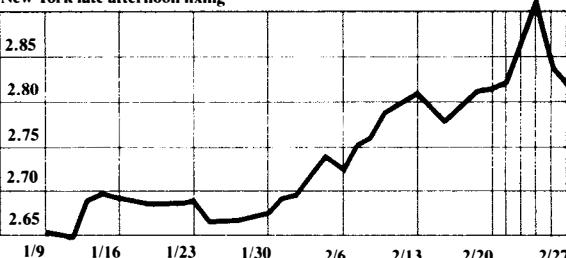
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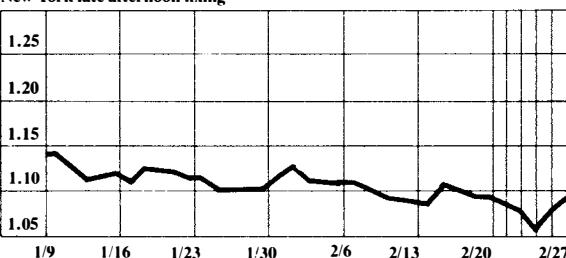
The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



1984 called Africa's worst year in history

by Mary Lalevée

Concern over the fate of millions of Africans facing starvation in 1985 has been shown by a series of meetings and initiatives to increase food aid to the continent. However, there is nowhere visible an attempt to tackle the *causes* of the famine, which caused untold hundreds of thousands of deaths in 1984: The genocidal effect of the "conditionalities" policies of the International Monetary Fund (IMF), the dramatic increase in debt, debt service, and costs of vital imports due to the rise in the U.S. dollar and IMF-imposed currency devaluations, and the fall in export revenues due to falls in commodity prices and in demand in the depression-ridden industrial countries.

There is also little attention being paid to the vital question of how to get food aid where it is needed. U.N. Food and Agriculture Organization (FAO) estimates of how much food aid is needed have actually been scaled down for the first time, due to the "logistical constraints" in such countries as Chad, Ethiopia, and Mali. In other words, more food than officially estimated is needed, but it could not be handled or distributed.

U.S. Vice-President Bush is to chair a special meeting of the United Nations in Geneva on March 11, aimed at "collecting funds for the 20 drought-stricken countries of Africa," according to a United Nations spokesman. Bush's presence at the conference will follow his tour of Sudan, Niger and Mali. Before his departure, he announced at a National Press Club luncheon in Washington, "The President and I want to focus attention on drought and starvation throughout Africa. . . . As bad as the situation in Ethiopia is, it's just part of a much broader emergency that has engulfed most of sub-Saharan Africa. From Mali and Mauritania in the west to Sudan and Somalia in the east, a great curtain of famine has descended over Africa."

British Minister of Overseas Development Timothy Rai-son called for more food aid for Africa following a five-day visit to Sudan in the middle of February. He said that Europe was lagging behind the United States, which is likely to send one million tons of food aid to Sudan.

A U.N. report on Africa just published gives graphic details of the scale of the famine: In Chad, 1,000 people are dying a month, mostly children; in Mali, 1 million people are facing starvation; in Sudan, 5 million people are threatened with death this year, one-quarter of the population.

In a press conference given on Dec. 28, 1984 in Addis Ababa, the executive secretary of the Economic Commission

for Africa, Prof. Adebayo Adedeji, described 1984 as "Africa's worst year in the public domain since the great depression." He said that Africa's deteriorating economic situation had matured into a crisis of unprecedented proportions. The 1984 crisis had been heightened by the widespread and persistent drought, an extremely unfavorable economic environment, and dramatic increases in Africa's foreign debt, interest rates, and debt-servicing costs. He warned that the 1984 crisis might repeat itself in 1985 and in subsequent years with even greater severity unless additional efforts are made to cope with the emergency situation.

There is nowhere visible an attempt to tackle the causes of the famine which left untold hundreds of thousands of dead in 1984: the genocidal effect of the "conditionalities" policies of the International Monetary Fund (IMF).

Professor Adedeji outlined a very ominous situation:

First, food shortages of great magnitude were affecting countries all over Africa.

Second, the effects of the drought-related emergency had not been confined to the food crisis alone, but brought in its train a number of other crises involving:

- 1) water supplies
- 2) transport, storage, and distribution of food and medicines
- 3) population displacement
- 4) health
- 5) nutrition
- 6) livestock
- 7) income-generating relief projects
- 8) energy
- 9) resettling and rehabilitating displaced persons.

He stressed that what happened in 1984 had shown that food aid alone, important as it was, was not enough, and that priority must be given to saving human lives through emergency relief operations, including logistical support.

Third, of the 27 most seriously affected countries, 19 were landlocked and dependent on neighboring coastal countries for imports of emergency assistance. This put an unbearably heavy burden on their ports with "inadequate and antiquated facilities." Inland transport systems had also been put under strain.

Agricultural production had increased by only 1.1% in 1981, 3.4% in 1982, and 0.4% in 1983. In 1984, it seemed

that there would be at best zero growth, but more likely, it was negative. In manufacturing, a fall of 1.2% was expected. Professor Adedeji asserted that the drop in output was a consequence of lack of local raw materials due to drought and lack of imported materials due to non-availability of foreign exchange resources. This had resulted in very low rates of capacity utilization; in many cases, industrial plants were closed outright.

The decline in per capita income in Africa would continue, he said: By the end of 1985, output per person would be nearly 12% lower than it was in 1980.

IMF ravages

IMF pressure has led to many African governments cutting down expenditures on vital activities, including transport and infrastructure projects needed to get food to the starving. Devaluation of African currencies as demanded by the IMF has led to cuts in imports, including of necessities such as food and oil.

- Ghana devalued its currency, the cedi, by 30% in December, the fourth time in little over a year, on the orders of the IMF. The IMF has also demanded cuts in subsidies, an increase in interest rates, and increased prices for petroleum.

- Ivory Coast has reduced its public investment programs on the orders of the IMF, and encouraged "redeployment of resources to profitable export industries." In November 1984, Ivory Coast's foreign debt was rescheduled since, according to the minister of states M. Maurice Seri Gnoleba, if Ivory Coast had had to service the debt each year, it would have had to freeze all other economic activity.

- Niger had signed an agreement with the IMF in 1983, and the government took "emergency measures," including cutting the number of sales outlets for cereal by the Food Products Company, dismantling state monopolies on marketing certain basic goods, increasing the rates for electricity and coal, and reducing staff. Now the government is being ordered to "privatize" a large part of the state sector, which employs more than 13,000. More than 20 firms could be partially or totally privatized, and one business is simply to be closed down.

- Somalia devalued its currency by almost 30% in January, following a 48% devaluation in September 1984. The devaluation was an attempt to win IMF approval for a new standby arrangement. The IMF is also demanding a significant reduction in the number of employees in the public sector.

- Chad is being forced to cut government spending on the IMF's insistence that the budget deficit should not exceed 5% of the gross domestic product. The Chad authorities are intending to increase some taxes and create new ones.

- Sierra Leone has devalued its currency by 58%, to pave the way for a new IMF standby agreement.

The story goes on. Africans will die, and keep on dying, until the International Monetary Fund itself is destroyed.

Moscow's hand in

by William Engdahl

Is U.S. agriculture policy being dictated by the Kremlin? This news service has come into possession of direct evidence which links one of the top Soviet intelligence think-tanks in the West to the planning and design of the United States Department of Agriculture's radical new 1985 Farm Bill. That Farm Bill, under the auspices of "free market" economics, will destroy the U.S. farm sector.

The facts and background to this dramatic revelation are outlined below.

In June 1983 at the estate in Laxenburg, Austria of the International Institute of Applied Systems Analysis (IIASA), Mr. Ed Rossmiller of the international relations section of the Department of Agriculture met with a top-level group of IIASA's Food and Agriculture Program under the direction of one Dr. K. S. Parikh. At this meeting, they developed a computer simulation which became one of the essential arguments in selling the catastrophic and controversial new farm bill.

IIASA is the headquarters for an eight-year project to develop the most extensive computer-based model of total global food production, demand, and prospects.

This IIASA study, though it has not before now been made public for reasons which will become clear below, provided a nice set of computer simulations and numbers used by Secretary Block and Cargill Grain Corporation's man in Department of Agriculture, Undersecretary Daniel Amstutz, to persuade an unwitting President Reagan to go with the drastic new bill. The studies, according to Parikh, "prove" that elimination of farm price supports in the United States and Western Europe will not greatly reduce production, but will reduce consumer food prices. This, of course, is an outright lie.

The Block-Amstutz bill proposes to crush the world's most productive food production capability with mass bankruptcies by removing billions of dollars in government price and other financial support to farmers. U.S. farm debt is estimated to be more than \$212 billion, more than the combined debt of Mexico and Brazil, the two biggest Ibero-American debtor nations. Even without the drastic cuts in Block's proposed "free market" farm bill, conservative estimates are that between 30% and 40% of America's farmers

the U.S. farm bill

are headed into some form of bankruptcy this year. Block, whose own farm is going through bankruptcy proceedings, says a "shakeout" of American farm capacity is necessary.

In an exclusive interview with this writer, Dr. Parikh revealed that the IIASA collaboration with Block's "free market" lunacy is far-ranging and, in light of the revelations, should be regarded by relevant government officials as a question of the highest national security. Parikh outlined far-ranging penetration by the IIASA, including a direct in-house computer hook-up between the Department of Agriculture in the United States and the IIASA headquarters in Laxenburg. He further revealed a network of active IIASA "moles" inside the Reagan administration, in addition to Rossmiller, including one high official of the President's Council of Economic Advisers, one Robert Thompson.

What is IIASA?

All of this becomes astonishing in light of the fact that President Reagan personally made the decision, early in his first term, to stop substantial U.S. government funding of the IIASA based on the fact that they were documented to be one of the highest-level Soviet intelligence capabilities in the West, including the vehicle for tapping into sensitive Western computer banks and so forth.

IIASA was created through negotiations between "Mr. Eastern Establishment," McGeorge Bundy, and top Soviet KGB intelligence operative Dzhermen Gvishiani in the late 1960s. Gvishiani, who headed the IIASA and used it as a major base of operations into the West on strategic economic issues such as energy supplies and food, is the son of a Soviet general who was close to Stalin, the son-in-law of the late Soviet Premier Alexei Kosygin, and head, at least until recently, of the Soviets' State Committee on Science and Technology—meant principally to steal same from the West. He was also the real initiator of Aurelio Peccei and Alexander King's genocidal Club of Rome, the backer of the "limits to growth" operations which have been used to destroy industry throughout the West since the late 1960s.

Inasmuch as President Reagan's attitude toward the IIASA "East-West channel" is generally known, and the KGB's use of it widely exposed several years ago, this means that

top officials of the U.S. Department of Agriculture wittingly traveled to, met, and collaborated with a KGB intelligence agency to map strategy for destruction of the West's most strategically important food-producing capability.

Moreover, the IIASA-Department of Agriculture collaboration was not a one-time thing, but continues to this day, according to Parikh!

The grain cartels' role

That Soviet intelligence would have an interest in furthering the process of destruction of the West's food-supply capabilities is not a surprise to anyone. What is difficult for some to grasp is the interest of certain circles in the Department of Agriculture in collaborating with the Soviets.

The answer partially lies in the nature of the "deal" of the primarily Swiss-based Big Six grain-cartel trading companies, which effectively control the world's trade in food-stuffs. With the argument that "excess" production and harvests in the United States and the European Community—the world's second-largest agriculture production capacity—must be controlled, they are orchestrating a global food crisis, much as the same networks and families orchestrated the fraudulent "oil crises" of the 1970s: Control world production and force prices sky-high.

To do this for agriculture means that the major farmers of both Europe and the United States must be used against one another. Out of the rubble, the grain cartel will develop an iron grip on global food supplies. No doubt, they probably imagine this will give them a powerful "bargaining chip" in a "New Yalta" world dominated by the Soviets.

In December of last year, Block and Amstutz went to London and held a press conference, where they bluntly issued a declaration of war against European agriculture. Using the cover of the Soviet-scripted "free market" farm bill, the U.S. agriculture officials told startled Europeans that the new Department of Agriculture farm bill will aim at breaking into traditional European export markets in a savage war of competition.

The cold-blooded cynicism of Soviet intelligence in this process was revealed in an article in the Soviet Communist Party's economic weekly *Ekonomicheskaya Gazeta* in July 1984. There, in an 8-page analysis of Western agriculture titled "Monopoly Agribusiness," writers from IMEMO, the economic intelligence think-tank which reports to the Soviet general staff, wrote that parity systems are to be condemned because they promote the industrialization of farming! They especially single out *fermerskii kapital*, the model for which is the traditional American family-held farm, the world's most successful productive model to date.

Soviet publications thus openly agree with Block's "free market" strategy in facilitating destruction of the world's most productive food producers. This, however, should not be surprising in light of the above. The Soviet Union through IIASA is the major architect of that "free market" strategy.

Thai minister tells Japan: Not only Thailand would benefit from Kra Canal

Thai Communications Minister Samak Sundaravej, who has shown a strong interest in the Kra Canal development project, was interviewed by the Japanese newspaper Yomiuri Shimbun on Feb. 8. Here are excerpts:

Samak: When we talk about the Kra Canal, it is an idea which has existed for 200 years. At the time of Rama I [in the 18th century], the canal was conceived as a way to defend the country against the Burmese. There was renewed interest in the Kra Canal during the reign of Rama V [in the 19th century]. But due to colonial powers of the time, the Kra Canal remained only an idea. Most interesting is the American report that came out in 1964. The Americans thought ahead of their time—20 years ago. Even though the distance saved would not be as great as that saved by the Panama or Suez canals, they foresaw that the maritime traffic at the Malacca Straits would become congested. Therefore, they thought the Kra Canal should exist.

When you look at the map of Thailand, you will see that the narrowest part is the Kra Isthmus itself. But this American team made a proposal supported with an aerial view map. Now, we have since learned that the TAMS [Tippetts-Abbett-McCarthy-Stratton] engineering firm, 10 years ago, on their own initiative, did a more detailed study of the project. We learned that the best passage is not at Kra but further south, because the Kra Isthmus itself has a very high mountain range which would make it very difficult to excavate the canal.

TAMS made several other route suggestions but concluded that Route 5 is the most interesting and the best possible route. This is because almost half of the route is near sea-level and the rest is a low mountain range. If the Kra Canal were to be built, one could save up to four days in shipping time. Of course, compared with other routes, the time saved is not much. But compared with the Straits of Malacca, it would be good to save four days.

Role of Fusion Energy Foundation

Then came another American group, the Fusion Energy Foundation. It is quite interesting for us Thais to see interest by an American group in constructing the canal. We found out that when they organized a conference in the United

States, they were able to draw some 500 to 600 participants representing 46 countries. Then, they came to Thailand and organized two conferences, the first one in October 1983 and the last one just last October.

So, they came to the conclusion that there were possibilities of doing this project. When I got into office two years ago, people asked me if there was any possibility of the Thai government actually implementing this project. Some said the project is so huge. Others said that it was impossible. Here is what I always replied: Is it possible to do this project? If it is, then go right ahead. See to it. But if it is impossible, then why ask this question?

What I would very much like to see is a good relief map of the area showing the different elevations. If I could have such a map, I don't think it should be difficult to decide whether the project is possible or not. Many times I have said to myself that there are many passages from the Gulf of Thailand [Indian Ocean] toward the inland. There are many rivers going some 27-30 kilometers inland before coming up against small mountains or hills.

The hills we run into in this area are only 50 to 70 meters high, i.e., some 200 feet or more. So, that's all we would have to move, when we talk of a canal without locks. To have locks may make the canal expensive. Looking from the air, we might have to make some detours in the canal route to avoid the hills so that the passage can be made. If there is not much to excavate, only some small hills, then we can perhaps say that there is really no need to use nuclear explosions to excavate the canal. Normal technology, like TNT or any other excavation method, would suffice.

Now, the Bangkok representative of the Fusion Energy Foundation, Pakdee Tanapura, told me that Japan is also interested in this matter. I would like to take this occasion to inform you that in Thailand, some members of parliament interested in the Kra Canal project took this matter to the ESCAP [Economic and Social Cooperation in Asia and the Pacific, a U.N. agency] secretary general. These MPs would like to lift this Kra project to the status of a regional program. The ESCAP secretary general acted with wisdom, called me up and asked to meet. I met him. He told me that he is not in a position to deal with those members of parliament. He can

only talk to the government, not to members of parliament. He also asked me to stop these initiatives to regionalize the project through ESCAP because it could jeopardize ESCAP in the region. He told me that, in fact, this matter concerns the sovereignty of Thailand. This is because an eventual passage will only go through Thailand. If the project is done as a collaborative effort of all countries in the region, who then owns the airspace over the canal zone? What is Thai sovereignty over this area? So, he told me that the construction of the canal is a decision to be made by Thais. The two other countries that would be concerned by the project would be Japan and the United States, the two countries that would greatly benefit from the canal.

Benefits for Japan, U.S.A.

For Japan, they could move their tankers to the Pacific faster through the passage when transferring oil from the

When I got into office, people asked me if there was any possibility of the Thai government actually implementing this project. Some said the project is so huge. Others said that it was impossible. Here is what I always replied: Is it possible to do this project? If it is, then go right ahead.

Middle East or goods from Europe. Since Japan would be a major beneficiary of the project, and she has the technology and financial resources to participate, she may be involved in it.

The other beneficiary country is the United States. We know that the U.S. Seventh Fleet uses the Cebu base in the Philippines. The United States also has her Sixth Fleet based on Diego Garcia, in the Indian Ocean. An eventual passage through the Isthmus of Thailand could help speed up and facilitate the deployment of these two fleets between the two oceans.

If collaboration from both Japan and the United States can be organized under Thai sovereignty, maybe investment could come from these two countries. If this is the case, then perhaps these two major beneficiary countries could pay for a certain period of time a lower preferential rate to the host country, Thailand. This is the general idea of what can be

arranged.

The Ministry [of Communications] is going ahead with the project. The Fusion Energy Foundation, TAMS, and the Global Infrastructure Fund (FIG) of Japan, are very interested in submitting a pre-feasibility study. TAMS has all the facts and figures of the area. The study will be provided free of cost, and Thailand will have the necessary preliminary information. Now if we are interested, we can move further on to a real feasibility study. Then, if the project proves to be viable, we will select ways to implement the project.

Yomiuri: A press article printed in our newspaper mentioned that "the Thai government asked Mr. Doko, honorable chairman of the GIF, about the Kra Canal case. What I want to know is whether this letter was an official letter because the Japanese paper mentioned "the Thai government asked. . . .?"

Samak: You can say that, because when you are called the minister of communications, you represent the Thai government. It is under my jurisdiction. It is under my responsibility. When we have to make the final decision, of course, we will then have to have the approval of the cabinet. But we are at a fact-finding stage, collecting data in order to have a pre-feasibility study. The pre-feasibility study establishes that it is possible, that it is viable to go ahead and do the feasibility study. At that stage, the project will still be under my jurisdiction if there is no public expenditure.

Benefits for Thailand

Yomiuri: Please say why you want to promote or accelerate this plan?

Samak: Actually the benefit is not for the Thais. The passage is for others. But we are the ones who own that corner. We will benefit from the business that will occur along the sides of the canal. Refineries must exist there. Water plants must exist there. Any kind of industry could exist there. I want to say that we did not think of doing it in order to just have ships come to Thailand. No, it is for others who will benefit from the canal passage. But since we are the ones who will own the passage, we will be the ones to do business. Thais will benefit from the industrialization of the area.

Yomiuri: What can the Japanese do?

Samak: I would like to pay a visit to Japan as a guest of some institution where I could deliver a lecture on this matter, and where I would be able to answer questions. As in this country, there are still pros and cons. Those who are in favor of the project may have no responsibility. Those that are against may have no responsibility. But they have the right to talk. This is a democracy. But as the one who has jurisdiction and responsibility, it should mean something if I talk on this matter. I might spend two or three days in Japan, because Japan has shown much interest in this project.

Bringing the Eurodollar market home

The First Boston scandal shows Dope, Inc.'s plan to turn America into a money laundry.

Among the shocking global implications of the First National Bank of Boston and Crédit Suisse/White Weld money laundering scandal is that they have succeeded in the scheme, first proposed in 1980, to turn the entire U.S. banking system into an offshore drug-money laundering haven.

EIR first investigated Richard Hill and First National of Boston in 1980. Hill and the bank were leading a campaign by the Association of Reserve City Bankers, the top 134 banks' club, for establishment of "free banking zones" or "IBFs," International Banking Facilities, in the United States.

A spokesman for Chase Manhattan at Hill's Association said at the time that the aim was "bringing the Eurodollar market back home." The IBFs, which were indeed set up in 1982, are Eurodollar-style outlaw deposits in major U.S. banking cities, and have flooded Boston, New York, Chicago, etc. with hundreds of billions in illegal Eurodollars.

The offshore Eurobond and Eurodollar markets, centered in London, Singapore, and the Cayman Islands, were created by the London and Swiss banks in the 1970s as havens for dollars fleeing U.S. banking and currency regulations. British and Swiss banks took dollar deposits from the Soviets, OPEC, and the then-\$200-billion per year world drug trade, and laundered them into Eurodollar bank loans, which reached \$2 trillion by the end of 1984.

The Eurobond market was a particularly nasty segment, run by Crédit Suisse, First Boston, White Weld,

Morgan, Warburg's, and Swiss Bank Corp. While Eurodollar commercial banks have to account for deposits at least marginally, Eurobond dealers can take any dirty money and sell Eurobonds in dollars to the party laundering money.

This market, in which Crédit Suisse/First Boston controls some 50% of all bond volume, skyrocketed from \$47 billion in 1982 to over \$100 billion in 1984; its total outstanding volume is estimated at \$500 billion. Eurobond lending in 1983 at \$48 billion actually surpassed Eurodollar bank loans at about \$25 billion, the first time.

Behind this figure, however, a huge reversal in the global flow of funds is being organized. Entire chunks of the Eurodollar market are indeed being brought back home. The entire U.S. banking system is becoming a huge "Euromarket."

Eurobonds surpassed Eurodollar lending in 1983 because of the total shutdown of U.S. and other banks' foreign bank lending. Credit was available only to preferred borrowers such as Canadian and U.S. companies who were eligible for Eurobonds. This began with Britain's 1982 Malvinas War against Argentina, which gave banks the excuse to kill loans.

According to a Feb. 25 Salomon Brothers study, since 1983, for the first time since the war, American banks, instead of lending net funds abroad, are making net withdrawals of funds from abroad, sucking the Euromarkets into the United States. Total new U.S. investments abroad (bank and

others) fell from \$107.8 billion in 1982 to \$43 billion in 1983, and as little as \$2 billion in 1984. Of this, U.S. banks' foreign lending fell from \$111 billion in 1982 to \$25.4 billion in 1983 to \$300 million for all of 1984.

Where is the money going? The fact is that U.S. banks themselves are now able to launder drug money as well as any offshore center, due not only to the establishment of IBFs, but the deregulation of U.S. banking pushed by Paul Volcker and Richard Hill since 1980.

First, Hill's Association and Volcker put through a phased removal of *reserve requirements*, the U.S. banking law to avoid which the British created the Euromarkets in the first place. Before 1980, U.S. banks were forced to maintain non-earning cash reserves at the Fed equivalent to 5-10% of deposits. Reserves cost banks money, and are also a prime control which the government could use to stop banks from creating too much hot money.

Beginning with the Carter 1980 Monetary Control Act, designed by Hill and Volcker, U.S. reserve requirements were reduced by \$3 billion in 1980, \$1 billion in 1981, \$4 billion in 1982, and \$5 billion in 1983, such that the average reserve base of the banking system is down from 10% to 3%. With almost no reserves, U.S. banks now operate as in the Euromarkets with an *unlimited Keynesian multiplier*. They can create an unlimited amount of credit on a given deposit base.

In 1982 and 1983, the Fed also authorized creation of Money Market Accounts and Super-Now Accounts, deposits with no interest rate ceilings and *no reserve requirements*. These hot accounts have grown to over \$400 billion.

Any U.S. bank is now a potential money laundry.

Food nuts: a perennial weed flowers

Whenever economic conditions deteriorate, "austerity dieting" fads spread.

The recent suicide of low protein fanatic Nathan Pritikin and the release of a report by a group called the Physician Task Force on Hunger in America, which indicates that at least 20 million Americans go hungry two or more days a month, provided the stimulus to look into the impact of food fads, past and present. This is especially pertinent to the emphasis on "preventive medicine" occurring in the context of an impending collapse of the U.S. agriculture sector. A review of the history of "austerity dieting" and some of its present manifestations seemed in order.

The following quote will illustrate the problem at hand. "There is probably no science which had made greater progress in the last decade than nutrition; but at the same time no science has suffered as has nutrition in the hands of the faddists and those who mark commercial food and vitamin preparations, the labels of which savor a reputation of the patent medicine propaganda.

"There are many fads and fallacies in nutrition, most prominent of which are: 1) The reducing fad. 2) The bread fad (white bread versus whole wheat). 3) The sour milk fad (yogurt). 4) The vegetarian fad. 5) The no-meat fad (pure vegetarians versus those who will eat cheese, milk, eggs, etc.). 6) The vitamin fad. 7) The bran or roughage fad."

This quote, which is an accurate characterization of the current fads,

including those of Pritikin, is from a 1927 *Bulletin of the California Bureau of Food and Drugs*, which was reprinted in a 1961 book, *The Nuts Among the Berries*.

The anti-meat, pro-roughage faction in this country goes back at least as far as Dr. Andrew Graham, inventor of the graham cracker, in the early 19th century, and continued through such people as Kellogg and Post, founders of the respective cereal companies.

The Pritikin centers, where patients spend up to \$6,000 for several weeks of exercise, "education," and a strict low-fat, low-protein diet, are simply a recrudescence of the Battle Creek Sanitarium, run by Dr. John Harvey Kellog and Sister Ellen H. White, where meat-eating sinners were purged of their toxins and their cash by copious enemas and a diet remarkably similar to Pritikin's. This diet—no meat, two meals a day, elimination of alcohol, tobacco, coffee, salt, sugar and lard, and consumption of graham (high-bran) bread and vegetables—was revealed to Sister White in a one-hour trance back in the 1860s.

The simultaneous manifestation of back-to-the-earth environmentalism and this sort of "natural food" faddism has been a recurrent phenomenon at times of economic and social collapse throughout history. An illustrative example today is Dr. Cliff Robertson, who writes for the "eco-agriculture" magazine *ACRES, U.S.A.*, which

pushes growing of herbs as a cash crop in the face of worldwide starvation.

Robertson, whose contribution to the compost heap of nutball health books is called *The Health Explosion*, runs a clinic whose treatment procedure is as follows:

"Step One. The first step is to cleanse and detoxify the patient and—teach—keeping the system clean.

"Step Two. To feed the patient proper foods to rejuvenate, rehabilitate, and reform the body—only fresh, poison-free, whole, natural foods—raw as much as possible. The following items should be eliminated: 1) chemically contaminated or polluted water; 2) devitalized, degerminated, chemically treated, and synthetically enriched grain products; 3) unnecessary cooking of food; 4) devitalized, sterilized, pasteurized, and ultrapasteurized milk or milk products; 5) all refined sugars and hydrogenated fats and oils."

The development of pasteurization was a major step in making milk, an excellent protein source, safe and widely available. Prior to pasteurization, milk was a source of a number of infectious diseases, including dysentery and tuberculosis. This does not bother "Dr." Robertson, who believes: "Tuberculosis can be caused from degeneration resulting from over-cooking of foods and too many mucous-forming foods. This condition can begin to heal as soon as the patient follows a raw diet, minus all refined grains and milk products. We also flood the patient with plenty of fluids—and clean out the elimination system." It is precisely this sort of thinking which could well bring TB back.

One of the major benefits of a mobilization to develop the scientific and technological potential of the Strategic Defense Initiative would be to purge the health-care systems of this sort of idiotic, and dangerous, quackery.

Business Briefs

Labor

Kirkland's AFL-CIO now Animal House

The AFL-CIO is only obeying the law of the jungle in abandoning industrial workers as its main organizing base, federation president Lane Kirkland told reporters. He was asked to comment on the AFL-CIO report, *The Future of Work*, released in late February. The report identifies the U.S. "services sector" as the future point of concentration for union organizing. Kirkland explained: "Survival is like Darwin, I guess. It's a constant adaptation to change. It's been our history. And I think it'll always be our history."

The Future of Work recommends, among other things, that unions merge into bigger combines, following the trend of corporate takeovers. Kirkland, a member of David Rockefeller's Trilateral Commission, also said that "something mystical" had instructed him that the AFL is "on the verge of revival and resurgence."

Famine

OAU secretary general warns of catastrophe

At the meeting of foreign and economic ministers of the Organization of African Unity (OAU) in Addis Ababa, Ethiopia in late February, OAU Secretary-General Peter Onu warned that Africa would "plunge into a catastrophe without precedent in the history of mankind," unless immediate and drastic measures were taken to fight the famine and economic crisis on the continent. Onu stressed that besides efforts to save the lives of the millions who are starving, there should also be efforts to build up African economies, not only for agriculture, but for industry as well.

The Ethiopian head of state, Mengistu Haile Mariam, stressed, "No region of the world had been so hard hit by the world recession as Africa," facing falling prices for its exports of commodities and raw materials, rising prices for its industrial im-

ports, and, especially, an increase of foreign debts preventing the development of the continent. He called on African nations to undertake a common initiative toward the industrialized nations to obtain debt relief for all Africa.

International Trade

Commerce cancels Japanese trade talks

Commerce Secretary Malcolm Baldrige announced on Feb. 26 that he is not sending Undersecretary of Commerce Lionel Olmer to Tokyo for scheduled trade talks with Japan. The United States, he said, would not engage in talks on opening up Japanese forestry, telecommunications, and pharmaceuticals markets until the Japanese stop talking about the "theory" of opening the markets and "get down to the nitty gritty."

Baldrige is promoting the general State Department "Euroyen" policy of forcing the Japanese to deregulate and open their markets, especially their financial markets, to the same sort of unrestrained looting accomplished by British and European banking interests against the United States through the Eurodollar market.

U.S. 'Recovery'

Wheeling-Pittsburgh suspends dividends

Wheeling-Pittsburgh, the smallest of the Big Eight steel producers which control 70% of America's steel output, suspended dividend payments on its five preferred stocks in late February. The company, which has 5 to 10 million tons of raw steel capacity, has lost \$122 million since 1982, and was expected to show heavy losses for the fourth quarter of 1984 and for January of this year.

The company exhausted its last bank credit lines in August 1982, and has seen a substantial erosion in its cash position. Paul D. Rosen, a United Steelworkers district of-

ficial and the union's chief representative in wage concession talks geared toward keeping the company alive, said that the steelmaker's financial state is "perilously close" to requiring a federal bankruptcy filing, according to the *Wall Street Journal*.

International Credit

Study shows dollar rise based on collapse

A study by Dallas S. Batten of the St. Louis Federal Reserve Bank issued on Feb. 25 argues that the dollar's rise is really due to a collapse of U.S. bank lending abroad. Since 1983, American banks, rather than lending net funds abroad, are making net withdrawals of funds from abroad.

"The dollar's strength reflects not an increased demand for greenbacks by foreigners, but a decreased demand by Americans for all other currencies," Batten stated. Foreign investment in the United States has continued at the same rate as 1981, about \$83.1 billion each year since then, figures further show. The net capital inflow into the United States isn't caused by a rise in rate of foreign investment, so much as by a "pronounced decline in the rate of U.S. investment abroad," which has fallen dramatically during the last four years.

Technology

Major advance made in KrF laser system

A major system advance has been reported by Los Alamos National Laboratory's Aurora KrF laser project, and is being hailed as "an additional step in the decades-long quest to develop a fusion reactor," according to a Los Alamos press release issued on Feb. 22. In general, when applied to sensors in industrial control applications, Dr. Bert Kortegaard of Los Alamos estimates that productivity could be increased with this technology alone by as much as tenfold.

Briefly

The advance consists of a new beam-alignment system which permits the original laser pulse to be chopped up into 96 pieces and then reassembled as one combined pulse at a particular point. This process of optical power amplification is called multiplexing.

The beam-alignment breakthrough consists of combining recent advances in computer technology with sensitive photosensors. The system can now achieve accuracies in a few seconds which previously were attainable only in several hours.

The alignment-detection system which made this possible was based on studies of the human eye, which can detect light signals much weaker than the general, scattered background lighting—what is called “noise.” The system actually utilizes the noise background to observe the laser pulse. The new detection system can be utilized to enhance any sensing system by as much as a factor of 10, for example “commanders analyzing battlefield situations through smoke-filled skies, or archaeologists searching satellite photographs of heavily forested land,” according to Los Alamos.

Dr. Kortegaard notes: “The beauty of this is the ability to take something like ‘noise’ that’s bad, that you can’t get rid of, and make it work for you.”

Currency

Bolivia agrees to ‘dollarize’ economy

Bolivia's central bank president, Reynaldo Cardozo, announced on Feb. 26 that the government will “dollarize” the economy as the result of meetings with creditor banks in New York two weeks earlier. The government announced a harsh austerity program the last week of February, including price increases for most basic goods and services. The Bolivian government of President Hernan Silez Zuazo took the economy off the dollar standard soon after taking power in 1982. Re-dollarizing the economy will mean that the peso, already a debased currency, will be virtually worthless, since all contracts, prices, etc. will be quoted in dollars.

Bolivia's cave-in to the banks came as

the *New York Times* warned on Feb. 26 that the problem of the Ibero-American debt is again causing fears among banking circles. The article, by Alan Riding, states that “financial uncertainty has appeared in the region, provoked by the problems that several key governments are facing putting into effect austerity programs.” Riding cites the abrupt firing of Argentine Finance Minister Bernardo Grinspun, the IMF suspension of credits to Brazil, and the recent drop in the price of Mexican and Venezuelan oil. However, says the British Riding, not to worry: “Many bankers in the region believe that the glitches in the restructuring process are surmountable.”

Riding is the author of a new book, *Distant Neighbors*, a blueprint for a civil war and dismemberment of Mexico.

Development

Egypt requests aid for agro-industries

Egyptian Prime Minister Kamal Hassan Ali has stated that Egypt has an “urgent” need for \$2 billion in additional U.S. aid to help fulfill its five-year development plan, particularly for priority projects in construction, power generation, including nuclear power plants, steelmaking, and agriculture.

Ali said that Egypt was committed to nuclear power development, and he was expecting a decision this year on tenders to build its first nuclear power station from consortia led by French, German, and American interests.

Egyptian Defense Minister Field Marshal Abdel-Halim Abu Ghazala arrived in Washington in late February to discuss the military component of the debt problem. Egypt is in arrears of about \$300 million of its \$4 billion military debt to the United States. Military-debt repayment now accounts for about half the funds Egypt receives from the United States in civilian aid.

The new aid request comes shortly before Egyptian President Hosni Mubarak's scheduled mid-March visit to Washington, when he will discuss his Mideast peace proposals with President Reagan.

● **AMEX**, according to a release from the Chinese news agency Xinhua, is “now ready for a comprehensive expansion into China.” The announcement follows the four-day January visit to China by Henry Kissinger, who represented American Express.

● **PANAMA** will build transshipment ports for containerized cargo on the Atlantic and Pacific coast, President Nicolas Ardito Barletta announced on Feb. 27. The announcement implied that the trans-isthmian railroad would also be modernized to integrate the two ports.

● **NUMBERS** runners in New York City are organizing themselves into a union, according to a well informed Harlem source. The estimated one-quarter-million runners are uniting to fight the drug clean-up as part of an effort to hang on to their jobs.

● **DON REGAN**, according to sources close to the administration, will be given “sole responsibility” for Reagan administration economic policy, and Regan will use his position to push the ideas of New Right luminary George Gilder.

● **INDIA**, according to research in progress by the *EIR* economic staff, outstripped the United States in production of tractors in 1982, 67,000 to 66,000. India is apparently old fashioned enough to still believe in food.

● **SEBASTIAN ALEGRETT**, head of the Latin American Economic System (SELA), called for a larger participation of the nations of Ibero-America in the shipping industry at a SELA meeting on shipping and maritime trade on Feb. 26. He said it is time for the member countries to unite “to jointly face up to the pressures from the industrialized countries and the multinational companies.”

Food policy: Will free enterprise be the death of you?

by Chris White and Marcia Merry

At the end of February, a deal was struck between the Reagan administration and the financial interests and grain cartel which have a stranglehold on American food production. Thinking to avoid the threat of a chain-reaction collapse of international credit, the administration has agreed to let the financiers and the cartel go ahead with their planned "reorganization" of American agriculture. This will mean bankrupting the independent family farmer and shrinking the food supply for the United States and the world.

The existence of the deal was brought to light in President Reagan's press conference of Feb. 21, and again in his weekly national radio address on Feb. 23. This is the significance of the President's remarks on the subject of indebted farmers. The decision has been made on the fate of those farmers and of the agricultural banks which serve their needs: Let "the market" take its course.

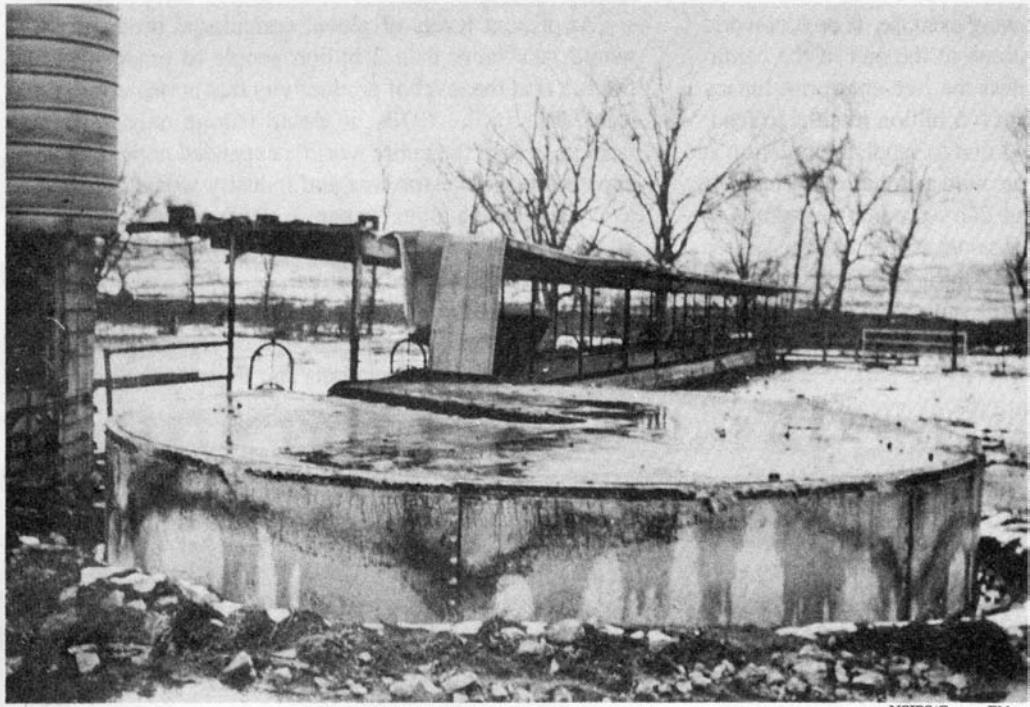
On this question, as usual on such matters, the President is being lied to by his economic advisers—like budget director David Stockman—and manipulated around the idiotic ideology of "free enterprise." The grain cartels are dealing with the Invisible Hand of the so-called free market—and the deck is stacked in their favor by the Federal Reserve's not-so-free interest-rate policy. Just as Adam Smith and the British East India Company used the free-enterprise doctrine as a license to loot the colonies of the British Empire in their day, so today the cartels are picking the pockets of the American farmer and the consumer.

It is not only the President who has been manipulated on this score. Day after day, the country is presented with media images of the farm-sector crisis: families dispossessed, cropland, herds, and machinery seized as collateral on defaulted debt. All this is presented as a tragedy of "the rural life-style"—including by the U.S. Department of Agriculture.

But this is no soap opera! It is the world's food supply—and that means your food supply—that is at stake.

Debt and the food shortage

"About two-thirds of today's farmers have no debt problems," President Reagan declared, "and only a minority of the remainder are in severe financial dis-



NSIPS/George Elder

The President's economic advisers are telling him that only "a minority" of farmers are in trouble—but these are the technology-proud farmers that produce the bulk of the nation's food. Shown is an abandoned silo in Pryor, Oklahoma.

tress." This is a case in point of how the President has been lied to.

To be sure, about one-third of the nation's 2.4 million farming establishments are the ones with debt problems. But these are the farms which produce the bulk of the nation's food supply! Of this number, it is estimated that 100,000 alone produce almost 80% of the nation's food. Under the administration's agreement with the financial and cartel interests, these are the producers who have been left out in the cold, burdened by artificially inflated debt, paid below the cost of production for the last years, and starved of credit.

And it is indeed the case that about two-thirds of the nation's farmers do not have problems with debt—but these are primarily farmers worth less than \$40,000 per annum, whose principal source of income does not derive from agriculture at all, but from employment outside of agriculture. Food production is simply not the principal activity of this section of what is called the agricultural labor force.

The Department of Agriculture talks of "down-sizing" the agricultural sector. Stockman talks of "shrinking" the same sector, or of farmers "withering away." And what they are doing is sacrificing the most productive entrepreneurs and business managers in the world, on the altar of their "private enterprise" deity.

They and their friends at the KGB-linked Heritage Foundation, the Mont Pelerin Society, the International Trade Research Bureau of London, the KGB-dominated International Institute for Applied Systems Analysis (IIASA) in Austria (which does computer modeling for the USDA's Foreign Agricultural Service) argue that government subsidies of production encourage over-production of food, and

thus depress prices earned by the farmers. They demand the elimination of what they call subsidies, to bring production down so that prices may then go back up.

This is pompously called the Law of Supply and Demand, i.e., the grain cartel demands that supply be cut.

But where are these surpluses of food? They do not exist! If we have surpluses of food, why is black Africa starving? Why are parts of Ibero-America—such as Bolivia, Peru, northern Brazil, and parts of Central America—and whole regions of the most densely populated part of the world in Asia, descending rapidly toward African conditions of genocide? If people are starving anywhere in the world, how can we be producing too much food?

Cynically, the free-enterprise school counters, "Well, the food exists, if you've got the money to pay for it." They neglect to report that production shortfalls in the United States are sucking food here from the Third World: We are now importing beef, cattle, fruits and vegetables, and even grains, from especially Ibero-America, and the numbers show up in the expanding trade-deficit figures. To satisfy the free-marketeers, we are destroying our own food production capabilities, while we take food away from those who need it.

Globally, the food shortage has arrived. If the administration's deal is permitted to be continued over this spring, there will be shortages in the United States itself later in the year.

What idiocy it is to make economic policy in this hand-to-hand, month-to-month, year-to-year kind of way? If we have food shortages worldwide now, what about 25 to 50 years from now? What kind of world are we passing on to our children and grandchildren, if we are preventing the

present generation from eating?

For example, take the following exercise. If present world population-growth trends continue to the end of the century—which will not happen unless the free-enterprise lunacy is dropped—we will have about 6.5 billion mouths to feed. What would be required to feed that expanded population at a nutritional level commensurate with a human existence? At the levels of meat-product and dairy-product consumption that now prevail in an advanced sector nation like the United States, we would require about 5 billion tons of grain, up from the 1.6 billion level that prevailed before Agriculture Secretary John Block and company introduced the PIK program to reduce production. We would require about 750 million tons of meat, up from present levels of about 100

million tons, and about 1.5 billion tons of dairy products.

At present levels of global agricultural productivity, it would take more than 2 billion people to produce all this food. Yet at the level of productivity that prevailed in American farms in the 1970s, it would require only 30 million farmers to feed the entire world's expanded population. The expansion of infrastructure and industry would be required to support such a global expansion of food production capabilities. A massive increase in the power of human labor worldwide would also be essential.

The U.S. government should figure out how this can be accomplished and set about doing it on an emergency basis, rather than allowing the cartels and financiers to shut down what farming capacity now remains.

Free enterprise: the dope traders' 'Invisible Hand'

The British school of economics officially began with Adam Smith's *Wealth of Nations*, the gospel of today's free-marketeers (although certainly few of them have ever read it). Published in the same year as the American Revolution, Smith's book advocated everything that the Founding Fathers of the United States fought to overthrow.

The "free trade" doctrine was from the start an ideological cover for the drug trade, the rock upon which the British Empire was built. Smith was the political protégé of Lord Shelburne, the British prime minister who concluded the peace negotiations with America after the British defeat at Yorktown. Shelburne brought with him to power in 1783 the financial and political faction that had conducted the opium traffic since the 17th century.

He devised two grand strategies: the "peaceful" takeover of the United States through the weapon of free trade, and the launching of the opium trade on a massive scale. For this, he picked up British East India Company employee Adam Smith, making him the chief economist of "Dope, Inc." Smith blasted the East India Company's practice of "ordering a peasant to plow up a rich field of poppies and sow it with rice or some other grain" in order to maintain high opium prices in the existing markets. Smith insisted that the opium market had to be extended on a large scale.

In his first major work, the 1759 *Theory of Moral Sentiments*, Smith had set forth the principle of "moral indifferentism" that underlies the free-enterprise doctrine to this day:



Adam Smith

"The administration of the great system of the universe . . . the care of the universal happiness of all rational and sensible beings, is the business of God and not of man. To man is allotted a much humbler department, but one much more suitable to the weakness of his powers, and the narrowness of his comprehension: the care of his own happiness, of that of his family, his friends, his country. . . . But though we are endowed with a very strong desire of those ends, it has been intrusted to the slow and uncertain determinations of our reason to find out the proper means of bringing them about. Nature has directed us to the greater part of these by original and immediate instincts: Hunger, thirst, the passion which united the two sexes, the love of pleasure, and the dread of pain, prompt us to apply those means for their own sake, and without any consideration of their tendency to those beneficent ends which the great Director of Nature intended to produce by them."

Under Smith's doctrines, by the time of the American Civil War, British commerce rested completely on an opium-based cycle of trade. Gross revenues from the opium traffic averaged two-thirds of the total volume of British exports between 1840 and 1890. It is little surprise, then, to find free-enterprise economist Milton Friedman today advocating the legalization of marijuana.

Free-marketeers and Soviets demand destruction of U.S. farm parity price

by Chris White

Food production in the United States stands on the verge of destruction because the parity-pricing system, created by the American System of economic science, has been supplanted by the usurious opposing conception of the primacy of ground-rent and interest, embedded in free-enterprise doctrines.

Ironically, but not accidentally, it is on this precise issue that the KGB-controlled International Institute for Applied Systems Analysis (IIASA) in Laxenburg, Austria agrees fully with free-marketeers like David Stockman and the Heritage Foundation, the Mont Pelerin Society, and Friedrich von Hayek's Adam Smith Society.

The uninformed and uneducated reduce the conception of parity pricing to a formula designed to maintain farmers' purchasing power. All this proves is that the lunacy of free enterprise goes hand in hand with the hedonism of a consumer-oriented society. Parity pricing in the American System of economics is designed to maintain and expand production under conditions of technological progress. Where food is concerned, this ensures continuity of supply. But the principle is applicable to all areas of productive economic activity.

Opponents of the parity system argue that to return to that approach would be to increase the cost of food, and that the American public would never accept anything other than a cheap food policy. Therefore, parity pricing is unacceptable. They also argue that the parity system is a drain on the public purse, since farmers receive subsidies which cause them to produce too much. They cite the case of the dairy industry and the government's cheese stockpile to bolster this argument.

They then demand that the number of farmers, the amount of production, and the acreage farmed be reduced—in order to raise prices. They are therefore not serious about keeping prices down.

Because the principle of parity pricing has been violated, we now face a crisis in which one-third and more of the country's farmers in the \$40,000 to \$250,000 bracket will be

wiped out, in which perhaps one-third of the country's agricultural banks, those with more than 25% of their loan portfolios in farm debts, could collapse, and in which the U.S. farm component of world indebtedness, nearly a quarter of a trillion dollars, could come crashing down, bringing a lot more with it.

The food crisis now upon us is representative of the way in which national economic policy has been criminally bungled over the last years.

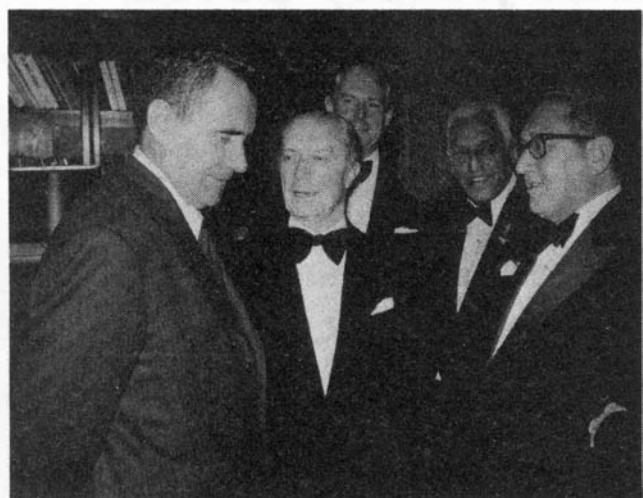
The expansion of farm production over the decade of the 1970s was financed by the creation of a debt bubble. That bubble became a time bomb under the national economy as a whole, the fuse that may detonate the entire rotten structure of U.S. indebtedness. Political agreements were concluded during the 1968-72 period with the Soviet leadership, which tied the expansion of an aspect of U.S. production to Soviet markets. This political creation of an export market led to a rise in land values based on anticipated increases in farmers' earnings. The increased land values increased farmers' borrowing power to further increase production.

Kissinger's deal with Russia

U.S. farm policy became tied to the whole complex of the U.S.-Soviet strategic equation, and American food production became a hostage to Henry Kissinger's mad strategic doctrine of Mutually Assured Destruction. As part of the negotiations around Kissinger's SALT I and ABM treaties, U.S. grain production was subordinated to filling shortfalls in Soviet production, and U.S. maritime transportation capabilities were dismantled to permit the exports to be shipped to Soviet ports of destination by the Russian merchant fleet.

As part of this overall arrangement, IIASA in Vienna was created by McGeorge Bundy and the KGB's Dzhermen Gvishiani, and inaugurated at a ceremony at the Royal Society in London, to study world energy and world food production from a systems-analysis standpoint.

The strategic insanity of this approach is demonstrated in a two-fold way. Most obviously, U.S. resources and labor were put at the disposal of the Soviet military buildup, helping the Russians to free up resources. But more fundamentally, the most advanced industrial economy in the world became dependent to an increasing extent on exports of primary goods, such as wheat and other cereals. Export markets should have been created instead for the capital goods and infrastructure which would permit others to develop their own production capabilities, while we produced meat and dairy products, and made our expertise available to develop the world.



As part of Henry Kissinger's deal with the Kremlin, Moscow gained leverage over the U.S. agricultural market. Kissinger is shown here with Andrei Gromyko in 1974.

But to keep the agreement with the Russians that had been negotiated by the leading financial interests, the grain cartels, and their front-man Henry Kissinger, we turned away from that path, and in so doing gave the Russians access to manipulation of the internal financial bubble that was being created. All this was done in the name of "free enterprise" and "producing for the market."

Is it any wonder that Russian economic publications attack the conception of parity in almost the same language as our own free marketeers, or that IIASA, the institution from which President Reagan ordered U.S. funds withdrawn because it is run by the KGB, is making "free-market" policies for the Reagan administration's own Department of Agriculture, via computer data-base link-up (see article, page 10)? Our retreat from the policies of American System economics has opened the country up to economic warfare by the resurgent Russian empire, among other forces.

Beginning in 1980, the bubble began to burst. Earnings from exports began to collapse, land values declined, and farmers were left to service the debt that had been accumulated with a falling revenue base. Increasingly during the last

four years, revenue earned has failed to cover the cost of debt service, much less the financing of the next production cycle. Federal Reserve studies conducted in 1984 profiled the potential for a blow-out in the farm-related banking sector, as well as among the farmers themselves. The studies recommended that nothing be done to counter what the Fed's economists called a "cyclical readjustment."

In such thinking, the potential collapse and reorganization of approximately 3,000 banks can be discounted, because no large money-center banks are involved. Protection of the interest income derived from financing and refinancing ground-rent-based swindles and bubbles had become the primary aspect of policy. The insane economic doctrines of British liberalism, which this nation opposed from its very creation, were reasserting themselves.

Contrary to the free-marketeers' doctrines, the parity system is not based on the idea that land—earnings from rent or from buying cheap and selling dear, compounded at interest—is the source of wealth, but rather increases in the productive power of human labor to alter nature.

To produce food, or anything else, there are costs that have to be covered, including labor, the upkeep and improvement of land and equipment, the consumption of industrially produced goods which permit farming to occur, plus a margin of necessary profit for technological advance in increasing productivity. The technological content of the prevailing productivity measured in per capita and per hectare terms defines the cost of maintaining agricultural production.

Such a price is also a world price, reflecting the implicit global technological content of carrying out economic activity in that branch of production. To the extent that the costs associated with maintaining and improving the technological content of production are not met, then productivity and production will tend to collapse.

Grain is marketed by private agreement between eight principal international companies and their customers. They purchase from the farmers cheap and sell dear, relative to the costs of production. Because they control marketing, they also control speculation on commodity futures markets and so forth. Now, with the Agricultural Adjustment Act of 1985, they are moving to control the conditions under which production occurs as well. Not surprisingly, these companies have been the best allies of the Russians in attacking the parity system.

In short, the present crisis is to be used to bring about a complete transformation in the way food is produced within the United States. If the free-marketeers are not stopped, the days of the independent farmer-producer will soon be over. He will be replaced by a contract laborer or serf, producing at levels and qualities determined by the financial and related interests which control marketing and distribution for political purposes. And those political purposes extend to deciding who will eat and who will not, and what they will be eating.

Who's out to shut down U.S. farming?

by George Elder

The current recommendations for shutting down U.S. agriculture come in a variety of "left" and "right" colorations. We publish here excerpts from some of the more significant ones circulating in Washington and the farm states. Quotations are abridged.

The Heritage Foundation



Heritage presents its proposals for dismantling U.S. agriculture in the rhetoric of radical British liberalism—"free trade, magic of the marketplace." Its recommendations include ending farm commodity price support and loan mechanisms, allowing farm output to fall freely to line up with "demand," and promoting farm crop insurance to "protect" the farmer. After President Reagan's re-election, the Heritage Foundation circulated new farm policy proposals directly to Cabinet meetings.

The following is taken from Agenda '83:

"Privatizing Farming Insurance. Farming is a risky business. One of the chief goals of agricultural policy has been to attempt to shield farmers from that fact. The Reagan administration should shift insurance programs to the private sector in order that the programs have a better opportunity to function on a cost effective basis.

"Reducing Dairy Price Supports. More troublesome still from the long-term perspective is the growth of the number of cows in dairy herds. In 1980, a 25-year decline in dairy cows ended. Comparisons of herds made on a 12-month basis indicated that the number began to increase from February 1980 through the end of 1981. This expansion of herds and of new dairy operations will require longer and sharper declines in the price of milk to get milk production back in line with demand.

"Dairy policy, thus, appears to be a classic case of government intervention on a short-term basis that continues long enough to induce economically unjustified long-term investments. Ultimately, the intended stabilization program will be converted into a destabilizing and damaging influence

upon the long-term health of the U.S. dairy industry."

From Mandate for Leadership II: Continuing the Conservative Revolution (Heritage Foundation, 1984):

"The first three elements of U.S. farm policy are now out of balance leading to global overproduction; and foreign nations are dumping their surpluses thanks to predatory export subsidies. This is having devastating impacts on U.S. agriculture.

"Abnormally high borrower delinquency rates and farm foreclosures and bankruptcies have been cited as proof that farmers need congressional assistance to overcome financial difficulties. Yet, the situation is not nearly as grim. Surveys show that most of the farm debt is held by a relatively small number of the largest farm operators."

Communicating for Agriculture



This organization is located in Fergus Falls, Minnesota, and promotes farm policy proposals to state legislatures, Congress, and to rural bank and business circles. It is a mouthpiece for European money-center operations which are acquiring control over U.S. farmland and food supply. Communicating for Agriculture sells Life Investors Insurance, a Cedar Rapids-based company 65% owned by AEGON N.V., a Dutch holding company that is the 10th largest insurance company in the European Community. AEGON in turn interconnects at the board of directors level with the Compagnie Internationale d'Assurances et de Reassurances, a consortium of major European insurance companies. The private bank and trust houses associated with these companies are also associated with the Swiss-based food cartel companies, including Cargill, Inc. Communicating for Agriculture opposes any farm debt moratorium and any provision of low-interest production credits to expand output.

Wellspring

Based in Minnesota, this organization's recommendations for farm "reform" include:

- Expansion of "self-sufficient farms" and the promotion and marketing of specialty crops;
- Restructuring of agriculture into more small and medium-sized farms;
- Stress on "production cost-effectiveness rather than the maximization of production yields, so as to enhance total income returns";
- Increase of "high labor-intensive methods of farming";
- Cutback of advanced technology: "Family farm equipment must be versatile, of appropriate scale, and more easily maintained by the operator."

International oligarchy controls the radical farm protest movement

This chart schematically shows the channels of influence and funding that control the most important decisions about U.S. national food policy. At the top are the ideological controllers, such as the Benedictine pseudo-religious order, which originated with the Egyptian Gnostic cults that penetrated the Catholic Church in the third century. The Benedictines have been caught running the radical activist groups (counter-gangs) that are now proliferating in the U.S. farmbelt, seeking to draw farmers away from any effective opposition to the international food cartels.

The widely publicized 14,000-person farm rally in Ames,



NSIPS/Billy Davis

The cartels are shutting down production and ushering in the post-agricultural society. Here, Quaker Oats grain elevators have been refurbished to house a Hilton Hotel in Akron, Ohio.

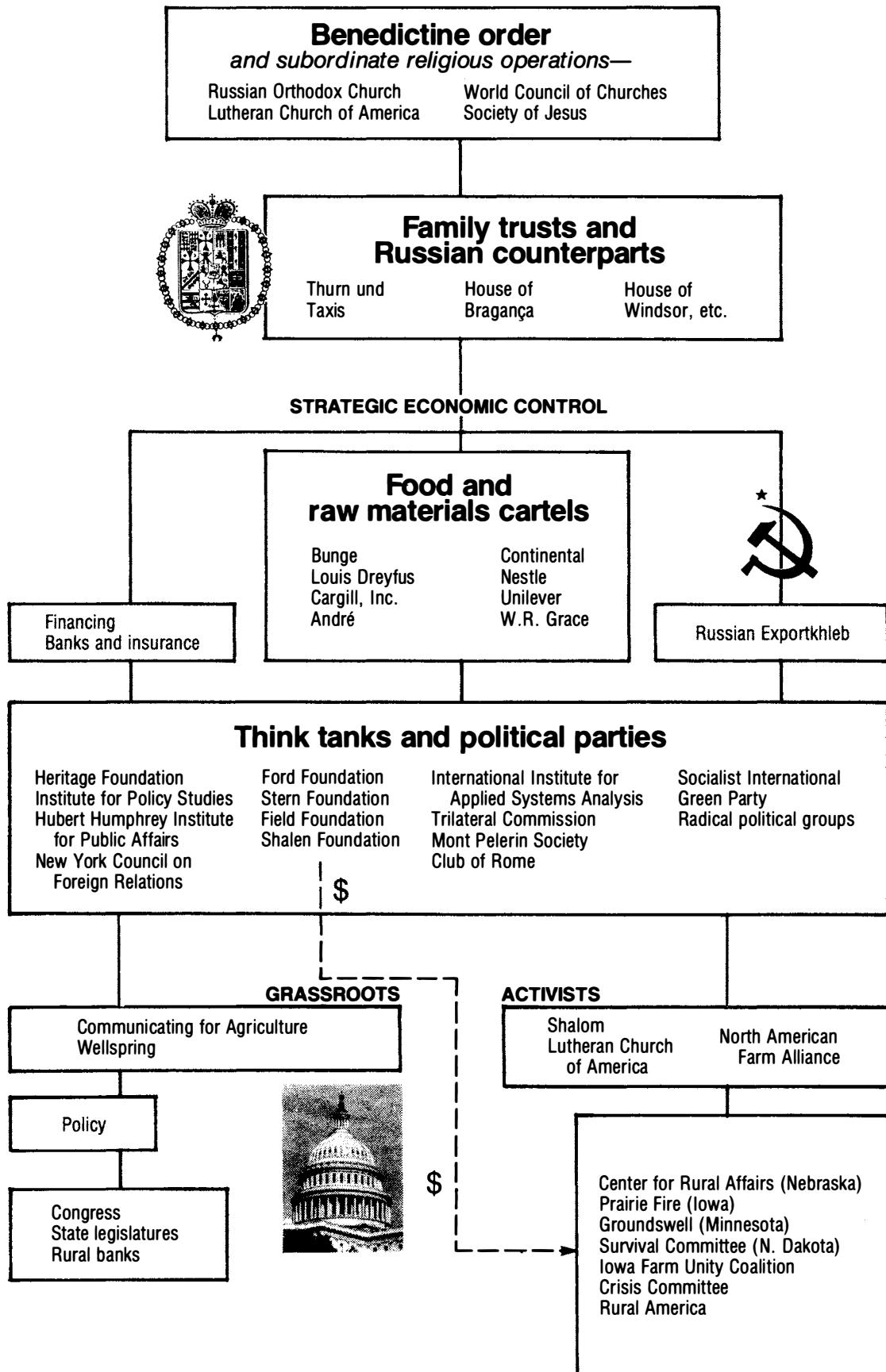
Iowa on Feb. 27, for example, was attended by desperate farm families looking for solutions, but the event was almost totally controlled by the networks shown in the chart. These groups insist that the problem with the farm sector is "over-production" and too much advanced technology. They demand cuts in defense spending in order to pay for the radical restructuring of agriculture. The outcome of their "small is beautiful" program would be the transformation of the technology-proud American farmer into a serf.

The farm counter-gang operation centers on the American Green Movement (AGM), founded by Harry Boyte in Minneapolis, with the support of the big Swiss grain cartels and former Benedictine abbot Bishop Rembert Weakland of Milwaukee, Wisconsin. The AGM controls such operations as Groundswell and Labor Farm Alliance in Minnesota, Prairie Fire/Rural America and Iowa Farm Unity Coalition in Iowa, U.S. Farm Alliance and Farm Crisis Committee in Nebraska, and Shalom in Nebraska and South Dakota.

Bishop Weakland has been deploying his farm network openly from the environs of St. John's Abbey in Collegeville, Minnesota and the 27 other Benedictine abbeys, such as the Blue Cloud Abbey in Marvin, South Dakota.

The financing and political control for these grass-roots operations also come, as *EIR* has documented, from the old European oligarchical families, the food cartel companies, and the U.S.S.R.

The think tanks play a more public role in policy formation. From the "left," there is the Institute for Policy Studies and such figures as Jim Hightower, agricultural commissioner for the state of Texas. And from the "right," the Heritage Foundation and individuals like George Dunlop, executive director of the Senate Agriculture Committee. An analysis of the funding of such activist groups as the Center for Rural Affairs, closer to the grass-roots level in the farm belt, shows funding from such notorious Eastern Establishment conduits as the Ford Foundation, the Field Foundation, the Stern Foundation, and the Shalen Foundation.



Meat shortages loom, but ideologues say the problem is 'overproduction'

by Marcia Merry

If the current decimation of livestock herds in the United States is not stopped soon, the American family will soon be looking at the McDonald's hamburger as a delicacy. The lunacy has prevailed too long in Washington, and in some farm states as well, that there is an "overproduction" of meat and milk, so that the necessary emergency measures have not been taken to restore farm productivity and restore herds. Prime milk cows, the result of centuries of careful breeding, are going into hamburger. The stage is set for shortages and price hikes this year in dairy and meat, while the very means to expand and upgrade world animal-protein supplies are being destroyed in the United States and Europe.

Even the official statistics of the U.S. Department of Agriculture show this process of herd liquidation, despite the growing unreliability of their figures since Cargill executive Daniel Amstutz took over as USDA undersecretary in 1983. As the accompanying graphs show, the national cattle inventory is down from 133 million head in 1975 to only 110 head, and the numbers are falling. The national hog inventory is down. The sheep inventory—though representing a much smaller part of the domestic meat supply—is also declining.

What do these figures mean? First, they already show up in poorer daily diets for the average American. Even the official, overstated USDA per capita consumption figures show this. Average per capita beef consumption is decreasing from an estimated 1984 annual level of 78-79 pounds to at best 74-75 pounds in 1985. Without emergency intervention, average consumption of red meat will plunge after that. Pork consumption per capita fell at least a pound over 1984 to 61 pounds annually, and it will decrease further. Per capita consumption of lamb, mutton, and veal—each only about 1.5 pounds a year—is dropping. Consumption of poultry has increased somewhat, but the trend of deteriorating diets is nevertheless clear.

The national potential to produce meat is dropping and will show up as a drastic fall in meat supplies soon. Over the past few years, and in 1984 especially, this has been masked for the U.S. consumer by several temporary factors. There are now unprecedented meat imports into the United States. Last year, the hog and pork imports from Canada and Denmark increased by over 30% in many categories. In addition,

there was an unprecedented slaughter of dairy cows beginning in January 1984, with the start of the 15-month federal government milk-reduction program. Beef imports from Mexico and elsewhere have soared.

The decline in herds results directly from the bankruptcy rates in the farm belt and shutdown of whole regions of livestock production. Some of the meat animal slaughtering taking place right now is being done by farmers who are desperate to raise cash for spring planting. The herd sizes in the traditional corn-and-livestock belt in the central states, especially Iowa and Nebraska, have fallen drastically. Hog pens and cattle yards are empty. Or as one ex-farmer described it, "Now we're growing rats." Other, more peripheral, but important range-cattle areas, like the California-Nevada borderlands, are thinned out almost to nothing.

In place of the traditional productive system of independent family farms, a few dozen giant agribusiness companies are taking control over more and more of the meat supply lines, from beginning to end, in a process called "vertical integration," "custom feeding," or "contract farming." City dwellers should have no comforting illusions that this process will ensure meat on their tables, even without the family farmer.

The Iowa case

The situation in the state of Iowa shows the danger before us. As of 1961, one out of every five cattle marketed in the United States came from Iowa. By 1983, this ratio fell to less than 1 out of 10. Under Paul Volcker's high interest rates, prevailing low commodity prices, and the State Department's trade-war policies, Iowa farmers have been forced out of business in crisis numbers. Total cattle herds have declined 20% in the last 15 years. Iowa had been the national center of exports of live animals and meat (excluding poultry), accounting for about 10% of the national total meat and live animal exports. Now all that capability—vital to building up world herds and providing high-quality protein—is being totally dismantled.

The herds in the United States were overall the best developed in the world, except for the select dairy and some other herds in Europe. Starting with already improved breeds

from Europe, U.S. farmers carefully improved herds to attain the best quality possible—the most gallons of milk a year, highest weight and quality of meat per carcass. The qualities of the breeding animals are essential for improving stock worldwide. It has taken 5-10,000 years of man's intervention to produce some of the world prize breeding stock. Look at the obvious difference between the dairy animal and the beef cow. In contrast, look at the Indian Brahma animal, which has evolved without man's intervention to be productive neither for meat nor milk. Sending American herds to premature slaughter shrinks the pool of stable genetic improvements available to the world that will be impossible to rapidly recreate.

Beef cattle reduction

The reduction in cattle inventories is continuing for the third successive year. Last July, beef cows totaled 38.5 million head, down 1% from the previous year and down 4% from two years earlier. The breeding herd continues to be eroded. The calf crop has dropped 2% since a year ago, with a reduction of another 2 million head expected in 1985. During 1979-83, cow slaughter as a percent of cow herd averaged 13.8%, indicating a process of herd expansion. But in 1984, over 17% of the herd was slaughtered—a substantial liquidation.

Now fewer heifers will be calving and entering the breeding herd, and the decline will continue. Even though cattle on feed have entered 1985 at a level 5% greater than 1984—representing continued sell-off of feeder cattle—soon they will fall below last year's level and continue to decline. Six months from now, cow slaughter could be down by 5-10%, and by the end of the year down by 10 to 15%.

The United States will have made itself incapable of providing its own meat supply. Prices will jump and supplies will decline. When the dollar drops, the "cheap" meat from abroad won't be available anymore.

Cartelization of pork

Almost overnight the traditional hog-and-corn belt of Illinois, Iowa, and Nebraska is being shut down and replaced by "vertically integrated" corporate operations in which the farmer is nothing more than a serf or a caretaker. Unable to remain in operation independently, farmers in certain locations are agreeing to sign contracts to raise hogs for a company. The company owns the animals and dictates the conditions of hog-raising from beginning to end—the feed, the housing, the veterinary care, etc.

The few companies involved in this contract hog-raising interconnect directly with the larger food cartel and world commodity-control networks. Most have secret funding sources, and usually connect directly to family trusts in Switzerland or elsewhere in Europe. The prominent names are:

Plainview Hog Co., Juhl Feeds, Dana, Iowa. Operating in Iowa, Minnesota, South Dakota, and Nebraska;

Figure 1
Hog inventory Mil. Head

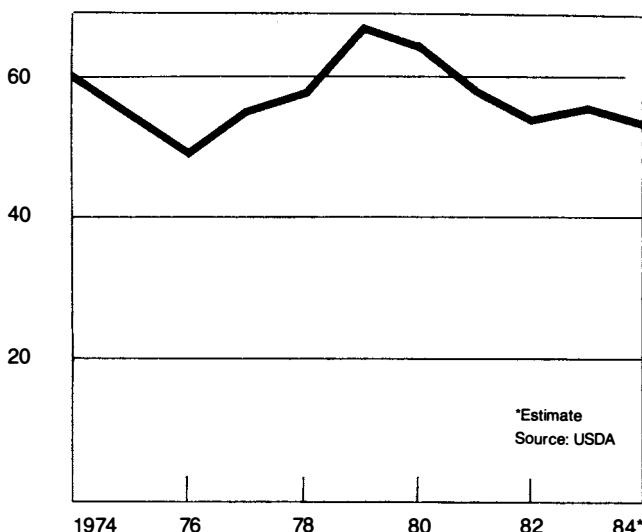


Figure 2
Sheep inventory Mil. Head

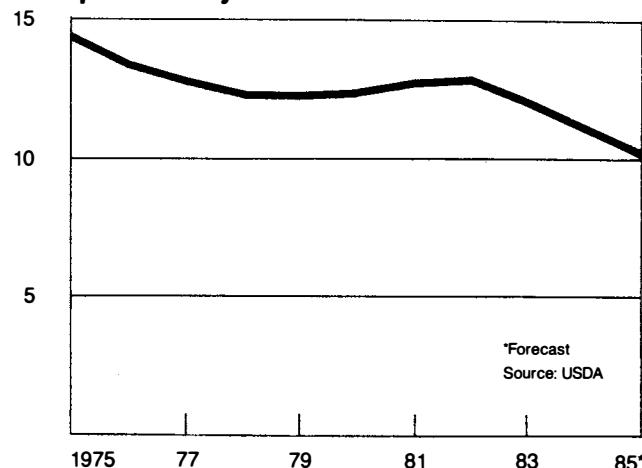


Figure 3
Cattle inventory Mil. Head

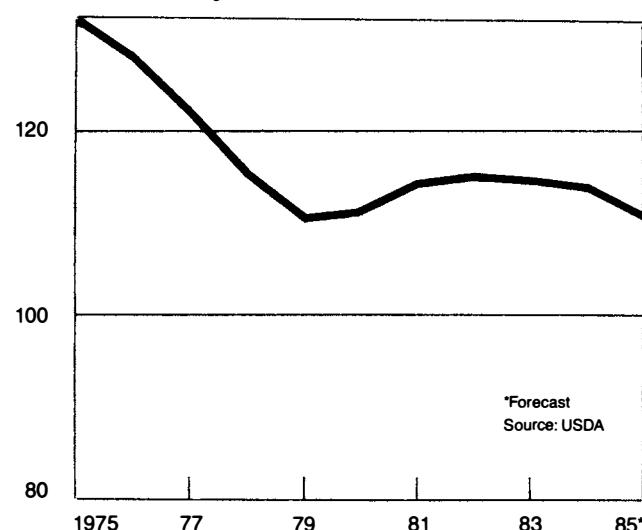
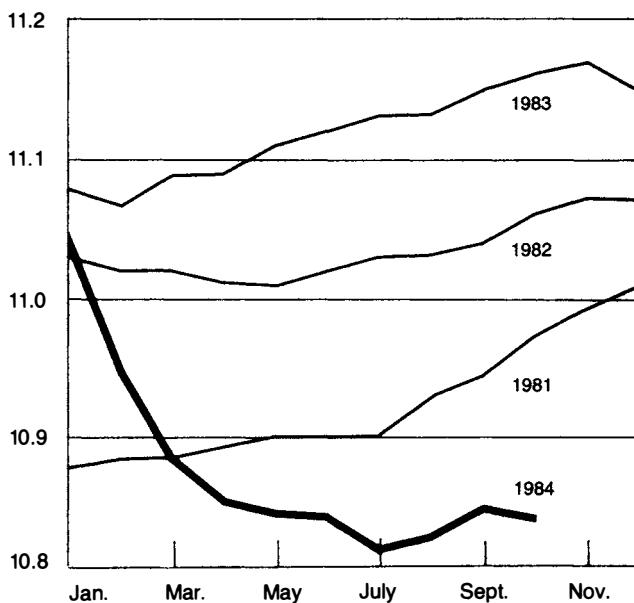


Figure 4

Milk herd declines

Milk cows on farms, in millions



*Source: National Farmers Organization

Tyson Foods, Springdale, Arkansas;
Murphy Farms, Inc., Rose Hill, North Carolina. Operating in North and South Carolina;
Cargill, Inc., Wilson, North Carolina (for the hog division). Operating in North Carolina, Arkansas, and selectively throughout the Midwest;

Dick Van Lunen, Digit Data Corp., Jessup, Maryland. Operating in Iowa, Illinois, Indiana, and Nebraska;

Carroll's of Warsaw, Inc., Warsaw, North Carolina; **Goldkist Pork**, Talmo, Georgia;

L.L. Murphrey Hog Co., Inc., Farmville, North Carolina;

Yeager & Sullivan, Inc., Camden, Indiana.

Ownership concentration in pork is undergoing the same process as in poultry, where the top 10 companies (including Tyson Foods and Goldkist, as well as Continental Grain) control 51% of all U.S. broilers. The major broiler companies are usually referred to as "integrators," because they command the production process from bird grow-out to processing to distribution. Under this contract system, the poultry farmer is completely at the economic mercy of the company. If the company decides there is "overproduction" in the United States and chooses not to provide the farmer with birds for a grow-out, then the farmer has no work or income. And the citizens of the country have fewer or no chickens.

Aiding the shutdown of Midwest independent-farm hog production are the Canadian hog imports and Danish pork imports—all handled through the same cartel commodity-trade channels that are taking over U.S. hog production.

Live-hog imports from Canada totaled 740,765 head during January to July 1984, compared with 273,659 the previous year.

Together the United States and Western Europe have produced over 40% of the world's milk supply. The dairy herds and infrastructure involved in that output potentially could double and triple output within only a few years' time. Yet the infrastructure is now being dismantled. During 1984, both the European Community and the U.S. Department of Agriculture implemented sweeping milk output reduction plans. From a potential 4% annual milk increase, European milk output has decreased 4%. U.S. milk production fell at least that much.

The U.S. dairy herd decreased by at least 320,000 milk cows over the year. Under the unprecedented federal Dairy Diversion Program, begun in January 1984, farmers who volunteer sign contracts with the government to reduce their average monthly milk output by at least 10% to 30%, and receive \$10 for every 100 pounds of milk they do not produce. Meantime, a production tax of 50¢ was levied on every 100 pounds of milk a month produced by any dairy farmer. The Diversion program expires in March, and some farmer associations have even proposed extending the plan for another nine months, under the delusion that reducing supply will drive up their prices.

As it is, dairy farmers are receiving at least \$5 per 100 pounds less than their minimal costs of production, and so many farmers are shutting down that regional milk shortages are spreading across the country. By last fall, raw milk output had fallen fully 25% in Georgia, and 20% or more in other southern states. By winter, even western Pennsylvania—always a milk surplus area—turned short of milk for the first time ever. The fluid milk supply is maintained to the American consumer right now by a wild criss-cross transport of raw milk across state borders, mostly from the north central region. However, farmers there predict that by this summer they will not have enough milk to supply Florida and other milk deficit regions, so de facto rationing and empty dairy cases will show up in the stores. It is also an open secret that dried milk powder is being reconstituted to stretch current raw supplies.

The same pattern exists in Western Europe, where regions like Bavaria, traditionally able to meet local needs and also ship fresh fluid milk to Italy, now can barely meet local needs. Yet the member countries of the European Community are proceeding with plans to liquidate a certain number of farms by mandatory milk-quota reductions. Britain's plan is called the "outgoers scheme," whereby the government will buy out farms of a certain size and allocate the "allowable production quota" from this defunct group to another group of farmers. West Germany also has a farm "retirement" scheme by which 20,000 farmers will be put out of business. The French "retirement" scheme aims to shove farmers out of production once they pass a certain age.

The LaRouche plan to solve the food crisis

During the 1984 presidential election, Independent Democratic candidate Lyndon LaRouche and his vice-presidential running-mate Billy Davis made the farm crisis a focus of national attention, especially through their Sept. 3 television broadcast, "The Food Shock of 1984." The program documented the food cartel's conspiracy to shut down production and drive the independent family farmer out of business. Throughout the campaign, LaRouche and Davis called for emergency measures to reverse the threat of global food shortages, in the context of the economic and military buildup required to implement the Strategic Defense Initiative. We publish here an excerpt from The Independent Democrats' 1984 Platform. Text abridged.

On the basis of various programs for rural America by the administration of Franklin Roosevelt, and through the establishment of the U.S. government's parity program for agricultural marketing, during World War II, during the 1950s and beyond, American farmers accomplished one of the greatest miracles in economics in modern history. They revolutionized agriculture through relatively massive investments in advanced technologies of agronomy and technological advances in equipment. *The highest rate of increase of productivity of labor in the postwar U.S. economy has occurred in the agricultural sector.* Yields per acre zoomed, while farmers' man-hours per unit of production fell.

The independent, family- or intra-family-operated farms and ranches today represent those farmers who, working as individual entrepreneurs, produced this economic miracle. As a group, the proven performance of these farmers proves that they are the best managers in our national economy.

Generally, of course, the present troubles of these farmers are a product of the same misguided monetary policies and post-industrial society trends which afflict every sector of basic industry. However, the present crisis in food supplies was caused either by special circumstances affecting agriculture caused either by special circumstances affecting agriculture more than other parts of the economy, or by the special way in which energy and banking policies of the 1973-84 period affect the exceptional features of agriculture.

The most significant of the special circumstances is the fact that since Orville Freeman's term at the Department of

Agriculture, that department's "supply management" policies have been designed to assist the grain cartel in wiping the independent American farmer off the map.

The President must act immediately, and move the Congress to act, to effect the following measures:

1) There must be an immediate moratorium on farm foreclosures, nationwide.

We must implement a policy of something like the following formulation: *Any farm which was in the top 75% of economic performance during the five-year period preceding 1981 should be protected from foreclosure. This action must be implemented under the title of National Security Emergency.*

2) Establish immediately, a policy of intervention to maintain farmers' prices at 90% of parity.

Generally, such a policy is implemented in the following way. If a farmer cannot sell a designated crop at the established percentile of a parity price or higher, the Department of Agriculture intervenes to buy that crop at that price. Then, later, either the grain cartel or agri-business can pay government that price plus a service charge for its purchase of this stock, or some of the stock is retained by the government as national strategic reserves, or, the government may directly market such stocks abroad under government-to-government trade-agreements.

3) The President and the Congress must intervene with emergency measures, to facilitate the reorganization of financial affairs.

It should be axiomatic, that by rescheduling existing farm debt of viable farms, at interest-rates between 2% and 4%, a 100% repayment of the principal value of the carried-forward debt will be the normal result. Federal action is required to ensure that restructured debt be classed as performing bank assets, and to provide simple procedures for conducting the financial reorganization.

It should be normal procedure, in these cases, that additional loan-capital be supplied, at prime rates of between 2% and 4% for loans based on lendable issues of gold-reserve U.S. currency notes through local banks. This should include crop-production loans, and also medium-term and long-term loans for needed capital improvements and replacements.

Such loans should be available to farmers generally.

4) Disaster relief for farms in relevant regions of the nation. For example, in regions hit by persisting drought conditions.

5) Immediate action to develop fresh-water management systems in areas suffering or threatened by major water shortages.

6) Immediate action establishing in the Department of Agriculture an improved market-forecasting system of service to and cooperation with farmers.

7) The President and Congress must take emergency action in response to the existing and worsening world food shortage.

Reagan, de la Madrid seek cooperation against drugs

by Nancy Spannaus

The kidnaping of a U.S. Drug Enforcement Administration (DEA) official, which initially led to a serious worsening of relations between the United States and Mexico, may end up providing the basis for a "new beginning" in U.S.-Mexican relations. Cooperation between the two nations in the war on drugs could take relations between the two countries out of the hands of Secretary of State George Shultz and former Treasury Secretary Don Regan—who seek to destroy Mexico by imposing IMF conditionalities—and put them in the hands of law enforcement officials who see eye to eye on the drug issue.

Presidents Ronald Reagan and Miguel de la Madrid held an "extremely cordial and friendly" telephone conversation on the evening of Feb. 22, according to reports widely circulated in the Mexican press. A press communiqué issued by the presidential palace in Mexico, Los Pinos, states that de la Madrid told Reagan that the border inspection "is causing serious damage to relations on both sides of the border. The measure is not the most appropriate way to fight drugs."

President de la Madrid stressed his commitment to fight drugs and proposed that the Attorneys General of both countries meet soon in order to work out ways of increasing cooperation against the drug traffickers. President Reagan expressed his agreement to de la Madrid's proposal.

While the meeting date has not yet been set, its chances of success may now be improved following the confirmation of Edwin Meese as U.S. Attorney General. Meese is widely reported to have received the fullest and broadest mandate from President Reagan to expand the war on drugs.

The first signs of an improvement in U.S.-Mexican relations—which have been deteriorating drastically since the summer when Ambassador John Gavin publicly flouted his support for the Nazi opposition party, the PAN—came soon after the de la Madrid-Reagan phone call. A meeting between Gavin and de la Madrid resulted in an improvement in Gav-

in's approach (see below). The two countries also collaborated in handling the arrests of four former Mexican police officials, suspected of being involved in the kidnaping of DEA official Enrique Camerena Salazar.

The four officials, including a former officer whose duties included heading the security detail for Henry Kissinger during his visits to Mexico, were apprehended on Feb. 25. Three of the four were released the next day due to insufficient evidence, and only booked on lesser charges which allow them to be released on bail. Unlike the previous week, however, the Mexican and U.S. governments did not trade hostile charges over the incident. The release of the former officers occurred after close consultations between the two governments, with the U.S. agreeing with the Mexicans that there was insufficient evidence at hand.

The 1975 model

There is a recent model for collaboration between the two countries on the drug problem, a model built by the Ford and Echeverria administrations of 1975. At that time, Mexico was providing over 80% of both the heroin and marijuana coming into the United States, and, as today, the political machine which controlled the drug cultivation was beginning to pose a major security threat to Mexico itself.

On the recommendation of the U.S. Drug Enforcement Administration, the United States and Mexico undertook Operation Trizo (Tri-Zone). Under this operation the U.S. worked with Mexico to initiate a program of massive eradication and interdiction of the drug traffic. Most importantly, Mexico received from the United States the training and equipment to conduct pinpoint plotting of areas under drug cultivation with infrared and multispectral photography, remote sensors, and airborne radar technologies. Such technologies allowed Mexico to use herbicides and defoliants without threatening neighboring food crops.

Armed with this new technology, and political support, President Echeverria combined the forces of the federal police and the Mexican army to carry out Operation Condor in mid-1976. During the period of September 1975 to August 1976 tens of thousands of fields of poppies and marijuana were wiped out. Major organized crime gangs were busted up, and thousands of traffickers put in jail.

Equally important, President Echeverria initiated a policy of expropriating lands which had belonged to those latifundists who were growing drugs rather than food.

The Mexican war on drugs continued under the administration of President José Lopez Portillo, and on the level of the DEA, the cooperation between the United States and Mexico continued. Three technicians from NASA, the National Aeronautics and Space Administration, were loaned to Mexico to design an aerial photographic system for detection of small plots. The result of that experiment was to give Mexico the capability of using ultramodern airplanes with detection systems similar to those used by Skylab.

The Mexican anti-drug program continued to be quite successful until it was hit by the ravages of the new depression, ravages which have been greatly aggravated by the conditionalities of the International Monetary Fund. The new areas of drug growth have been particularly in the north of the country, especially those areas which are the stronghold of the PAN.

Obstacles to cooperation

It is the U.S. support for the IMF which is the greatest obstacle to a new era of cooperation between the two countries on the drug issue. As has been shown in country after country, the austerity imposed by the IMF and the IMF's demands for cash crops which will allow the subject nation to pay its debts systematically leads to the growth of the predatory drug trade.

Thus a competent drug eradication program must include the elimination of IMF conditionalities for Mexico, and U.S. collaboration in building up the water and energy infrastructure necessary for American-style agriculture in our southern neighbor.

The second major obstacle to U.S.-Mexican collaboration is the dominance of the policy nexus around Henry Kissinger. Kissinger was virtually given the policy franchise on Mexico when President Reagan appointed him head of his Bipartisan Commission on Central America. Kissinger's program? Use the Central American hotspot as a means of making a New Yalta deal with the Russians, and moving in to occupy any country in the area that resisted his Malthusian economic policies and becoming new Hong Kongs.

Part and parcel of the Kissinger policy is the set of contingency plans to provoke a U.S. invasion of Mexico. This outlook, which U.S. administration support for the PAN promotes, continues to enjoy support in circles around the

administration. A recent opinion column by British intelligence agent Cord Meyer in the *Washington Times* retailed such a line. If we could intervene in Mexico in response to a social explosion there, Meyer wrote, then the President could have the full support of the population for doing anything that he wanted to do in Central America.

It is this kind of advice, and such advisers, whom Mexico may rightly suspect of using the problems of drug traffickers in Mexico as an excuse for attacks on Mexican national sovereignty. But if the Reagan administration proceeds to rule its relations with Mexico by eliminating all those policies which enhance conditions for the drug pushers, it can't go wrong.

Documentation

Mexico fights the drug mafia

Excerpt from opening statement by Mexican Attorney General Garcia Ramirez at a press conference Feb. 22.

[The drug mafia] attacks in many ways: by intimidation, by pressure, through threats. . . . They try to bribe people, buy consciences. . . . And they also attack through rumors or doubts, rumors or doubts which, intentionally or not, deliberately or not, lead to the discrediting of that which is worthy of credit and of those who are facing the problem. They are creating confusion and divisions which benefit, above all, the drug-runners. It is the delinquents who reap the benefits of division, of disunity, or of confusion.

We . . . are not interested in [blaming the United States as a market], because in those other markets there are human beings, there are children, adolescents, youths who deserve to be protected, whose health must be safeguarded. Mexico is carrying out an intense struggle in its own territory in order to prevent health problems in other territories. This is a commitment that Mexico has contracted, and that it will continue to fulfill for ethical reasons as well as international solidarity.

We are party—and furthermore, we fulfill our part—to the international conventions against narcotics and psychotropic drugs. We have a clear relationship, open, dignified, and honorable, with numerous countries, most particularly with the United States of America. The relationship which we have with the U.S.A., which is not hidden or obscure, but clearly open and cordial—as it has been and we hope that it will continue to be—is a relationship whose characteristics proceed from the conditions of both countries and their proximity, customs, and special signs which rate it as an honora-

ble relationship, clearly recognized in Mexico and the United States, which consists in mechanisms of reciprocal support and exchange of information.

I want to highlight one more time that in order to deal with the international lawlessness which crosses borders, the action needed to combat it should transcend borders. And it does transcend borders, but it does it with respect for national sovereignty, with attention to the autonomy and the competence of each one of the countries. That has been our relationship with the North American agencies, that has been the relationship of the North American agencies with Mexico. We propose that it continue as it is.

Excerpts from newspaper supplement published Feb. 24 by the Mexican Attorney General.

The permanent fight of Mexico against narcotics must be emphasized more and more each time. This campaign, in which both the Attorney General of the Republic and the army are participating—will continue until not a single plant of marijuana or poppy is cultivated on the national territory.

Specifically, in the period stretching from the 10th of December, 1982 to the 20th of February, 1985, the army and the Mexican air force destroyed 136,927 poppy plants and 80,747 marijuana plants.

On the other hand, in this same period the production of 118,282.80 kilograms of opium gum and 8,836,926 of marijuana was stopped, all of which was occupying an area of 26,656.49 hectares.

In this same campaign, the army and the Mexican Air Force have captured 642 land vehicles, 14 airplanes, 7,674 fire arms, and 7,907.77 tons of packaged marijuana. . . .

It is possible to enumerate that in this operation, the army and air force maintain a requirement for a total of 25,000 men, of whom 15,000 are actually directly in action against these illegal hectares, by means of constantly flying overhead in the mountain range, as well as checkpoints of control; the other 10,000 are troops which in the rearguard provide the logistical support and administrative necessities for the completion of this mission. . . .

Gavin press conference

In a press conference for the Mexican and foreign press Feb. 27, U.S. Ambassador John Gavin gave extensive details on his conversation with President Miguel de la Madrid concerning the kidnaping of a DEA agent by drug traffickers. Second level secretaries of government, the foreign ministers, and the attorneys general also participated. Gavin remarked that in recent days, "we have seen more energy in the investigation, we sincerely hope that this will continue thus. The attorney general and the President have given us every kind of guarantee."

The English-language Mexican daily *The News* reported

that Gavin "said that while the President and his cabinet are sincere in their efforts to solve the kidnaping, police corruption at lower levels might hamper the investigation. 'Certain proofs of lack of vigor and lack of cooperation might simply be the tip of the iceberg,'" he said.

Gavin noted the deep concern of Mexican authorities "about corruption at certain levels in their law enforcement agencies," and their difficulties in solving the problem. The president is aware of these problems, Gavin said, and "is the first who would want to stamp them out."

The problem, Gavin continued, is the massive amount of money that drug traffickers have at their disposal. "The problem also is that they are not above threatening and killing people. The combination of bribery and intimidation is extremely strong. We have to sympathize with the situation, but we have to fight against it."

Gavin noted that "the eradication effort has certainly picked up" in Mexico. "Our government believes that President de la Madrid is an honest and upright man. We have faith in him, we have hopes for his program, we wish it well."

On the other hand, Gavin spoke about the blockade on the border and pointed out that despite the fact that they have not succeeded in finding any information leading to locating Camerena, "he does not wish to say that this operation was not necessary to be carried out. It was decided upon because it is necessary to do everything possible. We cannot be critical of this action. Responsible departments on both sides of the border agreed that there would be difficulties, but they were in agreement that the fight against the drug traffic and the mafiosi is a price we are required to pay."

Gavin was asked why the Mexican government was not informed of the decision to carry out this operation, and he pointed out that "this embassy was never informed ahead of time" either. He explained that the United States government is very vast and very diverse "and with due respect this measure was taken in the territory of the United States, and my government has jurisdiction over it."

Gavin also reported that, on the express request of the ambassador, the attorney general of the republic had decided to create an office dedicated to the investigation and prosecution of crimes against the United States.

This was denied by a spokesman for the attorney general. The spokesman, interviewed by *Uno Mas Uno*, indicated that such a decision would require creating a special office for every country. "I hate to contradict Mr. Gavin, but that is a lie," he said.

It was also reported in *Uno Mas Uno* that Gavin said that "the drugpushers have a grip on the entire world. It is a dirty business. It is known that the gangs here are connected with the Colombians, with Nicaragua and Cuba, who offer them asylum, with groups from Miami and New Jersey and sometimes with those from the southeast, El Paso, and southern California."

One Army, one Church, and the Soviet rehabilitation of Stalin

by Konstantin George

A crucial signal article reflecting the policy views of the Soviet military leadership has appeared in the Soviet press. It was timed to intersect both the Feb. 23 celebrations of Soviet Armed Forces Day and the "Swan Song" appearance of a Konstantin Chernenko on television on Feb. 24, the day of the Supreme Soviet elections.

The article, written for the latest issue of the journal *Kommunist* by Chief of the General Staff Marshal Sergei Akhromeyev, contains the most extensive and unrestrained panegyric to Josef Stalin—the symbol of authoritarian rule and Russian Empire expansionism—to be written since soon after the dictator's death in 1953.

Akhromeyev hails Stalin for his "personal leadership" in wartime, calling this "a key component of the superiority of Soviet military science." He writes: "One of the major features that characterized Soviet military art during the Great Patriotic War was the firm and creative management of the strategic activities of our Army and Navy by the Supreme HQ, and by the commander in chief, Josef Stalin, in person."

At the mammoth Soviet celebrations of V-E Day on May 8, the rehabilitation of Stalin will proceed apace. The Volgograd War Veterans' Association has petitioned the Central Committee of the Communist Party to pass a resolution changing the name of the city on the Volga, where the turning-point battle of the war was fought, back to Stalingrad. The chances are better than even that the Central Committee will "approve" the petition.

Akhromeyev emphasizes the current military-political context for the boosting of Stalin: Moscow's determination to force a U.S. global strategic backdown, and to prevent the implementation of President Reagan's Strategic Defense Initiative. Denouncing the SDI, Akhromeyev warns, "Whatever weapons the United States produces, including space weapons, the Soviet Union can create too."

Following the theme of the article, the speeches by Politburo members during the Supreme Soviet "election campaign" this year were dominated by military chauvinism and talk of war preparations, although this was barely mentioned by the Western media. Grigori Romanov, one of the younger contenders for the Kremlin's top leadership post, spoke in Leningrad, "assuring" the Soviet population that the buildup of the armed forces will continue. Romanov hailed the Red Army's defeat of Nazi Germany, which he called "a stern warning to the current pretenders to world hegemony [the

U.S.A.]. . . . In the last 10 years the United States has brought humanity close to the abyss of nuclear catastrophe. And, if the worst did not happen, it is thanks only to our great fatherland."

Radio Moscow's coverage of Foreign Minister Andrei Gromyko's "election" speech, the lead news item all day long on Feb. 20, showed a no less bellicose tone: "Andrei Gromyko emphatically warned that a new threat to humanity is arising with Washington's 'Star Wars' plan, which greatly increases the danger of nuclear war." This was coupled with a new Gromyko ultimatum to the United States to halt the SDI, or else: "Nothing but banning space militarization can guarantee peace."

The Soviet ultimatum on the SDI was repeated in a statement issued by the foreign ministry on Feb. 27: "Washington can hardly fail to understand that carrying out the program of a large-scale ABM system with space-based elements would inevitably result in an uncontrolled arms race in every direction. It would make limitations, let alone reductions, in strategic offensive arms impossible, and would dramatically heighten the risk of nuclear war."

The military in control

Akhromeyev became chief of the General Staff on Sept. 6, 1984, succeeding Marshal Nikolai Ogarkov, after having served as first deputy chief of the General Staff. Ogarkov was promoted to the crucial post of commander in chief of the High Command—Strategic Direction West. This promotion of Ogarkov is analogous to the July 1941 transfer of Marshal Georgii Zhukov from the position of chief of the General Staff to "representative of the Stavka"—the Soviet Wartime High Command headed by Stalin—from which post he took direct charge of war-fighting. If the Soviets choose to launch war today, Ogarkov would run the decisive military campaign in the European theater—the *Blitzkrieg* offensive-breakthrough driving across Germany, the Low Countries, and France to the Atlantic Coast.

The publication of Akhromeyev's article in the Communist Party journal *Kommunist* shows how fully the military command is calling the shots: Since Jan. 1, top-ranking Army figures, distinguished for their careers and offensive orientation, including wartime combat commanders, have been promoted, in an unparalleled reorganization of the military command (see *EIR*, March 5, "Soviet military creates a war-

time High Command"). The restructuring is of a type associated with either immediate pre-war or wartime circumstances, and provides the clearest evidence of the mindset of the Kremlin leadership and the dominance of the military.

The Army, the Church, the Empire

The Army-launched total rehabilitation of Stalin, the wartime leader, signifies a lot more than just Stalin leading Mother Russia to military victory. Stalin concluded the 1943 state agreement with the Moscow Patriarchate which granted the Russian Orthodox Church the widest powers and privileges it had ever enjoyed during the era of Soviet rule. Institutionally, the Church and the Army—the historical bastions of Great Russian Empire chauvinism, were at a zenith of power and influence. By "rehabilitating" the Muscovite and Imperial Russian past, Stalin allied with the Church and the Army to shift the U.S.S.R. from a Soviet belief structure to a Great Russian one. Note in this context the rehabilitation

Playing up Stalin, the wartime leader, is synonymous with the demand for strong-man rule for the Russian Empire. The Orthodox Church is backing this to the hilt, and is fully promoting the war preparations of the Soviet military leadership.

of Imperial Czarist military heroes and emperors and the 1946 celebrations of the 800th anniversary of the city of Moscow, which Stalin personally conducted.

Playing up Stalin, the wartime leader, is synonymous with the demand for strong-man rule for a Moscow-centered Russian Empire. The Russian Orthodox Church is backing this to the hilt, and is fully promoting the war preparations of the Soviet military leadership.

On Feb. 21, right before the Armed Forces Day festivities and timed with the appearance of Marshal Akhromeyev's *Kommunist* article, Metropolitan Juvenalii, one of the leaders of the Moscow Patriarchate of the Russian Orthodox Church, dropped an ecclesiastical H-bomb. In an interview with the Catholic information agency, Kathpress, of Austria, he saluted the Red Army in language not heard since the Second World War and the days of Stalin.

Said Juvenalii: "The sacred duty of our Armed Forces is to safeguard the frontiers of our country. It is their duty to repel the aggressor. Should the Church tell our Armed Forces to neglect our sacred duty? Should the Church tell our Armed

Forces not to protect our borders? Under no circumstances would we do so."

The flip side of the coin in the campaign which has now revived Stalin and brought the Army and Church, arm in arm, to the fore, is the deliberate humiliation of the old, powerless, and terminally ill Chernenko. This humiliation is part of the program to prepare the Russian population for a younger leader—if not very soon, then not too far off—who would not only be long-term and thus stable, but also lead the Empire to world domination in the years ahead, to the 1,000th anniversary of the conversion of Russia to Christianity in 1988, the year by which the Russian leaders hope to fulfill the age-old dream of making Moscow the seat of the "Third and Final Roman Empire."

Chernenko's age and deteriorating health are not the issue. He never had power of his own; he was always someone's proxy and tool, being first appointed a full Central Committee member at the age of 60. This is not the kind of biography one finds with Kremlin figures who actually wield power and influence. What is important is that the very facts that he has no power and is on his death-bed, are being conveyed to the Russian public in "The Emperor's New Clothes" fashion by the Soviet media. There have been old and dying Kremlin leaders before, with rivals and enemies, but the "rule of the game" was never broken, never to make them look ridiculous before they died, or were, as in the case of Nikita Khrushchev, officially removed.

That the armed forces are in the thick of this operation is clear from many signs. Chernenko's name was omitted from the statements and hoopla surrounding Armed Forces Day. The next day, Feb. 24, the Soviet press for the first time "neglected" to mention his title as a member of the Supreme Defense Council.

Chernenko himself had not been seen publicly since Dec. 27, until he suddenly appeared in a one-minute clip on Soviet television on the morning of Feb. 24, ostensibly to cast his vote in the Supreme Soviet election. When that one minute had elapsed, every person in the Soviet Union knew that Chernenko had no power and "one foot in the grave." The film first showed him in a small room seated at a table. He is then escorted across the room to the ballot box by Politburo member Viktor Grishin, the head of the Moscow Party since June 1967. Grishin holds Chernenko with both hands for support. Chernenko faces the TV audience and manages all of two words: "Happy Holiday." The film clip is clearly interrupted during this sequence and later as well. Then, Chernenko, held up by two people from behind, drops his ballot into the box, and says through his death-mask face: "Good."

The contrast shown to the Soviet population between Akhromeyev's portrayal of Stalin as the ideal wartime leader, and the graphic image of Chernenko, the non-leader approaching death, is intended to further increase the longing for a wartime leader on the Stalin model.



On the Soviet Union, Europe, and the SDI

Doctor Joseph Luns was foreign minister of The Netherlands from 1952-71 and secretary general of NATO from 1971-84. He was interviewed for EIR by Michael Liebig and Dean Andromidas on Feb. 22, 1985.

EIR: The Reagan administration's Strategic Defense Initiative for the development of an anti-ballistic missile system aims at shifting strategic doctrine from Mutually Assured Destruction (MAD) to one of Mutually Assured Survival (MAS). Do you support such a program?

Dr. Luns: Well, I do support the program for the very reasons you have given in the question. It is a very good thing to have a system which will rather make a possible nuclear conflict even less likely than it is now.

EIR: Given the fact that the Soviets are working massively in this area, do you think this is an additional reason to push ahead with it?

Dr. Luns: To be honest, I am not aware of Soviet endeavors in this area. Anyhow, their official attitude is rather hostile.

EIR: How do you view the proposal President Reagan has made, namely, that he does not want to have a system for one-sided superiority, but is willing, up to the point of technology sharing, to develop this in a parallel and coordinated manner with the Soviet Union?

Dr. Luns: I think the President said that he was willing to give to the Soviet Union what the Americans will find workable. I think it is a very, very good proposal. The people on the left will say that though the President says so he won't do it, but that, of course, is pure speculation. If one takes such an attitude, you can never talk to the Soviets because the Soviets are obviously far less reliable than the Americans. I think it is a very good proposal. It is not impossible that the Soviets are not quite willing to believe it.

EIR: Do you think the Europeans should support President Reagan's Strategic Defense Initiative and his intention to go towards a new strategic regime?

Dr. Luns: Yes, I think so, and all indications are that they are supporting it. You have seen what the Germans have been

saying, and Mrs. Thatcher is in favor of it. They have yet to hear adverse voices from the smaller allies, neither in Spain, nor in Turkey or the Netherlands or in Canada, there have been no adverse official comments as of yet, only by individuals in these countries.

EIR: How do you view President Mitterrand's very negative comment about four or five weeks ago where he called the SDI "over-armament" and called for a moratorium on space weapon systems.

Dr. Luns: I dare say that basically the French are in favor of a strong nuclear deterrent. It might be that the French president fears that the French effort will be judged even smaller than it now is. It might be for internal reasons, too. Do bear in mind that he is a socialist and is being accused by his own followers of being far too conservative in matters of armaments and also in matters of the alliance.

EIR: Do you feel the new technologies offered by the SDI could represent new possibilities for the Europeans and therefore they should participate?

Dr. Luns: In fact, whether they participate or not, the finger on the trigger will remain American, and the American input will be so important that the voice of Europe with regard to the use or non-use of these weapons will not be very strong. I doubt whether this new line of technical development will mean a lot in terms of political cooperation and cohesion between the allies. I think that all the Americans ask is that the Europeans support them, and when and if the Americans know something more, they of course will be happy to take note of that and even to use it. But I think also for the moment it is rather premature. Nobody knows whether the American effort will be successful, and nobody knows also whether, if successful, it will be so extremely expensive that even the United States might hesitate. There is a lot of talk going on but rather little knowledge.

EIR: Do you feel that the moral position of NATO can be strengthened through the development of defensive systems that can neutralize offensive nuclear weapons?

Dr. Luns: Let me say that whatever NATO does or does not

do, their moral stature will always be attacked by the left and the governments and the military and most of public opinion are supportive of NATO and that will remain as it is.

EIR: How do you see the significance of the double track decision in this context?

Dr. Luns: The double-track decision stands as it is. It is a different problem from what we've discussed so far. It has to do with the threat of the SS-20 and it has to do with stationing weapons in Europe, which will be able to counter an attack by them without having to go for the strategic arsenal of the United States, which indeed would be terrible if that had to be done.

EIR: Neutron weapons are, on the one hand, highly effective against Soviet armor yet will not have the genocidal effects on the Western European population of normal nuclear weapons. Would you advocate their deployment?

The President said that he was willing to give the Soviet Union what the Americans will find workable. I think it is a very, very good proposal. The people on the left will say that though the President says so he won't do it, but that, of course, is pure speculation.

Dr. Luns: My personal view is completely affirmative. I agree with what you say.

EIR: There has been a great deal of discussion that Marshal Ogarkov has assumed command of all Soviet forces, conventional and nuclear, directed against Western Europe. What is your view and how do you assess its importance?

Dr. Luns: You know, Mr. Churchill was right when he said that the Soviet Union is a mystery surrounded by an enigma, and I do not really know whether this marshal has been given all these stars. There are all sorts of rumors, and I would hesitate to raise an opinion on what he is going to do or not. And even if he gets this command, it will always be subordinate to the civilian directives issued by the Politburo and Soviet leadership. In the Soviet Union, as in America, as in the West, it is not the military that makes war; the military have to do whatever the tasks if there is a conflict, but they will not—at this time, they are not—the determining factor in whether a country will go to war. The last example was

Japan, where the military decided to go to war and completely neglected the political imponderabilia connected with the United States' position. In other words, they should have been very careful not to have attacked the United States, but to go directly for British and Dutch possessions, and therefore force the United States to declare war. Even if it had happened, it would have taken perhaps weeks, or perhaps months, and it would have given, even up 'til now, the United States a sort of guilt complex: "We have attacked Japan who has never attacked us in order to protect the colonial empires of the British and the Dutch." And there are no signs that in the Soviet Union the military are supreme in matters of policy of war and peace.

EIR: Do you believe this could change given what currently seems to be a leadership crisis in the Soviet Union?

Dr. Luns: There is a leadership crisis in the sense that, whether he was Andropov or now Chernenko, they have been rather old men, and rather ailing men. For a number of years, the leadership in the Soviet Union has been in the hands of a small group of people and not one man. The Politburo makes the decisions and only changes when there is new leadership. The experiences with Stalin were such that the Soviets will be rather afraid of repeating the experience. But, at the same time, it remains a very clear case of absolute dictatorship by a small group and not by one man.

EIR: Would you agree to the premise that Soviet military doctrine always aims at the capability of winning wars and not for mere deterrence?

Dr. Luns: Yes, I quite agree, but they are very much aware of the fact that you cannot win a war which has become an all-out nuclear onslaught because, even if on points or on paper you have won it, you will have won it with a completely destroyed country, with your capital and perhaps your leadership gone, too. That is what deters, that is the great deterrent value of nuclear weapons. NATO too always has a nuclear phase in its maneuvers, but they must do it in order to maintain the credibility of their deterrent. NATO must maintain the sense of uncertainty in the Kremlin whether in time of war NATO will escalate and use nuclear weapons.

EIR: In the summer of last year, the Soviets staged military maneuvers that were said to demonstrate the heightening of their blitzkrieg capabilities, while simultaneously they undertook various measures, such as withholding military trucks from taking part in last year's harvest. Do you feel that there has been a sharpening of the Soviet military thrust over the past two or three years?

Dr. Luns: Let me say that generally speaking the Soviets every year try to increase their armaments and at the same time they keep all the old military systems, to the contrary of NATO. Their armament is the only factor which gives them the status of superpower. They always give great importance

to their military power, knowing too that it gives them prestige, gives them leverage in some instance, and gives them the status of superpower. On the whole, the Soviets are rather convinced that America is rearming too much at this moment under President Reagan, whereas I would say that the rearmament of America is peace preserving because there is no country that is more aware of the power factor than the Soviet Union. So, if America becomes stronger, that will induce them to become more cautious.

EIR: You would say that, in their own view, the Soviets see their military strength as the primary factor for their super-power status?

Dr. Luns: Not in just their view but in everybody's view. If the Soviets had a very weak defense, you wouldn't give much for what they say or they don't say.

EIR: The last couple of years has seen a growing militarization of the Soviet economy with a further strengthening of the military-industrial complex of the Soviet economy at the expense of the rest of the economy. What is your view of this development?

Dr. Luns: As far as the statistics go, the condition of the Soviet people has improved slightly this last 10 years; they are less miserable than they were before. Having said that, there remains a factor that the Soviets continue to devote far too much to their military machine, to the tune of about 15% of their gross national income, which compares to the 4% of the NATO countries in Europe and to the 6% or 7% of the United States. Whether you can say there is a growing accent on the military complex, I hesitate to agree. The minister of defense of the Soviet Union speaking to a European minister who asked him whether it was difficult to get what they wanted said, "No, not too difficult; we just say what we want and then we get it, and the rest can go to the civilian sector."

EIR: How do you view Soviet strategy vis-à-vis Western Europe in terms of subversion, especially in light of a reported increase in Soviet spetsnaz capabilities?

Dr. Luns: Let me remind you of the fact that the Soviet Union has always tried to profit and to take advantage of the terrorist movements in Europe. To pervert the mentality of the peoples of the West has always been one of the great activities of a special sector of the NKVD which employs hundreds and hundreds of people. In these last years, they seem to profit from the fact that terrorism in our countries is on the rise with all sorts of extreme groups. In Spain and Great Britain, we have the Basques and the Irish Republican Army, and in the Federal Republic of Germany, the Red Army Faction, and in Italy, the Red Brigades. My own impression is that the various terrorist organizations will have a certain impact, by making people more nervous. Far more precautions must be taken to protect leading people, not only in Europe but also in the States where there have been various

attempts, also on the President and others. But it will not be conducive to a change of policy in these countries. Therefore, it is not strong enough.

EIR: The assassinations of General Audran in Paris and Mr. Zimmermann of MTN in Munich, two non-public figures, has brought us to the conclusion that there is at least an indirect, if not direct involvement of the Soviet intelligence services in terrorism. Would you agree with this conclusion?

Dr. Luns: I don't exclude it at all, but neither you nor I have concrete proofs, but all indications are there. I would think it highly probable.

Generally speaking the Soviets every year try to increase their armaments and at the same time, they keep all the old military systems, to the contrary of NATO. Their armament is the only factor which gives them the status of superpower. Not in just their view but in everybody's view. If the Soviets had a very weak defense, you wouldn't give much for what they say or they don't say.

EIR: How do you see the Soviet trend of subversion in the Western media?

Dr. Luns: One must take note of the fact that a great part of the media in Western Europe is definitely left-wing, and they are anti-NATO, they are anti-American, and they are always rather worrying. And the tendency has been strengthened in these last 10 years.

EIR: Do you see an accentuation of anti-Americanism and anti-NATO tendencies in the European Social Democracies as we have seen in the case of West Germany?

Dr. Luns: It is unfortunately the case that some Social Democratic parties have become more radical, more anti-American, have a tendency to show far too much compassion for the Soviets and to be far too critical of the United States and of the West. I would say that in Spain, such is not the case, nor in Italy. In France, the leadership, the President and quite a few of the ministers are more sympathetic to the United States than President Giscard d'Estaing was. But in other

countries, Germany for instance, or Great Britain, probably the Scandinavian countries, and also in the Netherlands, the Social Democrats have become more socialists than democrats.

EIR: Recently, the Soviet press has endorsed the Green movement in West Germany in an unprecedented way. Do you see this as a new level of Soviet intervention into the Western political system?

Dr. Luns: You mean the Greens. . . . They try to profit from these movements and to take advantage of them. It is not a new line of politics. They always take advantage where they can. Let us say the Greens suddenly emerged and it is very anti-government and very radical. The Soviets will certainly try to profit from it. It is a constant line of the Soviets.

EIR: The head of the West German Interior Security Services recently charged that the Soviets and East Germans has been involved in financing, through indirect means, the Green Movement and the so-called Peace Movement. Could you comment on this?

Dr. Luns: I would rather believe that. My tendency is to believe such a statement.

EIR: How do you see the role of the churches in Western Europe, particularly the Protestant churches, in respect to basic questions of defense, NATO, and relations with the United States, and how are the Soviets playing it?

Dr. Luns: There you have the same phenomenon as I have just signaled concerning the left-wing parties. It happens in the Protestant churches and the Catholic Church as well, especially in the northern countries of Europe. They are far more interested in left-wing politics, far less willing to conform to the directives of the Pope and the Vatican, although not as serious as in some countries. In Latin America, like in Nicaragua, quite a few priests have become so radicalized that they are no longer Roman Catholics. Some Protestant clerics show the same tendency.

EIR: How do you view growing tendencies in the United States to call for higher priority on the defense of United States' interests in South and Central America at the expense of American security interests in Western Europe?

Dr. Luns: That, fortunately, is only a very small group in America. It would be disastrous for the United States and also for Europe were America to follow that line. But I have yet to meet one responsible American politician who would say that Latin America is more important than Europe.

EIR: How do you judge statements by Henry Kissinger over recent months pointing towards a de-emphasis on the United States presence in Western Europe as in his *Time* magazine piece of March 5 of last year?

Dr. Luns: I have known Henry Kissinger for many years, I

admire his intellect, and I like his personality, but these proposals are rather dangerous. To propose that the Supreme Allied Commander in Europe should no longer be an American but a European would weaken the alliance. An American commander in chief has direct access to the President and to Congress, is in the United States on the average once a month, and can directly influence the American political machine. Not so if he were a European. And to have an American as secretary general would be bad, too, because it is already difficult for a European to know all the various tendencies and nuances of the European members of NATO, but for an American it would be far more difficult. Therefore, it should stay as it is now, and the success of Mr. Kissinger's article was rather small, to say it mildly.

EIR: Why do you think Henry Kissinger made that proposal in the first place?

Dr. Luns: I am not party to his innermost thoughts, but he might have believed it would be good to rock the boat a little and see what the reaction would be. It was not his most serious proposal I would say.

EIR: How do you view the likelihood of a U.S. troop reduction in Western Europe?

Dr. Luns: Small. It was far more dangerous in the time of [Ambassador to NATO Mike] Mansfield. The last attempt by Senator Nunn, his so-called Nunn amendment to reduce troop strength in Europe, failed. And if it came about it would be demoralizing for Europe, it would encourage the Soviet Union and would, in my strong conviction, make NATO weaker. The possibility of an armed conflict might increase.

EIR: What is your view of the Soviet naval build up?

Dr. Luns: The Soviet navy is by essence an offensive instrument. The Soviet Union is in the happy position that, all they need in time of war, they can get from allies with which the Soviet Union has common frontiers. From overseas, they need only a little bauxite and some chocolate and bananas, on which they are not overeating in time of peace. Although the Soviet navy is inferior to the American navy, it is a very great menace.

EIR: Putting aside budgetary and political constraints, what can be done to improve the defense of NATO's northern flank?

Dr. Luns: First of all, the naval posture should be strengthened. I said that the American navy is stronger than the Soviet navy, but it is typical in naval warfare that you don't have to be superior in order to concentrate at certain points a superior force, especially in the case of a naval war against NATO, because we have to protect six, seven, eight vital sea lanes, and the Soviets can choose where to concentrate. Just think of the menace which the two super dreadnaughts, the Bismarck and the Terpitz, and the two battle cruisers, Scharn-

horst and Gneisenau, and the three pocket battleships the Germans had in the last war, presented to the Allies. While the British alone had 15 battleships, 45 cruisers, and hundreds of destroyers, they constituted a menace because they could concentrate at points they could choose. Therefore, the Soviet naval threat is very serious, indeed. The more so as their submarine fleet is bigger than all of the submarine fleets of the whole world combined, and they have more nuclear submarines armed with missiles and slightly more nuclear attack submarines than America and France and Great Britain combined. The naval posture is rather worrying, and strengthening the navy, in turn, would be in the interest of protecting northern Norway, and an increase in the conventional capabilities of the allies, especially Norway and Denmark, would also be in order.

EIR: In this respect, what is your strongest concern in respect to West Germany?

Dr. Luns: On the whole, Germany being the strongest military power in the Alliance after the United States and the German forces being well trained and well equipped, the German military posture is rather satisfactory. They might perhaps increase somewhat their navy, they might increase somewhat their armored strength. But on the whole the German military machine is very efficient and is rather large. It is interesting to note that the Soviet Union fears only three armies, the German, for obvious reasons, the American, because of the tremendous industrial power of the United States, and the Turkish army because of the high quality of its soldiers.

EIR: In this respect what can be done on NATO's southern flank, particularly in respect to Greece and Turkey?

Dr. Luns: Greece is a special case. Its present policies are such that I wouldn't be surprised if America, would withdraw its forces from Greece in the near future. This would automatically enhance the military and political weight of Turkey within the Alliance. The weakness of the southern flank is really the weakness of its conventional strength. On the other hand, an attack, let us say, on the eastern part of Turkey, cannot take place without at once involving all the other allies. So you cannot isolate one country from the others because an attack in the north of Norway, or against Turkey, or by air against Canada, would at once be the *casus belli* for the whole Alliance.

EIR: How do you assess the Soviet Union's capability for surprise?

Dr. Luns: Not too high. There will always be a warning time. The Soviets cannot just tomorrow morning launch an offensive. We will know it days and days before. Furthermore, they need to consult their allies, and it is not a small thing to suddenly go to war with 16 countries, and among them the United States, with its tremendous power. The

warning time will allow us to increase considerably our posture in Europe. So a surprise attack is not likely.

EIR: What is your concern in respect to Italy and Spain?

Dr. Luns: The Italian political situation is not completely satisfactory, but on the other hand, the Italian armed forces have improved considerably. I saw some of their divisions in action in northern Italy, well equipped, with a very good morale. Their fleet has a number of highly sophisticated and new units, and they are building a number of new vessels. And Spain is another question. For the moment, the integration of the Spanish forces has not taken place, but the tremendous value of Spain lies in its geographical position. Suppose there were a war in Europe and suppose that everything went wrong so that the Soviets would overrun Norway and Denmark and Germany, the Netherlands and Belgium and Luxemburg and France and perhaps Italy, too. Even then, it would be likely that the barrier of the Pyrenees could be held. So, Spain and Portugal would become the bridgehead for the reconquest of Europe. That is the great value of Spain, and then, of course, now that Spain is a member of NATO, she will profit from the military experiences of NATO. Their armed forces are in the process of being modernized. The Spanish fleet will shortly have a new aircraft carrier, and they have quite a few very modern missile-carrying frigates being built or in commission. In the Alliance when you talk about real ocean-going navies, next to America, and of course, Great Britain and France, there are Spain, Italy, Germany, and the Netherlands, which are countries that have well balanced and ocean-going fleets.

EIR: How do you assess ideas associated with the Club of Rome that allege that there are limits to growth?

Dr. Luns: I have not an enormous admiration for the Club of Rome. I think their proposals are not always very realistic.

EIR: What do you think concerning the prevailing cultural pessimism and what can be done to revive the cultural fabric of the Western Alliance?

Dr. Luns: That is the \$64,000 question. When you look at what is purported to be art at this moment, especially pictorial art, you ask yourself what is coming over mankind. I have here "Art in Auction," which I get every year from Sotheby's, and the last number shows some incredibly incomprehensible art, so-called masterpieces. Let me look for it and you may share my astonishment. [Dr. Luns walks to his bookshelf for the said volume] Here we have a Dutchman, Appel, he got for this incomprehensible painting \$847,000, this abstract masterpiece got \$1,815,000, and now we have three photos of Elvis Presley which sold for \$184,500. . . . So I would say that I am worried about what is now being called art and what is being shown in the Museum of Modern Art. It makes me gloomy and despondent. It looks indeed like cultural decadence.

SOVIET MILITARY DEPLOYMENTS FOR A GLOBAL SHOWDOWN

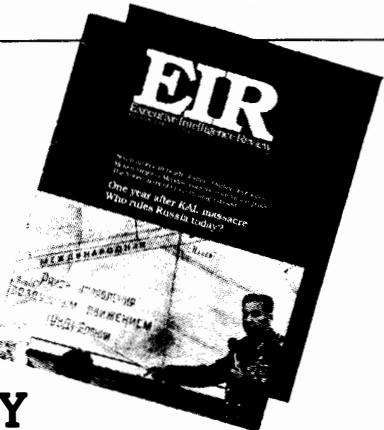
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- SEPT. 6.** Soviet Chief of the General Staff Nikolai Ogarkov is officially "transferred to another post."
- SEPT. 10:** The *Christian Science Monitor* comments: "Suddenly, the man who earlier in the week had been at the side of Defense Minister Dmitri Ustinov had . . . become a nonperson. Most Western analysts are convinced that Ogarkov is at least in limbo, and perhaps in disgrace."
- SEPT. 25:** *EIR* publishes its evaluation: "The most important economic and military changes in the Soviet Union have been done under the guidance of Ogarkov. It is unlikely that he would have been demoted just at the point that the reorganization process is to be completed."
- OCT. 12:** Ogarkov resurfaces for a meeting with East German party chief Erich Honecker. Western news services learn that he has been named commander of the Western Theater of War.

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Mubarak, Peres chart

by Thierry Lalevée

A rapid exchange of proposals between Cairo, Jerusalem, and Amman has definitely set a new course for peace negotiations over the next couple of months. Much will now depend on the ability of the Reagan administration to display the same kind of boldness toward the Middle East it displayed toward Europe around the Strategic Defense Initiative.

What is now required is that the United States sponsor direct negotiations between Israel, Jordan, and the Palestinians as proposed by Egyptian President Hosni Mubarak in an interview to the *New York Times* on Feb. 25. Mubarak's proposal, which came as a bombshell and took many leading American officials by surprise, was clearly carefully thought through before being publicized. What Mubarak announced is that direct negotiations between a "Jordan-Palestinian" team and Israel are now possible.

For such a simple statement to be made, a lot of groundwork had to be laid on many fronts. First, there was the Feb. 11 agreement in Amman between PLO leader Yasser Arafat and Jordanian King Hussein, which, as Mubarak described it, was a first and important step. The Jordanians released the official contents of the agreement on Feb. 23: The PLO had entirely accepted the idea of a "confederation." The "right of the Palestinians to self-determination," it said, "will be expressed within a Jordan-Palestinian confederation."

Similarly, as King Hussein emphasized in an interview with the British Broadcasting Corporation, both Jordanian and Palestinian officials said they had accepted "all previous U.N. resolutions," hence including the controversial Resolution 242. As the agreement reads, this implies the "right of all states in the region to security."

Mubarak-Peres talks

Seizing upon the opportunity this offered, Israeli Prime Minister Shimon Peres announced in Rome on Feb. 20 that he was ready to go to Amman to meet with Hussein, and was ready to invite him in turn to speak at the Knesset in Jerusalem. Hence, the idea of direct negotiation was mooted for the first time.

Mubarak's proposal went a step further by recommending that such negotiations be directly sponsored by the United States, and be held either in the United States or in Egypt. He himself would be ready to act as a mediator, said the Egyptian President, if both concerned parties desired so.

In less than 24 hours—Mubarak's special envoy, Osama al Baz, had not even reached Israeli soil—the office of prime

peace negotiations

minister Peres announced that this "new and important" proposal by Mubarak was "positive and welcome," as it "makes no reference to any U.N.-sponsored international conference with Soviet participation," and also "makes no particular reference to the PLO."

These are the next two points to be concretized. The Amman agreement did refer to an international conference and made a specific point of PLO participation in such negotiations. Israeli officials quoted on Radio Jerusalem on Feb. 26 echoed Mubarak's declarations to the *New York Times* on this issue, saying that Palestinian members of the negotiating team should merely "not be leading PLO members. They should be Palestinians. But Israel is likely not to look too closely at their credentials." On the issue of an international conference, Mubarak announced that this could be held afterward as a way of ratifying the results of direct negotiations.

In all probability, as *Al Ahram* noted on Feb. 22, Moscow itself has killed this idea by blasting the Amman agreement as an "imperialist plot," amounting to a total break with the Palestine Liberation Organization as well as Jordan.

What happened between Peres's Feb. 20 announcement and Mubarak's new proposal is anybody's guess. It is clear, however, that consultations at the highest level have been held.

As Peres was arriving in Bucharest on Feb. 21, Mubarak sent a special envoy, the chairman of the foreign affairs commission of the Egyptian parliament, to deliver him a letter of "utmost importance." A day later, another Egyptian envoy was on his way to Washington to bring fresh news on the Palestinian-Jordanian discussions, preparing the ground for deeper discussions when Egyptian Defense Minister Marshal Abu Ghazala arrived for talks with Reagan administration officials on Feb. 24.

Meanwhile, high-level discussions between Jordan and the Palestinians have continued. One of the most interesting expressions of this was a speech made by PLO executive committee member Abdul Rahman Ahmad in Amman. In light of the Amman agreement, he said, "the United States should now recognize the rights of the Palestinians."

Though it is likely that the White House has been privy to all such discussions and was not surprised by Mubarak's latest proposal, it decided to react cautiously. Administration spokesmen merely stated that the "time was not yet ripe" for the United States to take such an initiative. While Wash-

ton may want to wait for Mubarak's upcoming visit to hear directly what is really going on behind the scenes before making any public commitments, such caution also reflects indecision.

That this can prove counterproductive is obvious. From Syria to Israel around Foreign Minister Yitzhak Shamir's Likud Party, voices are being raised in opposition to any negotiations which would change the present no-war/no-peace stalemate.

The White House's "caution" clearly reflects, at least in part, the policy of Henry Kissinger's minions in the State Department, who propose to make of Syria the central country to be dealt with by the United States in any peace initiative. In other words, as part of "New Yalta" agreements with the Kremlin leaders, who are to be ceded the entire Middle East, a Soviet puppet is to be elevated to the status of number-one negotiating partner.

It was not by chance that State Department spokesman Marvin Kalb made a point of talking about the need for

The Reagan administration must now display the same kind of boldness toward the Middle East it displayed toward Europe around the Strategic Defense Initiative.

negotiations over Syria's Golan Heights—when everyone else has been focusing on the West Bank and Gaza. Such references to the Golan Heights are codewords for a limited Israeli-Syrian agreement over Lebanon's partition.

It is no surprise that, from preliminary indications, the Vienna discussions between State Department Undersecretary Richard Murphy and Mikhail Poliyakov of the Soviet foreign ministry seemed to have focused on Syria, Moscow's last wildcard. That Syria still holds four Americans as hostages, under the cover of the Islamic Jihad terrorist group, exemplifies the kind of blackmail that Moscow is using.

The point is underlined by President Reagan's telephone call to Assad on Feb. 14, to congratulate him on his re-election and to thank him for the release of an American journalist who had been held hostage for more than a year! If anything, the Jihad and the Syrians released that particular individual only to remind Washington that they still hold four others. A few days later, the Jihad announced that it had condemned one of them to death and would shortly execute him.

Is that sufficient blackmail to prevent the White House from acting more boldly in the peace process initiated between Egypt, Jordan, and Israel?

Report from Bonn

by Rainer Apel

Back into the Space Age

Trips to the United States seem to have a positive impact on the thinking of West German politicians.

The support Chancellor Helmut Kohl has given to the U.S. Strategic Defense Initiative has opened a new chapter in German-American relations. Most German politicians might not yet be aware of all the implications, but some who have had the chance to visit the United States in the past three or four weeks have recognized the need to say goodbye to the "limits of growth" ideology which has dominated the past 12-15 years.

It is strange enough that a nation like the Germans, whose scientists and engineers built the first rockets and played a prominent role in the postwar U.S. defense and space programs, took two years to make up its mind whether or not to join the SDI.

The Christian Democratic governor of the German state of Bavaria, Franz-Josef Strauss, in whose state most of the country's high-technology and aerospace industries are situated, naturally had fewer problems in accepting the SDI. Not accidentally, he was the first prominent member of the country's political establishment to come out in favor of the space-defense doctrine.

Strauss has also been the one to most violently attack the Green movement as the enemy of science, technology, and the nation.

Lothar Späth, the governor of the state of Baden-Württemberg, location of the highly specialized engineering and machine-tool industries of Germany and the number-two industrial region, visited the United States twice during February. Späth met with William Taft and Richard Perle at the Pen-

tagon. He returned to Germany to report: "The SDI, even if it doesn't work from a military standpoint, will create a revolution in high technology development of yet unprecedented dimensions. . . . The Federal Republic, as one of the leading industrial nations of the world, can't afford to not take part in this revolution." Späth predicted development of new fields of computer and laser electronics, and even "the development of new materials for industrial processing which are yet unknown to us."

Späth was joined by the Christian Democratic governor of the state of Lower-Saxony, Ernst Albrecht, who supported the SDI as "a big boost for new technologies."

But most surprising was the statement West German Labor Minister Norbert Blüm delivered after his return from a tour through American "high-tech zones." He told journalists in Bonn: "If our country is to play any role at all in the future, it has to change its views. Our politicians, most of our industrial managers, have overslept the future."

Blüm said that during his U.S. trip, he recognized the "profound change all of the industrial production processes will have to go through in coming years." "Within 5 to 10 years, there will be a demand for a larger portion of the labor force trained in electronics, computers, and laser technologies. The experts estimate that about 70% of the total labor force will have to receive additional professional training, in order to meet the requirements. Looking at the situation in our

own country, I see that only 2% or 3% of the whole labor force has these skills." Unemployment, he added, will not be solved by "make-work programs," but "through the establishment of completely new branches of industrial production."

One notes that a "post-industrial" tinge remains on these statements. The Bonn government continues to watch the collapse of "old industries," while everyone is talking about the "new industrial revolution" in high-technology, "sunrise" fields. Irony has it that while all these pro-SDI statements are being made, preparations are also being made to close down the ARBED plant in the Saarland, probably the most modern steel-producing facility the country has. The SDI will need lots of steel.

The kind of economy the SDI will require has nothing to do with "silicon valley" computronics parks with jobs for a couple of hundred white-collar employees. For a country like Germany, a share in the SDI program requires several tens of thousands of engineers, and several hundred thousand skilled workers working on the program.

It will need lots of nuclear energy, too. No other source can provide the amounts and quality of energy required.

German politicians still have to learn how to think big and rid themselves of the residue of 12 years of "limits of growth" nonsense.

This also has a security aspect: The Green Party and the ecology movement, with their hatred of technology and industrial production, are a security risk, and must be treated accordingly.

Since trips to the United States seem to have a positive impact on the minds of German politicians, one can only recommend more of them.

Report from Italy

by Liliana Gorini

The third color

The PCI wants the premiership should it win a plurality, while regional level "red-green coalitions" are possible.

The new general secretary of the Italian Communist Party (PCI), Alessandro Natta, who replaced Enrico Berlinguer at the latter's death last summer, created political turmoil Feb. 25 when he demanded the premiership for the PCI in case of a government crisis. In an interview with the leftist *Il Manifesto*, he declared that if the PCI polls more votes than the Christian Democracy in local and regional elections on May 12, he will immediately demand early elections, and, "in case of a government crisis, we will demand the premiership for the PCI."

Asked if he would become premier himself, Natta said no: "We have some leaders in the party who could take up such a task, at least an exploratory premiership."

When the five parties forming the present government coalition in Italy rejected the perspective contained in Natta's statements, emphasizing that if he goes on like this, he will only make the victory of the Christian Democracy more certain, Natta did not give up, but escalated his demands.

Speaking at the congress of the Communist youth organization, FGCI (Federazione Giovanile Comunisti Italiani), he declared: "We Communists are tired of the shameful discrimination according to which we should be considered a party with fewer rights than the others." If the Christian Democracy has an automatic right to the premiership as the largest party in Italy in terms of votes, the PCI should have the same right if it polls a plurality, he indicated.

The FGCI conference concluded

with a resolution demanding that Italy leave NATO and take "unilateral acts of disarmament" and create a "nuclear-free zone." Natta himself attacked Italy's role in the U.S. Strategic Defense Initiative: "Our government and our country . . . should say that it makes no sense to open negotiations and work at the same time on the absolute weapon." The next day, the party paper, *l'Unità*, published a front-page editorial by Romano Ledda entitled, "Star Wars: What Will the Government Say?" which complains that with his meetings in Bonn and trip to Washington on March 5, Italian Premier Bettino Craxi will essentially endorse the SDI. The editorial also attacks "the small 'Star Wars' party in Italy"—Lyndon LaRouche's co-thinker organization in this country which has been working to have Italy join the SDI for years and has just announced a conference on the subject in Rome on March 28.

The PCI would have absolutely no chance of defeating the Christian Democracy or forming a government if it didn't have the secret support of such Soviet moles as the present foreign minister, Giulio Andreotti, a Christian Democrat. Exploiting the fact that Italy has the presidency of the European Community until June, Andreotti, by contrast with official government policy, had an EC statement issued against "Star Wars" in Rome in mid-February. The statement is being constantly quoted by the Communists.

Another asset of the PCI is President Sandro Pertini, who in past months has frequently joined the

Communists in attacks on the government and who even proposed Communist leader Nilde Jotti, mistress of the postwar PCI leader Palmiro Togliatti, as someone who would make a "good President of the Republic." Immediately after the regional elections in May, there will be presidential elections in June. Pertini is the candidate officially endorsed by the PCI.

Another factor in Natta's absurd demands is the newly formed Partito Verde Italiano, the Italian Green Party, which will run candidates and is already claiming 5% to 10% of the vote in May. Like the German Greenies, the Italian variety is violently anti-nuclear, "peacenik," and thoroughly fascist in outlook. The Communist Party is devoting great attention to this party, which could be useful to it if the PCI does not get the relative majority. A "Red-Green coalition" might then be possible, at least at the regional level.

On Feb. 23, *l'Unità* published a front-page editorial entitled: "Green and Red: How Can They Work Together in Italy?" in which the Communists accuse the Italian left of having believed too much in progress, and claim that the PCI is the only party which could work with the Greens, having such common goals as disarmament. A few days later, PCI leader Pietro Ingrao spoke at a Green meeting with U.S. "green" leader Barry Commoner, and made the peculiar statement: "There is a third color between red and green."

Alessandro Natta's past in the youth organization of the Fascist Party at the time of Mussolini's regime was revealed soon after his election, by the Christian Democracy's *Il Popolo*. Ingrao, too, is a former Fascist leader during Mussolini's time. We leave it to the reader, then, to guess what Ingrao's "third color" might be.

Palme's energy dependence plan

The Swedish government's new energy bill points toward enormous imports from the East.

In 1979, the announcement of Sweden's 1980 popular referendum on nuclear energy provoked some consternation, for it featured a lack of real alternatives for the electorate, as even the most "pro-nuclear" side of the referendum was absurdly anti-nuclear, calling for a shutdown of all nuclear energy by the year 2010. Five years of afterthought notwithstanding, the Palme regime's latest energy bill reaffirms that all of Sweden's nuclear reactors are to be shut down and dismantled by that date.

How remarkable this becomes clear when one considers how great the role of nuclear-generated electricity is in Sweden's energy supply. Leading the world in per capita nuclear energy development by far, no less than 40.6% of Swedish electricity generation was nuclear in 1984—three times the U.S. percentage—which will rise to 45 to 50% of Sweden's electricity in 1985, as the last two one-giga-watt reactors, just completed, will come on line.

Although this means that Swedish nuclear-generated electricity has tripled in five years—an unprecedented success story in cheap and safe energy production—the criminal result of the 1980 referendum, as confirmed by Palme's new energy bill, is that this highly developed nuclear industry is being dismantled.

Moreover, shutting down all Swedish nuclear power plants by 2010, including the six reactors finished since 1980, will mean shutting down reac-

tors for which as little as 60% of their longevity will have elapsed.

Thus, the consequence of the new anti-energy bill is that almost half of Sweden's electricity must come from other-than-nuclear sources by 2010, a problem for which the bill has no pretense of a solution:

- There will be no increase in oil imports for electricity generation, as Sweden is already highly dependent on oil imports for heating.
- There will be no dramatic rise in coal imports for environmental reasons.
- Sweden's large hydroelectric power capacity, which supplied 56% of all electricity in 1984, cannot be significantly expanded.
- The only further "sources" of electricity to replace nuclear energy, then, are "conservation" and wind power.

Not even Palme believes that half of Sweden's electricity needs can be met through "saving energy." And to supply a mere 10% of all electricity by wind power would require building two wind-power stations of the currently attainable size every week between now and 2010! The prospects for developing wind power stations at all are poor, as even state-run Swedish shipyards, forced into the wind-power business because of depressed levels of shipbuilding, have now stopped such unprofitable exercises.

Ah, but Olof Palme does have something up his sleeve—and it's just what one would have expected. Dur-

ing a visit to one of the new nuclear reactors, in Oskarshamn on Sweden's east coast, a reporter asked the prime minister if all this means that Sweden will have to import electricity by 2010. Palme's tongue slipped, and he blurted out: "Sure, across the Baltic Sea, in Latvia, four nuclear reactors are now under construction. They may represent a possibility for imports."

Palme did not mention if such plans have already been discussed or agreed upon with the Kremlin; nor did the Latvian nob turned Swedish premier reveal if the laying of an electrical transmission line across the Baltic seabed had been a subject of deliberations at the most recent session of the family council at the old Palme-von Knieriem estate of Skangal, Latvia.

One observer pointed out that the idea of importing electricity from Latvia—i.e., from what is today the U.S.S.R.—seems to be part of a pattern. Back in the mid-1970s, Palme suggested replacing nuclear-generated electricity with coal-fired electrical plants. Sweden has no coal of its own. The coal would have to have been imported from an East bloc country, Poland.

But Palme's supporters and friends in the environmentalist movement oppose coal-fired electricity generation for reasons of "air pollution." So, Palme's bright idea at the time was to have the Poles themselves fire up all the coal—and suffer the pollution of the air—and then export clean electricity by sea cable to Sweden!

Such hypocrisy was unparalleled until Palme's recent idea of solving the electricity shortage resulting from shut-down of all Swedish nuclear energy, by having the Latvians produce nuclear electricity for export to Sweden—making Sweden dependent not only on the much-slandered nuclear energy, but on Soviet deliveries of such energy.

Toward an international debt summit

Since his return from Ibero-America, the Pope and the Vatican newspaper have stressed social justice against "high finance."

The desire of the Ibero-American peoples for social justice was the theme of the address given by the Pope at his first general audience since returning from Ibero-America: "We must do everything," the Holy Father said, "to realize this justice, without recourse to violence and totalitarianism, maintaining the democratic order to which those societies are honestly tied."

"Never," he asserted, "must anyone lack bread!"

This appeal, that the most essential and inalienable rights of peoples be quickly realized, had been made by the Pope in the last public appearance of his tour, at Guayaquil, Ecuador, where he said: "No one, therefore, should feel relaxed as long as there is in Ecuador a child without a school, a family without a home, a worker without a job, a sick or elderly person without adequate aid."

It is not by chance that the newspaper of the Holy See, *L'Osservatore Romano*, has recently dedicated numerous articles to Third World countries' economic devastation by international usurers. "An International Conference on Foreign Indebtedness" was the front-page headline on Feb. 15. The article reported on the resolution of the ministerial conference of the "Cartagena Group"—Argentina, Bolivia, Brazil, Chile, Colombia, Dominican Republic, Ecuador, Mexico, Peru, Uruguay, and Venezuela (see *EIR*, March 5). The resolution, said *L'Osservatore*, underlined that the

problem of the debt "must be resolved through direct negotiations with the creditor countries of the Western world, rather than in the technical-economic offices of the international financial institutions, which are required to observe rules and regulations which ignore the political-social impact of the problem."

This is effectively the same proposal formulated by the founder of the Schiller Institute, Helga Zepp-LaRouche, for the convening of a heads-of-state summit to discuss the problem of the debt outside such institutions as the International Monetary Fund and the World Bank, whose usurious policies have produced the present situation of injustice and underdevelopment.

The same article recalls the bloody uprisings which took place in the Dominican Republic against the measures imposed upon government by the International Monetary Fund, "accused of promoting in the country a completely insensitive policy of economic revival, and hence harmful to the social needs of the population."

"The debtor countries," the article goes on, "require stable interest rates and trade openings in the creditor countries. It is evident, in fact, that to be able to honor the financial commitments made, the debtor states must be made capable of producing and exporting."

The article also talks about the recent position taken by the director

general of the International Labor Organization, Francis Blanchard, who declared: "The severe conditions imposed by the IMF and other financial organisms to grant loans to heavily indebted Third World countries could threaten the social peace in these states. The reduction of many social services and the rigid policies to reduce inflation have caused in various countries growing poverty and unemployment."

Another article in the same issue of *Osservatore* denounced the emerging famine caused by the IMF's conditionalities in Bolivia.

Then, the intervention of the Holy See's observer at the United Nations' 31st session on narcotics, concluded a few weeks ago in Vienna, was used to denounce "a gigantic international conspiracy of ruthless and cruel high finance."

Monsignor Ceirano also accused the traffickers in drugs of wanting to take control of entire countries and societies and of accumulating immense sums at the price of the destruction and destabilization of entire nations. The Vatican delegate underlined the firm position of the Holy See against all types of legalization, even partial, of drug consumption.

Another important initiative taken by the Pope when he returned to Rome is the constitution of a new Vatican organism, the Pontifical Pastoral Commission on Health Workers. The creation of this Vatican "health ministry" was announced as the Pope presented the Apostolic letter, *Dolentium Hominum (On Suffering Humanity)*.

The new commission's special concern is the problems of the ill and their religious assistance. Its timing makes clear that the new commission will be particularly concerned with stamping out tendencies in medicine which violate the sacredness of human life: Nazi-style eugenics and euthanasia.

Moscow and Abu Nidal's 'resurrection'

Libya has declared war on London, Bonn, and Washington, while for the first time, the Soviets attack Arafat.

On Feb. 19, the Libyan news agency JANA announced, "From now on, Libya will give full support to the progressive forces struggling in Europe, such as the Irish Republican Army and the Red Army Faction and those fighting against the United States government," arguing that London, Bonn, and Washington were "harboring enemies of the Libyan revolution."

On Feb. 21, international terrorist Abu Nidal, whose death had been rumored last October (see *EIR*, Nov. 27, 1984), made an astonishing comeback, granting his first public interview for a long time. He announced that Palestine Liberation Organization head Yasser Arafat, Jordan's King Hussein, and South Yemen President Ali Nasser Mohammed were "all condemned to death, as will be anyone, Palestinian or Arab, who wants to negotiate with the Zionists."

The timing of these two announcements is no coincidence and means that on direct Soviet orders, Europe and the Middle East are to be set afire through bombings and assassinations of political figures. The JANA release was more than explicit, as it announced, "In the fight against the enemies of the Libyan revolution," the battlefield will "become railway stations, hotels, airports, and the streets."

The United States is not to be spared, stressed JANA. This was underlined by Libyan dictator Muammar Qaddafi's speech via satellite hook-up to a Chicago Black Muslim audience on Feb. 24, calling on Louis Farrakhan's followers and black U.S. Army troops to revolt.

Given the longstanding friendship between German Foreign Minister Hans-Dietrich Genscher and Qaddafi, such a declaration of war against Bonn may seem surprising. Playing by the diplomatic rules, the Libyan ambassador to Bonn, Mehdi Imberesh, was reported to have apologized to Genscher for the threat on Feb. 22. But the apology was quickly invalidated on Feb. 25, when the "General Union of Libyan Students" in West Germany began distributing the JANA release as a leaflet.

Though Genscher may have received assurances from his good friend that he won't be a target, Bonn very much is. It is West Germany's commitment to the U.S. Strategic Defense Initiative that Moscow wants to destroy.

Abu Nidal's resurrection serves a similar purpose for the Middle East and Mediterranean regions. Panicked by the American initiative in Europe, and soon, a U.S. initiative in the Middle East, Moscow and Damascus are ready to deploy all means to keep from losing control in that region of the world.

Whether it is the same Abu Nidal speaking now as before is of little importance. As soon as rumors of his death had spread, his followers made the point that the "struggle would go on."

More important was that his public reappearance coincided with the first Soviet attacks ever against PLO chairman Yasser Arafat. Moscow finally dropped the mask of mediator between the PLO and its radical op-

nouncing Arafat's agreements with Jordan's King Hussein on negotiations with Israel as "undermining the Palestinian revolution."

Praising Abu Nidal, the Syrian news agency SANA immediately announced that his "Fatah revolutionary committee," better known as the terrorist "Black June" organization, had decided to merge its activities with the so-called Nationalist Alliance made of the Abu Musa, Habash and Hawatmeh bunch. As the Paris paper *Liberation* commented on Feb. 22, since Syria's "Palestinian card against Arafat" has failed, Damascus and Moscow "now display their terrorist card."

A central target, outside of Yasser Arafat, is Jordan's King Hussein. While plotting his assassination very publicly, the Syrian leaders leave no doubt that they are also ready for a direct war against Jordan.

Proof was provided in a SANA release of Feb. 24 accusing Jordanian "armed guards" of having killed two Syrian border guards, so gross a provocation that SANA later killed the story.

Between Tripoli and Damascus, Papandreou's Athens has become essential to Soviet plans, as the reactivation of the "November 17" terrorist group suggests, providing a bridge between Middle Eastern and European terror. According to the London newsletter *Memo*, no fewer than 10 Soviet-connected Arab and Islamic terror groups are freely operating in Greece, from Black September to Black June to the Islamic Action Group, "Khomeini's Martyrs," *ad nauseam*. As *Memo* reports, only direct and independent actions by the United States allowed some of these groups to be dismantled recently, no thanks to Papandreou, who has become one of the most important security threats in the entire region.

Who won the Pakistan election?

The question has provoked a controversy, and the answer depends on whom you ask.

If you ask an exiled Pakistan People's Party (PPP) leader about the results of the Feb. 26 election in Pakistan, he would swear that General Zia lost. If you ask a Pakistani military man, his answer would be just the opposite. Both are wrong. By all accounts, Zia continues in power by default.

Those who say Zia lost quickly cite the report that only 20% of the population voted, but, as later official reports confirmed, a surprising 53% went to the polls.

The London-based opposition group of erstwhile leaders of the party founded by former Prime Minister Z. A. Bhutto and hangers-on, sometimes referred to as the Exiled Pakistan Club of London, congratulated each other for helping to defeat six Pakistani cabinet ministers—a curious claim by those who led a *boycott* of the election!

The claim, it turns out, is but the product of a hasty effort to perpetuate a game of self-delusion that goes much deeper. The fact is that from the luxury of their London flats, paid for by the rental income from their families' large land holdings in Pakistan, the Bhutto family included, the opposition leaders decreed that the election was to be boycotted because, they insisted, General Zia would rig it to favor right-wing mullahs.

Understandably, the election results came to the purveyors of this view as somewhat of a shock. The defeat of six of Zia's closest associates in the cabinet would certainly seem to give the lie to the charge of rigging, as does

the rout of the Jamaat-i-Islami, the Saudi-backed right-wing Islamic religious party. Only 8 of their 60 candidates were elected.

Moreover, all the defeated ministers had campaigned on the country's achievements under Zia's military rule, and particularly the process of Islamization.

Why were the PPP leaders, sitting and debating incessantly, so wrong in their evaluation of the people of Pakistan? And why is the PPP-led Movement for the Restoration of Democracy so thoroughly irrelevant to the country's political dynamics?

The problem with the exiles is that they are much less in contact with Pakistani politics than they are with, say, Soviet, British, or Libyan politics. Some of them are also doing well with U.S. politics. These politicians traded the scene of action in Pakistan for good food, British manners, Libyan money, and the Soviet promise of a break-up of their country! The egregious effects of this kind of deal were compounded by the fact that the PPP leaders have systematically refused to bog themselves down in consideration of a program of development for their country.

Most of the exiled leaders sincerely believe—and impotence is not the *only* reason—that they can get back a piece of the Pakistani pie if the country is dismembered. For that, they surely require Soviet assistance, and there is every indication they are getting it.

The Soviets have set their mouthpieces to howling about the 10 deaths

reported during the Pakistan voting. It is a remarkably low figure, in fact, for the rough-and-tumble politics of a typical developing nation. But that might be hard for the Soviets to understand—when only one candidate is allowed to run for each seat in the Soviet people's dictatorship.

The fact is, the opposition to the Zia military regime has proven itself bankrupt, and that is the message of the people of Pakistan in the recent election. In the process, General Zia's rule has been consolidated, and he is moving ahead to hold provincial elections. He has stated that he will shortly announce the amendment of Bhutto's 1973 Constitution, which will provide him all the power a military leader seeks.

Zia will invite one of the newly elected MPs who, in his opinion, commands the support of the majority in the House, to take over as prime minister and form a council of ministers. Although the text of the constitutional amendment has not yet been made public, it is apparent that as President of the Republic, a title he gained in a previous referendum, General Zia will have the authority to remove any prime minister as he wishes.

After eight years of effort, the man who hanged Z. A. Bhutto has succeeded in legitimizing his regime. That by itself is hardly remarkable; what is striking is the abject failure of those political leaders who have spent the last eight years trying to cash in on their hanged leader's legacy.

What might be more usefully debated is whether the exploiter of the legacy or the legacy itself deserves the blame. It is not irrelevant to note that, with characteristic understatement, the late Indian Prime Minister Indira Ghandi is reported to have remarked privately on one occasion that the "Bhutto women" are apolitical.

International Intelligence

Vatican opts for active fight against Communists

The Vatican has decided to actively campaign to stop the Communist Party of Italy's (PCI) bid for power. For the first time in many years, the Pope and the bishops decided to intervene in the election campaign with statements demanding the "re-Christianization of Rome." The Italian capital is presently ruled by a Communist-Socialist coalition and has a Communist mayor, Giulio Andreotti.

After a meeting between the Pope and the head of the Christian Democracy in the city, Ciriaco De Mita, Christian Democratic candidate for mayor of Rome Angelo Micheli—also a personal friend of the Pope—decided that their main campaign themes will be the re-Christianization of Rome and the fight against euthanasia.

The Bishop of Rome, Cardinal Poletti, publicly criticized the "non-Christian city administration" and called on all Catholics to "vote for a Christian party." His statement was the beginning of a polemic between the Roman bishops and the organ of the PCI, *l'Unità*, which accused the Vatican of interfering with the elections. The bishop issued four releases claiming the Church's right to pronounce itself "on national events," and to do so "in an election period."

Both *l'Unità* and the head of the PCI, Alessandro Natta, accused the Church and the Christian Democracy of "creating a climate like in 1948," when the head of the Christian Democracy's Alcide De Gasperi, after a trip to Washington and speech in front of the U.S. Congress, returned to Italy and defeated PCI leader Palmiro Togliatti in a campaign against a then-threatened Communist takeover.

Japan's Nakasone offers help with U.S. SDI

Japanese Prime Minister Yasuhiro Nakasone is "firmly hinting" that Japan is willing to help the United States research and construct

the U.S. Strategic Defense Initiative system, the *Washington Post* reported on Feb. 28.

The *Post* quotes Nakasone telling Japanese legislators earlier this month: "It is a non-nuclear and defensive system which would kill the force of nuclear missiles. Its goal is to wipe away nuclear weapons from the face of the earth."

The *Post* also reports that Vice-President George Bush told visiting Japanese legislators during the last week in February that Japan's support for the SDI was vital to the success of the program.

While the *Post* stresses that Nakasone has come under intense pressure both from Japan's opposition parties and in the Soviet press (including a Feb. 26 commentary by the news agency TASS condemning Japan for forgetting "the tragic past"), the paper omits printing the name of another individual who is going around undercutting Nakasone: Secretary of State George Shultz. Shultz made a speech one week before Nakasone's, accusing Japan of ignoring the "global collective security system" and ignoring its "responsibilities" for defense.

Report new Russian anti-Semitic campaign

Anti-Semitism is again on the rise in Russia, according to a two-page article in France's *Figaro* magazine. Since last winter, Soviet propaganda against Israel has returned to blunt anti-Semitism under the sponsorship of the Soviet Anti-Zionist Committee of Ukrainian Academician Lev Korneyev. According to a recent article by Israeli Sovietologist Mikhail Agursky in the *Jerusalem Post*, the campaign is under the direction of Boris Ponomarev, chief of the international department of the Communist Party and his new associate, G. Romanov.

Recently, Israeli Prime Minister Shimon Peres sent a letter via Armand Hammer to the Soviet leadership on the issue of diplomatic relations between the two countries. Peres is reported to have received no answer. Instead, Korneyev was deployed to launch a new series of attacks on Israel,

centering on the issue that Zionism equals Nazism and that Zionists cooperated with the SS. Korneyev gave interviews to TASS and held a press conference in December in the Soviet foreign ministry.

More recently, during a session of the U.N. Human Rights Commission in Geneva, East-bloc delegates used similar arguments when reviewing the Lebanese situation. After a lengthy speech from the Czech delegate who compared "Israeli crimes in Lebanon to those of the Nazis in Czechoslovakia," the Israeli delegate closed the debate by thanking the Czech delegate for not mentioning the very sensitive issue of the "invasion of Czechoslovakia by Israeli tanks in 1968!"

George Shultz helps Dope, Inc. in Israel

A Tel Aviv source reports that a meeting of a group calling itself the "Millionaires' Economic Conference" was held in Israel in mid-February, presided over by Tel Aviv University professor Haim Ben-Shahar, the Israeli manager for the funds of KGB-allied billionaire Armand Hammer. Attendees at the meeting included United Brands' Max Fisher, Anti-Defamation League head Kenneth Bialkin, whose law firm has represented drug-runner Robert Vesco, and a leading member of the Bronfman clan.

While the group is nominally talking about investing money in new factories in Israel, what is actually going on, the Tel Aviv source reports, is a big push in Israel to legalize casino gambling and otherwise pave the way for a takeover by the dope mafia. Finance Minister Yitzhak Modai (former head of the Israeli branch of Revlon Corporation) is privately pushing for the legalization of casino gambling, mainly by transforming the southern Israeli town of Eilat into a "free port." Money is coming into Eilat from Cyril Stein, a leading casino-gambling financier in Britain.

The mafia is being greatly aided by U.S. Secretary of State George Shultz, who is demanding that Israel "open" its economy, dismantle its public sector, devalue its cur-

Briefly

rency by 50%, and carry out other measures that will devastate Israel's productive economy. Modai, who is due in the United States in early March, has been responsive to Shultz (while Prime Minister Shimon Peres was out of the country), unilaterally raising prices of subsidized commodities such as food and oil by 10-25%, provoking outraged cries of protest from Israeli trade unionists and industrialists.

Israeli Minister of Trade and Industry Ariel Sharon is Shultz's other point man on the scene, calling for Israel to adopt a "free enterprise" economic model and to deal with the "black," or "underground," economy by making it "legal."

New Zealand Greens to block MX test

New Zealand "disarmament activists"—Soviet-backed Greens—announced on Feb. 23 that they will attempt to block U.S. MX missile tests. The MX missile will be fired 8,000 miles into the waters between Australia and New Zealand. The Greens say they will launch a fleet of boats into the missile landing area. "We are sure the United States would not endanger the lives of people in international waters by going ahead with the tests," said spokesman Marie Leadbetter of the Campaign for Nuclear Disarmament.

Genscher resigns as chairman of the FDP

Hans-Dietrich Genscher, West German foreign minister and one of the most prominent members of the "Neville Chamberlain faction" in West Germany, resigned his position as chairman of the Free Democratic Party on Feb. 23. The continuous loss of votes and support by the FDP led Genscher last May to promise the party's disaffected rank and file that he would resign "in favor of a younger man."

The party convention took place Feb. 23-24 in Saarbrücken. Genscher is being

replaced by the current minister for economic affairs, the lackluster Martin Bangemann.

It appears that Genscher's resignation is at least in part motivated by his desire to leave a sinking ship. The party was unable to reach even the 5% minimum required for seats during last year's elections to the European Parliament, and now faces three state elections between the months of March and May in which it will likely suffer heavy losses—possibly enough to take it below the 5% margin that would leave it unrepresented in the Bundestag.

Mexican labor group blasts PAN 'oligarchs'

The annual meeting of the national council of Mexico's CTM labor federation at the end of February has come out fighting against the oligarchical PAN party. Speaker after speaker blasted the PAN for its treachery and for wanting a return to the days of the Emperor Maximilian.

On Feb. 25, PRI Senator Arturo Romo, a CTM adviser, said: "Which are the forces that compose the conservative reaction? The National Action Party, a small minority of businessmen that represents oligarchical interests foreign to our nation, Clouthier, Coindreau, Basagoiti, and Sandoval, some members of the high clergy, and foreign financial capitals, who attempt to subjugate our economy and make us dependent. . . . Some oligarchs, traitors to the fatherland, to whom President de la Madrid has referred, try to justify their attacks against the system, their withdrawal of investments, their capital flights abroad, by arguing that they have no confidence in the government, and that that is why they don't take risks in the country. Those oligarchs believe that we Mexicans are naive or stupid, that we don't know that it has been precisely revolutionary regimes that have created the material conditions, not only to allow the development of the public sector, but most emphatically, to promote the growth of the private sector. In truth, this unpatriotic attitude of the reactionaries is due to a moral crisis on their part."

● **MIKHAIL GORBACHOV** could be named the next leader of the Soviet Union, say U.S. intelligence sources. If so, it will mean that the British deal is on, although it will have no effect on who is running the show in Russia.

● **COLOMBIAN** pornographic actress Amparo Grisales, contracted by former President Alfonso Lopez Michelsen to star in a motion picture based on a novel by him, was arrested in a major drug raid in Brazil.

● **DANNY GRAHAM** told an audience of 200 that he had demanded that his wife turn over to him one-half of all money paid to her by the Soviet KGB for services as a sex operative—in response to a question about Lyndon LaRouche's views on the economic potential of the Strategic Defense Initiative. Apparently, Graham was joking.

● **THE HITLER BOOK**, a publication of the Schiller Institute, has elicited a furious response in the Sion, Switzerland daily newspaper *Le Nouvelliste du Valais*, written by the wartime head of the Swiss military police, Colonel Mutrux. The book documents Swiss political and financial authorities' collaboration with the Nazis.

● **MEXICAN** intelligence agents are reportedly hot on the trail of a new "Colombian Connection," this time involving former Mexico City Mayor Hank Gonzalez.

● **U.S. INTELLIGENCE** sources say that Greek Prime Minister Andreas Papandreou has overreached himself in his tilt toward Moscow. They are looking into the possibility of a coup.

SDI advances announced as Geneva arms talks near

by Kathleen Klenetsky

The Reagan administration is deftly exploiting the final days prior to the reopening of the Geneva arms talks to embark on a public offensive for the two weapons systems the Soviets most want the United States to negotiate away: the Strategic Defense Initiative—object of one of the most intensive Soviet propaganda drives in history; and the MX missile, designed to partially fill the yawning gap between Soviet and U.S. strategic offensive capabilities.

Both programs are major targets of Congressional budget-cutters who insist that the Reagan FY 1986 Pentagon budget be slashed, and that the MX and SDI, in particular, be sacrificed to the “economic realities” of the federal budget deficit.

In a high-profile lobbying effort aimed principally at quelling congressional resistance to the two programs, the President and key spokesmen made numerous public and private appearances over the month of February to reiterate the crucial nature of both the SDI and the MX to U.S. national security. They have managed to drop some well-timed bombshells in the process.

SDI bombshell

In a development of major significance, President Reagan's science adviser George Keyworth and Lt. Gen. James Abrahamson, director of the Strategic Defense Initiative Office (SDIO) disclosed in late February that unexpected breakthroughs in SDI research and development have significantly advanced the program's schedule. Specifically, Keyworth told a Dallas audience, the timetable for demonstration of feasibility of crucial laser-technology components of the SDI has been moved up from the previously calculated ten years to only five.

Similarly, Abrahamson told the House Armed Services Committee on Feb. 27 that a “compelling case” could be made within five years for the SDI on the basis of “convincing

laboratory tests” which could be conducted within the confines of the ABM Treaty.

This breakthrough will not only intensify pressure on the Russians to honestly negotiate arms control agreements, as Keyworth noted in Dallas; it will also undercut the SDI's foes in the United States. The fact that the SDI program is proceeding so successfully, despite minimal funding, is the best argument yet against the mobs of Eastern Establishment naysayers like McGeorge Bundy and their puppets in Congress, who have been screaming for the past two years that the technical problems involved in developing a strategic defense are insurmountable. With every new revelation from the SDIO, this gang is being nailed as deliberate, political liars.

The Abrahamson-Keyworth message is being carefully delivered to key private and professional organizations. For instance, Dr. Gerald Yonas, the SDIO's chief scientist, gave a hard-hitting briefing to a meeting of the American Institute of Aeronautics and Astronautics in Washington Feb. 27 (see page 52). Yonas singled out the Soviet ABM program for special attention, stressing that the Soviets have made great strides in both conventional and more advanced aspects of their program.

Administration spokesmen have also been targeting the Soviet program, and especially massive Soviet violations of the ABM Treaty.

Appearing before the Senate Foreign Relations Committee on Feb. 25, Undersecretary of Defense Richard Perle charged the Soviets with playing “fast and loose” with arms control by violating the SALT accords and the ABM Treaty, while the United States, by contrast, must “adhere to every crossed-t and dotted-i.” Under this “double standard,” Perle asserted, the Soviets have engaged in an “unimpeded upward growth” of deployment of thousands of nuclear warheads.

Stressing that the Soviets have a “dismal record” of compliance with arms-control treaties, Perle added: “We will not

repeat the mistakes of 1972 and 1979" by signing arms control accords "that permitted significant increases in strategic weapons" and "actually stimulated the deployment of new weapons systems." He warned the senators that the Soviets would not agree to reduce their weapons arsenals "if they believe that pressure at home to achieve an agreement—any agreement—will cause our negotiators merely to superintend a march of concessions toward the Soviet position."

Paul Nitze, the administration's senior arms-control adviser, had a similar warning for the same committee the next day. Testifying on the upcoming Geneva talks, Nitze cautioned that the Soviets will attempt to hold progress in the intermediate-range and strategic nuclear arms talks "hostage to our movement in the defense and space forum where they clearly want to inhibit the U.S. research program on strategic defense." Nitze called on Congress to provide full funding for the program, since "it would be most unwise to curtail research into strategic defenses."

Nitze went on to note that the Russians continue to insist it is impossible to achieve an agreement in one arms control area without agreement in the others. "This is part of the effort," he said, "to bring about an end to American research into space defensive weapons, even though the Russians already have devoted considerable resources into this field."

Indeed, just days later, Soviet Foreign Minister Andrei Gromyko, during a visit to Spain, declared that *only* if the U.S. "abandons Star Wars" would there be a chance for a reduction in strategic and medium-range nuclear arms.

MX: turning the tables

During the last week in February, Reagan took the opponents of the MX completely by surprise when he announced that he would seek a vote on the controversial program in mid-March. Reagan's move was diabolical: Last year, Congress had endorsed an amendment sponsored by Rep. Les Aspin (D-Wisc.), a former McNamara "whiz kid" who recently seized the chairmanship of the House Armed Services Committee, that put a "fence" around the MX program. The amendment held up funds for the 21 MX missiles approved by Congress in 1985, until both houses of Congress voted *twice* to release them. The measure mandated that the administration would first have to send a report to the Hill demonstrating that it was trying to make progress in arms-control talks with the Soviets before the funds could be allocated.

Reagan announced that he would send the report over in early March. Under the terms of the Aspin amendment, this means that Congress will have to vote on the missile shortly after the Geneva talks have opened. This has put congressional foes of the MX on the defensive—since it will be much more politically difficult to vote "no" while the arms-control negotiations are in progress.

Reagan is exploiting this fact to the limit. In a White

House meeting with members of the Senate Armed Services and Appropriations Committees on Feb. 26, Reagan bluntly stated that he is "utterly convinced we cannot get a sound agreement at Geneva" without congressional approval of the Peacekeeper. That point was seconded by Secretary of Defense Caspar Weinberger, who told the Senate Foreign Relations Committee the same day that the MX "plays a pivotal role in advancing our arms control goals" as well as being crucial to America's defense. "We must move ahead with deployment of the MX now because it represents a credible deterrent today."

"It's going to be a tough fight, no doubt about it," said Rep. Nicholas B. Marvoules (D-Mass.), a leader of the anti-MX cabal.

Battle not won

Although the administration has racked up some major points in its fight to protect the MX and SDI, the battle is by no means won. Foes of both programs may be licking their wounds, but they are also plotting counterattacks. Aspin's Armed Services Committee took testimony Feb. 28 from some of the SDI's most vocal opponents—including former defense secretaries Harold Brown and James Schlesinger, and Gen. Brent Scowcroft, a partner in Kissinger Associates. All three opined that while a missile defense system might work, the kind of universal population defense which the SDI is geared toward is "impossible."

Schlesinger made a particularly disgusting spectacle of himself. Claiming to be heartbroken at the idea "because I'm a Pentagon man myself," he nevertheless insisted that the defense budget be frozen and that "significant reductions" be made in both the "overgenerous" SDI budget and the MX because "something has to be done about the deficit."

Meanwhile, two congressional bodies, the Office of Technology Assessment (whose director, Ashton Carter, is an intimate of McGeorge Bundy), and the Arms Control and Foreign Policy Caucus, are preparing "studies" of the SDI which reportedly will make Soviet propaganda attacks look like approval.

But the real threat to the SDI stems from another source: the American economy. Despite the President's insistence that the outlook was never rosier, the economy is edging toward total collapse. When the phony recovery finally starts crumbling, as shortly it must, then Reagan will be hard-pressed to beat back demands from the budget-cutters that he "put the defense budget on the table" along with other federal programs.

At that point, the kind of argument put forward by Schlesinger and others—an argument that comes straight from the drawing tables at the International Monetary Fund—will have to be countered, not by nostrums, but by a Reagan break with the IMF, and the adoption of an economic policy capable of supporting a true second industrial revolution.

The ‘technology focus’ of Strategic Defense

by Carol White

Gerald Yonas, chief scientist and assistant director to Lt. Gen. James Abrahamson at the Office of the Strategic Defense Initiative, speaking at a luncheon meeting of the American Institute of Aeronautics and Astronautics on Feb. 27, detailed Soviet violations of the Anti-Ballistic Missile treaty and stressed the pure insanity of the previous U.S. policy of “unilateral vulnerability.”

He pointed out that it is definitely known that the Soviets have and are preparing the way for nationwide deployment of conventional ABM defenses and that they have a large infrastructure for developing more advanced types of beam-weapon defenses. Yonas suggested that when world leaders meet with Soviet leaders who complain about the SDI, they should ask the Soviets what they are doing in those large research buildings located at their missile bases.

He told the assembled guests that if the President’s \$3.72 billion budget request goes through Congress, the SDI would be back on target, but he warned that any cuts would be dangerous. Last year’s cut of \$400 million from the budget by Congress retarded the program to the degree that all of the goals set out by the 1983 Fletcher Commission could not be met. With a \$3.7 billion appropriation, Yonas said, there would be no financial barriers to the program proceeding at top speed. The strategy which he described was to begin by encouraging inventiveness and putting out a wide net for new ideas, testing everything that looks promising, while being prepared to discard those ideas which turn out to be losers, ultimately narrowing the focus to those technologies determined to be most promising. This, of course, is the opposite of the linear systems-analysis approach.

One of the goals of the project, he stressed, is to develop a defensive system which would have functional survivability against an attack. In short, planning for the system is taking into consideration that the system itself would be a major target of the enemy. However, he emphasized, taking a well deserved dig at Ashton Carter and the Union of Concerned Scientists, it was important not to overemphasize the potentialities for the enemy to defend against beam weapons. Such defenses can only be developed over time. While now, the mandate for the SDI is only for research and development, should they be asked to deploy a beam-weapon defense, it

would not be necessary to anticipate defensive responses that might take years to develop.

Yonas is confident that, given a mandate, the United States could have a deployable defense system much more quickly than is generally anticipated. Furthermore, he said, contrary to Gen. Danny Graham’s High Frontier pretensions, such a system would not need to depend upon technology that is 10 or 12 years old.

Questioned about arms negotiator Max Kampelman’s proposal that the first stage of a defense system would have to emphasize kinetic kill, Yonas denied that SDI was directed toward point or terminal defenses: “Our job is not to protect missile sites,” he said, “but to kill missiles,” and it is most important to do so in their boost phase.

Spinoffs

In answer to a question regarding the scale of the project in comparison to the Manhattan and Apollo programs, Dr. Yonas agreed that as many as 30,000 scientists might be employed. He doubts if that number of scientists was even available at the time of the Manhattan Project. Moreover, science and technology has greatly expanded the complexity of the program, the numbers of people, the number of different fields that are involved—aeronautics, chemistry, physics, electronics, software.

This program, he said, has a diversity of requirements that is far beyond anything that existed in the Manhattan Project or even the Apollo Project, ranging from very advanced, almost basic research to practical engineering problems. It has dimensions and features that are very hard to compare with any previous program.

One question focused on the cost-effectiveness of the SDI in light of productivity-boosting spinoffs to the economy. Yonas responded by referring to the analysis of Europeans on this point. Some of the Europeans whom he has talked to believe that what this country needs occasionally is a technology focus of some kind.

“I have heard them liken a technology focus—once we have that—to the awakening of a sleeping giant. They see the SDI as such a technology focus, that really marshalls a lot of our creative energies to go in a certain direction. And they believe that such a technology focus creates an enormous spinoff in its wake.

“They fear being left out of that. You are beginning to hear various people speaking publicly about the fact that they would like to participate and participate fully.” After joking that they would not mind such participation being at U.S. expense, Yonas asserted his agreement with the notion of a technology focus.

The United States, he added, when it talks to its allies, must realize the importance of not just consulting with them, but working with them: “We think that once we begin to work this technology and various technologies together, we will create a stronger bond strengthening the alliance.”

Now the heads have to roll in the DoJ

The confirmation of Edwin Meese as attorney general of the United States presents an excellent opportunity to wipe out drug-trafficking, terrorism, and related criminal activities. Meese's own statements make it clear that one of his top priorities will be the "war on drugs." Further, all reports indicate that the new attorney general, who has the personal backing of President Reagan, intends to immediately begin to clean out the corrupt elements in the Department of Justice and the FBI. This is indispensable, if the war on crime is to succeed.

Inside the federal law enforcement structure there is a "fifth column" for organized crime which has been running a protection racket for the mobsters for decades. These are the people who fought for months to block Meese's appointment. The key to unraveling this network is to trace the interface, inside and outside the Justice Department, of the associates of former FBI Division Five operative Walter Sheridan and the Anti-Defamation League (ADL) of B'nai B'rith.

Sheridan, presently on the staff of Sen. Ted Kennedy, was first brought into the Department of Justice in the early 1960s, when, under the sponsorship of Attorney General Robert Kennedy, he put together a special political hit unit known as the Terrible Twenty. That unit, which operates unofficially to this day, has consistently acted to use the Department of Justice for partisan political purposes and as a protective cover for the top-level controllers and financiers of organized crime.

Sheridan's own organized-crime connections run through Meyer Lansky's Resorts International, recently white-washed by the New Jersey Gaming Commission. The security arm of Resorts, Intertel (International Intelligence, Inc.), was first set up by Sheridan in the early 1960s under the name of Five Eyes, an unofficial arm of the DoJ for purposes of running "dirty tricks."

One of the prime investors into Intertel was Robert Vesco, the notorious drug-trafficker now residing in Havana. According to court records, Vesco was handpicked by current ADL President Kenneth Bialkin to take over Bernie Cornfeld's Investors Overseas Services organization, then a

key money-laundering vehicle for Lansky's mob.

This is the same Vesco whose "Colombian connection" is Carlos Lehder Rivas, one of the mafiosi currently deploying hit squads against agents of the U.S. Drug Enforcement Administration (DEA). An attack on Vesco would not only disrupt the entire drug-trafficking apparatus, but would serve as the stepping stone to prosecution of the top international banking and political circles who serve as the board of directors for Dope, Inc. Yet, Vesco remains untouched, and any effort to get at him is consistently sabotaged from within the federal government.

Those responsible for the coverup are the same who launched the "Abscam" operation, in which U.S. congressmen, such as Sen. Harrison Williams, were framed by federal agents and prosecuted for crimes they did not commit.

The 1980 "Billygate" scandal was also hushed up by these Justice Department networks, then under the direction of Attorney General Benjamin Civiletti. The scandal involved the clandestine—and financially lucrative—agentry of President Jimmy Carter's brother Billy on behalf of the government of Libya and the Sicilian drug mafia. The exposure of this Libyan connection raised the deeper question of the Carter administration's promotion of Islamic fundamentalism, the foolish policy of National Security Adviser Zbigniew Brzezinski which had led, among other things, to the toppling of the Shah of Iran and the taking of American hostages in Teheran. But both the scandal itself and its political implications were quickly covered up.

The most effective way to expose this criminal "fifth column" would be through a full investigation of the current money-laundering scandal around the Bank of Boston, which Boston U.S. Attorney William Weld is doing his best to block. The Bank of Boston has been caught laundering billions in drug money from the Angiulo organized crime family and other sources into the Crédit Suisse bank of Switzerland. But rather than prosecute the bank and launch an investigation, Weld arranged for it to plead guilty and get off with a paltry \$500,000 fine—not surprising in view of the fact that his own family has long-standing and close business connections with Crédit Suisse.

Corrupt officials must go

The following Justice Department officials represent a national security threat, as proven both by their involvement in the coverup of the investigation of Billy Carter and Robert Vesco and their corrupt conduct of the Abscam investigations. These individuals, many personally trained by Walter Sheridan and Watergate prosecutor Archibald Cox, have repeatedly held the interests of their faction above those of the United States. They will block any effort to investigate and prosecute narcotics interests.

John Keeny, deputy assistant attorney general, Criminal Division. Protégé of Walter Sheridan; previous posts include that of head, Smith Act unit of Internal Security Division;

deputy chief of Organized Crime and Racketeering section; Criminal Division chief of Fraud section; active in Abscam investigations.

Mark M. Richard, deputy assistant attorney general for General and International Litigation, Criminal Division (1973-75), chief of Major Violators unit of Fraud Section, assigned to multinational frauds involving white-collar offenders; assigned to develop new initiatives in white-collar crime prosecution (1975). Richard was central to the coverup of Billy Carter's illegal agency on behalf of the Libyan government.

John Martin, chief of the Internal Security Section; worked with Mark Richard to protect the Carter family, Democratic National Committee chairman John White, and others implicated in the "Billygate" scandal.

David Margolis, chief of the Organized Crime and Racketeering Section; ran the Abscam "sting" against Congress; worked with then Criminal Division director Phillip Heymann, protégé of Archibald Cox, to protect mafia-linked Brooklyn U.S. Attorney Thomas Puccio.

Gerald McDowell, Public Integrity Section chief; career centers in Organized Crime and Racketeering Section; responsible for review of FBI undercover projects in Abscam period; responsibility for prosecuting political corruption cases puts him in an ideal position to run "stings" against opponents

of Sheridan and Cox.

Michael Shaheen, counsel, Office of Professional Responsibility; office created for him by Edward Levi to oversee coverup of Justice Department harassment of private citizens and protection of crimes. Key role in protecting Benjamin Civiletti and other figures by denying government impropriety in Billygate investigation.

Mark Shaheen, Office of Public Affairs; formerly with Associated Press; and State Department public affairs.

Richard Willard, assistant attorney general in charge of Civil Division; reportedly the point-man in the Justice Department for Boston U.S. Attorney William Weld's financial warfare against Lyndon LaRouche.

William Weld, Boston U.S. attorney; protected the Bank of Boston from prosecution for drug-money laundering; family fortune tied to Crédit Suisse, the Swiss bank which was the recipient of the Bank of Boston's drug money; prosecutor of Lyndon LaRouche on behalf of the bank.

Rudolph Giuliani, U.S. attorney in Southern District of Manhattan; deputy attorney general in the first Reagan administration. Formerly with New York law firm of Patterson, Belknap, Webb, and Tyler, which oversaw New York's Waterfront Commission, notorious for its control by organized crime elements.

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Bank of Boston's crime links probed

by John Chambliss

Representative Fernand St Germain (R-R.I.)'s House Banking, Finance, and Urban Affairs Committee will hold hearings on March 20 in Boston on the Bank of Boston's failure to comply with U.S. currency-reporting laws. This announcement comes in the middle of a half-dozen other investigations of the bank in connection with its drug-money laundering operations and terrorist connections. Early in February, the bank negotiated a "guilty plea" with U.S. Attorney for Massachusetts William Weld on one particular area of its criminal activity: The bank was fined \$500,000 for its \$1.2 billion in laundering operations with nine Swiss banks, and in exchange, was released from all "further liability."

On Feb. 21 (see *EIR*, March 5, 1985), Editor-in-Chief Criton Zoakos stated in a press conference in Boston that the U.S. Attorney is deliberately covering up for the drug money laundering going on between Crédit Suisse, with which Weld's family firm White, Weld is merged, and the Bank of Boston, and characterized Mr. Weld as a "dope pusher," challenging him to either resign, disprove the charges, or "sue for libel."

According to a *Boston Globe* story on Feb. 28, the St Germain Committee will look into, among other things, the bank's "relationship with customers reported to have ties to organized crime, and the degree of cooperation among federal agencies in the case."

Also in March, although the exact date has not been set, William Roth (R-Del.) and Warren Rudman (R-N.H.) of the Senate Permanent Investigations Committee, with the aid of the Subcommittee on Securities headed by New York Sen. Alphonse D'Amato, will be holding hearings on the Bank of Boston.

The bank issued a statement on Feb. 27 saying it was "shocked and disappointed" by the U.S. Comptroller of the Currency's revelation that the bank has been violating currency-reporting laws since 1982. The *Boston Globe* revealed on Feb. 27 that the Office of the Comptroller in Washington sent a letter to Kentucky Rep. Carroll Hubbard, who chairs the House Banking Committee's subcommittee on oversight, revealing that the Bank of Boston had been informed in 1982 by the Comptroller's Office that it was not complying with international currency-reporting regulations.

The implication is that bank executives have simply been lying. At the bank's closed-door press conference on Feb. 21, bank president William Brown insisted that the bank was only made aware of its non-compliance with international currency transfers in the summer of 1984. Asked about the implications of the Comptroller's Office revelations, Bank of Boston spokesman Wayne Taylor would only say: "There certainly seems to be a discrepancy between what we said about learning this in 1984 and what the letter states."

Even more serious for the bank is the possibility that further investigations might reopen the story of the institution's involvement in 1982 transactions of at least \$600 million, believed to have been dope-connected money from a top bank in Panama. That case was investigated in 1983, but was never followed through to a conclusion.

Also on Feb. 27, the *Boston Herald*, without giving further details, reports that "Federal investigators are . . . investigating a 'high-level' executive at the Bank of Boston who may have allowed the Angiulo [mob family] to deposit large amounts of cash without reporting it to the Federal government." The *New York Times* reported on Feb. 26 that two bank tellers were being investigated for involvement in dirty-money laundering.

Even the *Times* commented on the absurdity of the fine levied against the Bank of Boston by U.S. Attorney Weld. Editorialist Sidney Schanberg called for legal action to be taken against the bank's "citizens above suspicion." Criticizing sensationalist anti-crime investigations that only target colorful members of "The Mob" with fancy nicknames, Schanberg notes that "just this month, the Bank of Boston, the preserve of that city's upper crust, was caught making cash transfers to and from Swiss banks and failing to report them. This was no small crime. The transfers amounted to \$1.2 billion. . . . The bank was fined \$500,000 for a felony offense.

"Nonetheless, to the mob, that penalty would look like a full pardon. First of all, it was a pittance, considering the size of the scam. Second, none of the bank officers, vested and staid, were named in the case and no one went to jail."

If they had been mob figures with colorful names, Schanberg concludes, "they would have been in the slammer by now and Boston readers would be sending newspaper circulation through the roof. I think the mob has a legitimate beef. They entertain us with their garish names and boisterous family feuds, and the other guys go scot-free."

The Bank of Boston, whose chairman Richard D. Hill, is presently head of the International Economic Institute (the "creditors' cartel") based in Washington, D.C., is a chief coordinator of the "post-industrial" economic policies which are closing down U.S. industry. Clearly, its drug and money-laundering operations are part of the same policy: The Eastern Establishment's plan for a "black-market" economy of drugs, pornography, and gambling.

Dope trade flourishes as FBI blocks President Reagan's war on drugs

by Marilyn Murray

When 31 members of the heroin-trafficking network known as the "Pizza Connection" were indicted and arrests were made last April, Rudolph Giuliani, U.S. attorney general for New York's Southern District, hailed the case as "a wonderful opportunity to crack organized crime, maybe permanently." Attorney General William French Smith and Federal Bureau of Investigation Director William Webster chimed in with exuberant statements of their own. French Smith praised federal law enforcement efforts, particularly those of the FBI, and stated his belief that such efforts have brought about the "decimation of the organized crime leadership."

Nothing could be further from the truth.

"At no time in our nation's history have so many organized crime leaders in so many of the nation's largest cities been indicted or convicted," said French Smith. "It's going to have a very debilitating effect when you combine what is happening in Italy and what is happening in the United States." But Italian Interior Minister Oscar Luigi Scalfaro was not so optimistic, warning that there are no "30-second" solutions. "I don't want to be carried away by those who say that the mafia is decapitated," he said.

The multibillion-dollar international drug trade is thriving—only some of the names have changed. FBI Director Webster boasts of 700 narcotics convictions for the fiscal year ending September 1983, but their impact has been nil. Many of the Bureau's prize convictions against the mafia have been for noncooperation with grand jury investigations, kickbacks, bribery, or racketeering. The celebrated downfall of the Pizza Connection, even when taken in tandem with the mass arrests in Italy that occurred when Sicilian mafia "don" Tommaso Buscetta turned informant last year, have had no real impact on the narcotics trade.

Giuliani credited the Pizza Connection with supplying the bulk of heroin peddled in the northeast corridor that runs

from New York to Washington, D.C. and to the Midwest, but despite the mass arrests it's been business as usual. In reading the celebrated Pizza Connection indictments, it becomes clear that the only impact of that investigation was to take out some of the players—not one aspect of the real trafficking infrastructure was affected. The supply base in Southwest Asia's Golden Crescent (where the bulk of opium cultivation is located in Soviet-occupied Afghanistan) remains unscathed, as do the refineries, and—most glaringly—the "respectable" financial institutions that funnel the narco-dollars into safe havens, like Citibank, Chemical Bank, Irving Trust, Deak-Perera, E.F. Hutton, Merrill-Lynch, and the First Bank of Boston. Webster's leadership in the Bureau's organized crime and narcotics endeavors has done little except to bolster the Bureau's public relations ratings.

Informed sources report that the sweeping arrests against the Sicilian Connection may have facilitated the long anticipated reorganization of organized crime. Since the death of narcotics kingpin Meyer Lansky, there has been a trend toward decentralization, as the drug trade in particular has come under the nominal control of "ethnic separatist" groupings or, more correctly, narco-terrorist organizations, many of which also control primary regions of cultivation.

Meanwhile, the FBI's much heralded expertise in wire-

**FIGURE 2
U.S. cocaine consumption
(metric tons)**

1981	34-45
1982	45-54
1983	50-61

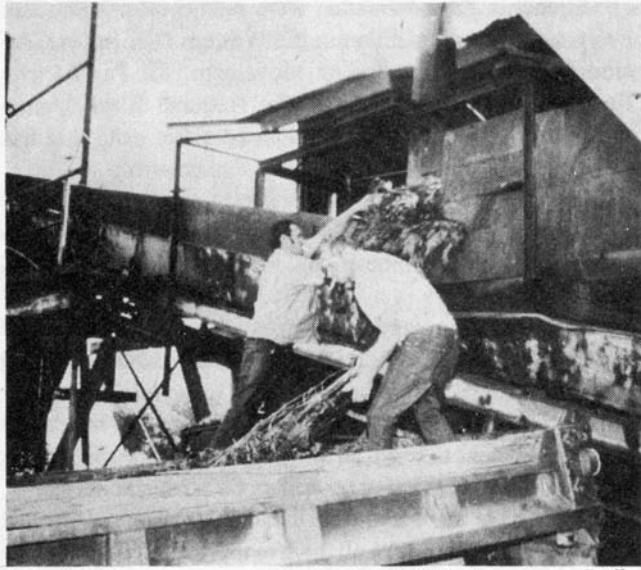
**FIGURE 3
Coca production
(1983)**

	Gross coca cultivation (hectares)	Estimated coca leaf yield (metric tons)	Maximum cocaine capacity
Peru	30-60,000	30-60,000	60 to 120
Bolivia	25-40,000	25-40,000	50 to 80
Colombia*	15-17,000	12-14,000	25 to 27

*Colombia controls 75% of the traffic.

**FIGURE 1
Sources of the U.S. heroin supply
(1983)**

	Percent
Golden Crescent (Southeast Asia)	48
Golden Triangle (Far East)	19
Mexico	33



California attorney general's office

Law enforcement officials burn marijuana seized in California—but the dope mafia is way ahead of them.

taps and financial tracking—the major pretexts for the Bureau's takeover of the beleaguered Drug Enforcement Administration—has allowed those financial vehicles, without which profits from the narcotics trade could not be realized, to prosper. Illicit drug prices in the United States have remained relatively stable and in some areas the prices have actually

FIGURE 4

Total U.S. marijuana consumption

(metric tons)

1981	9,600-13,900
1982	12,300-14,100
1983	13,600-14,000

FIGURE 5

Marijuana supply to the United States

(1983)

	Metric tons	Percent of U.S. marijuana imports	Percent of U.S. marijuana supply
Colombia	6,900-9,300	66	59
Jamaica	1,750	14	13
Mexico	1,300	11	9
Domestic*	1,150	0	11
Other	1,150	9	8

*Based on government figures. NORML estimates are significantly higher; a source at the DEA states that "reality lies somewhere in between."

Sources: Figures 1-6 are from National Narcotics Intelligence Consumers' Estimates and the Drug Enforcement Administration. Figure 7 is from *International Narcotics Control Strategy Report*, Bureau of International Narcotics Matters, Department of State.

fallen, due to the abundance of supply. As the accompanying tables clearly demonstrate, across-the-board production and consumption have either remained stable or steadily climbed.

Clearly the United States cannot realistically expect to take on the narcotics trade with the relative pennies it has appropriated for the "war" against drugs. Nor can the "alternatives" being offered by pro-dope lobbyists be considered viable solutions. Arnold Trebach, director of the Institute on Drugs, Crime, and Justice at American University, said recently that the year-end report of the Organized Crime Drug Enforcement Task Force—in which the FBI plays a leading role—is actually a detailed description of failure. Said Trebach, "Any business executive who turned in a report like that would accompany it with an apology and a letter of resignation. It is saying, 'We're trying very hard, but we're getting nowhere.'" Trebach, an advocate of heroin legalization, has recently begun calling for a "drug truce" as a solution.

Kevin Zeese, national director of the National Organization for the Reform of Marijuana Laws (NORML), believes that "we're seeing the last gasps of the war on drugs." In a recent interview, Zeese declared, "Law enforcement people are getting desperate. I think after four more years of Reagan's war on drugs, things will be much worse—not better. People will finally say, 'We've given it all we had and it's not working.'"

FIGURE 6

The drug trade in Mexico

Marijuana

	1984	1985
Hectares cultivated	8,734	9,000
Hectares eradicated	3,575	3,600
Hectares harvested	5,159	5,400
Cannabis yield (metric tons)	5,850	6,124
Loss factor (10%)	1,000	750
Cannabis seized*	2,400	NA
Domestic consumption	100	100
Available for export	2,350	5,274

Opium

	1984	1985
Hectares cultivated	5,238	5,200
Hectares eradicated	3,190	3,190
Hectares harvested	2,048	2,010
Yield (metric tons)	20.5	20.1
Opium seized	.004	.004
Opium available for refining	20.5	20.1
Opium available for export	2.05	2.01

*Seizures are reported as metric tons of processed marijuana, consistent with yield estimate of one metric ton of processed marijuana per hectare. Estimate includes equivalent of processed marijuana (2,400 metric tons) seized at Chihuahua.

Qaddafi calls for U.S. blacks to revolt

by Robert Greenberg

Libyan dictator Muammar Qaddafi, in a speech broadcast live to 15,000 persons attending Rev. Louis Farrakhan's International Savior's Day conference, called on black soldiers to desert and take up arms against the U.S. military. Qaddafi's open declaration of war on the United States followed the Feb. 19 communiqué issued in his official newspaper, *Green Revolution*, accusing the United States and West Germany of "harboring enemies of the Libyan revolution," and promising that Europe and America will be the "new battlefields."

Qaddafi's threats become more ominous in light of the escalation of Soviet-backed terrorist actions internationally as part of an overall pre-war offensive. Sensing that they are losing the diplomatic initiative in Europe and the Middle East, the Soviets are trying to prevent the United States from consolidating new alliances, particularly where it concerns the U.S. Strategic Defense Initiative.

Introduced by Farrakhan as a "fellow struggler in the cause of liberation of our people," Qaddafi's speech was the keynote of the annual two-day conference in which the Nation of Islam and its supporters internationally received marching orders for the next year. Farrakhan is the head of the Nation of Islam, and publicly stated his admiration for Adolf Hitler during the 1984 presidential campaign. This year's conference, however, was particularly noteworthy as it marked the public emergence of a Nazi-communist alliance in the United States. The list of speakers included:

- Reverend Reddick of Jesse Jackson's Operation PUSH, which coordinates closely with the West German Green Party, as well as the Minneapolis-based Committee to Create a U.S. Green Party.

- "Former" Communist Party member Rep. Gus Savage (D.-Ill), whose election campaign was heavily staffed by CPUSA members:

- Arthur Butz, a collaborator of the Institute of Historical Review and author of a book, *The Great Hoax of the Twentieth Century*, claiming that the Nazis' murder of Jews during World War II never occurred.

The conference was also addressed, via a videotaped speech, by Ahmed Ben Bella, former Algerian president and titular head of the Muslim Brotherhood, whose career was sponsored by the Switzerland-based head of the Nazi International, François Genoud. Ben Bella, based in Paris, was

the keynote speaker at a workshop entitled "Liberation, the Universal Struggle."

Attending the conference were members of just about every terrorist organization in the Western Hemisphere, including the American Indian Movement, the Pan-African Revolutionary Socialist Party, the National Black United Front, and El Rukn, a Chicago-based street gang that has converted to the cause of Islamic fundamentalism.

From Ibero-America came representatives from the Democratic Revolutionary Front of El Salvador, the Rastafarian cult of the Caribbean, and various Mexican organizations, among others.

Also attending were terrorist networks from Africa and the Mideast, including official representation from the Syrian government.

It was in this milieu that Qaddafi addressed his call to American blacks to begin an armed uprising. The speech was reportedly also beamed to other nations across the world.

"You have the force, you have the soldiers," Qaddafi ranted to his audience. "Call them to leave immediately. This number is enough to create a strong army against the future enemy. We are ready to give you arms because your cause is just. We are with you. Don't worry. You have to trust us. We will fight shoulder to shoulder. The final victory will be soon. This imperialist country must be destroyed. They refuse to accept you as American citizens. This means you are obliged to create a separate and independent state, a sovereign state in America. . . . Otherwise the nation of blacks will be destroyed. Islam will be destroyed. The state of red Indians will be destroyed. We are ready to give you arms because your cause is just."

Pointing to his curly hair, he said that in the United States he would be considered black. "We are all blacks in the struggle for freedom, in Islam."

Addressing the blacks in the U.S. army, he went on: "We call then for you now to leave the army—the army of America—and come back to your brothers, blacks. This number is enough to create a strong army for you, to protect you and to defeat your enemy."

The speech immediately resulted in a storm of denunciations of the Soviet-backed fanatic. White House spokesman Larry Speakes called the speech an "outrageous statement" which used racism to "encourage sedition." Prominent black veterans, such as Cook County, Illinois Circuit Court Judge Earl E. Strayhorn, also strongly denounced Qaddafi. Strayhorn called him "a nut."

But Qaddafi is not merely a nut. The last several months have seen a pattern of terrorist targeting of U.S. and NATO personnel and facilities by Qaddafi-funded terrorist groups. Nor can Farrakhan be ignored, although the outcry against Qaddafi was so strong that even Farrakhan distanced himself from it. Immediately following the speech, he praised Qaddafi, saying, "It would be an act of mercy to end the white man's world, because your world is killing you and us and all of humanity."

Kissinger Watch

by M.T. Upharsin

A 'signal' to Henry south of the border

Whenever a hullabaloo is manufactured about a "crisis" in Mexican-U.S. relations and Mexico posing a "strategic threat" to the United States, one can usually rest assured that Henry Kissinger's fat snout is in the middle of the affair.

Current hysteria about supposed Mexican "softness" on tracking down both drug traffickers and the kidnapers of top U.S. Drug Enforcement Agency official Camerena are no exception—except that in this case, the whole dirty affair might blow up in Henry's face.

The arrival of Kissinger at the Mexico City airport on Feb. 7, five days after Camerena's kidnaping, and Kissinger's remaining in Mexico, including two reported trips into Acapulco, are coincidences that strain credulity.

One need not look only at "coincidences," however. Let us also look at events.

In what is being reported by U.S. intelligence insiders as a "signal" to Henry and his Acapulco dope-trafficking buddies in the ambit of the di Portanova clan, officials of Mexico's Division of Federal Security (DFS) in Baja California Norte on Feb. 25 rounded up four suspects in the Camerena affair, all former police officials, including one Tomas Morlet Borquez. Morlet has been identified as a former DFS officer whose duties included heading the security detail for Kissinger during his visits to Mexico!

While the four were released within 24 hours, apparently shutting down any investigation into a Kissinger linkage, high-level U.S. intelligence sources assert that the the detention was intended to deliver a message to Kissinger and his friends in Acapulco,

Guadalajara, and Lower Manhattan, to the effect that they are no longer immune from being targeted for their role in the \$400 billion a year international drug trade.

Acapulco itself has a particular significance in the Kissinger saga: It is there, reliable sources report, that Henry cracked the skull of a 14-year-old Romanian waiter who had refused his request for certain favors.

Who is out for the pederast?

Whatever "signals" there may be, they may be originating from more than one source.

Honest anti-drug officials regard Camerena as one of the most competent DEA agents around when it comes to tracking down "citizens above suspicion." Such officials necessarily regard the culprits in the kidnaping as such "untouchables."

Also, Mexican nationalists are undoubtedly sickened by the sudden splurge of anti-Mexican venom spewing forth on American television, as in the Feb. 24 David Brinkley show, which was used as a forum by Florida's Governor Graham, Texas's Governor White, and others to "Mexico-bash" on the drug-trafficking problem.

The U.S. media have neglected to report that at least 315 Mexican law-enforcement officials have been murdered in the line of duty fighting drugs in recent years.

It is not inconceivable that, despite the Mexican government's apparent "hospitality" to Henry during the week of Feb. 11, leading forces in Mexico, behind the scenes, are fed up at the blackmail coming from Kissinger and his Rockefeller piggy-banks on the question of debt and Mexico's compliance with the austerity dictates

of the International Monetary Fund.

Both Rodman Rockefeller, of the New York-based Rockefeller Family Associates and the U.S.-Mexico Businessman's Association, and David Rockefeller of Chase Manhattan were in Mexico during February to arm-twist the Mexicans into accepting IMF conditions and the concept of opening up equity in Mexican corporations to international banks to repay debts.

Kissinger on the prowl

After arriving in Mexico City on an Eastern Airlines jet Feb. 11, Kissinger spent one-half hour having his plane serviced, and then reboarded to go to Acapulco.

After four days of carousing, he was flown into Mexico City on Feb. 15 on the private jet of Mexico's Bancomer bank—under the ownership of Manuel Espinosa Yglesias in the old days, and perhaps the only bank about which nobody would argue if you said it was involved in money laundering. Kissinger was then hosted by Bancomer's president, Fernandez Hurtado, at what sources described as a "lavish" reception. He then met with the President of the Republic for an hour and 10 minutes at Los Pinos, and also met with Foreign Minister Bernardo Sepulveda and Finance Minister Jesus Silva Herzog.

Henry was then helicoptered over to the Bank of Mexico for a meeting with bank director Miguel Mancera. Then, according to unconfirmed accounts, he returned to Acapulco to continue his "vacation." Travelling with him was Lawrence Eagleburger, president of Kissinger Associates, Inc.

Evidently embarrassed, Sepulveda asserted in a special TV interview that discussions with Kissinger only centered on matters of official business.

Congressional Closeup by Stanley Ezrol

The Schiller Institute invades Congress again

February 27 was the Schiller Institute's international "Day of Resistance" against the new Nazism known as the Green movement. Over 500 Institute activists converged on Capitol Hill from around the world as part of the Institute's campaign to break the 99th Congress from the International Monetary Fund's policies of genocide.

Participation in the day of rallying and lobbying on Capitol Hill was more than triple that of the last day of intensive lobbying sponsored by the Institute on Jan. 29. Beyond the mere increase in numbers, organizers of the rally report a dramatically increased "feistiness" of the activists in meetings with congressmen and their staffs. In no less than four instances, staff of congressional offices called or threatened to call the police when they ran out of arguments or had to reveal their ignorance in front of constituents.

After four hours and approximately 50 scheduled and dozens of unscheduled meetings at congressional offices, the activists involved were in a mood typified by the remark of one young woman from California: "Boy, I didn't use to think I knew much. I read a little. I studied a few things, but I thought I was ignorant. But now, after a day on Capitol Hill, I really know what ignorance is. They don't know a thing. I should be in there running it." A farmer remarked, "My two-year-old son is smarter than that one aide. At least he knows the difference between right and wrong."

Aides take the Fifth

In at least a dozen recorded instances, congressional aides pretended not to know the position of their "boss" on

key issues such as the International Monetary Fund's genocidal austerity policies. Jack Allard, an aide to Sen. Ted Kennedy (D-Mass.), went so far as to profess ignorance of the First Bank of Boston scandal which has been front-page news in Boston and internationally for weeks.

An aide to Rep. Michael DeWine (R-Ohio) professed not to know DeWine's position on the IMF, although he had voted an \$8 billion bailout for the fund. Kennedy's aide, Allard, also professed not to know "the Senator's position," although the delegation in the meeting knew very well that Kennedy had supported every IMF appropriation he had an opportunity to.

The activists, many of whom were black ministers and church people, farmers, industrial workers, and unemployed industrial workers, were stricken by the callousness of congressmen and their staffs toward the hundreds of thousands whom the IMF is starving to death in Africa and elsewhere. Kennedy's man, Allard, insipidly repeated over and over, "I assure you, the senator shares your concerns for the starving. He just visited Africa," but he avoided saying anything about the IMF. Finally, a minister of Caribbean birth insisted, "But the United States took orders from the IMF in Sudan to cut off aid. Don't you know they're right in the middle of the starvation?" Allard then claimed not to know what the senator's position on the IMF is.

Perhaps the most venal response was from two greenhorn aides to freshman Sen. John Kerry (D-Mass.), the in-law of the aristocratic Forbes family who campaigned as an "Irish working-class boy." The aides, James Brenner and John Dukakis (from the family of the Massachusetts gover-

nor), at first were highly supportive of the IMF. Brennan admitted, "I know the conditionalities, they insist on cutbacks. We support that." When one of the delegates from Boston said, "We are the senator's constituents and we tell you we are opposed to this killing off of people," Brenner said, "Well, I think most of the people of Massachusetts support the IMF. I know people from all walks of life. I know people from MIT and from Harvard."

He then said that if they could show that a majority of Massachusetts voters opposed the IMF, the senator might reconsider.

Perhaps the stupidest position was that taken by an aide to Rep. Michael Oxley (R-Ohio). He was meeting with a delegation of farmers including the former congressional candidate Don Scott. Whenever members of the delegation pointed out the genocidal international impact of the current wave of U.S. farm bankruptcies, Oxley said, "You just have to pay the debt. If you want interest rates down, you just have to pay the debt." When the farmers impressed on him that there was just no way to stay in business under the current credit regime, he said, "Well, I'm from Champagne County. Now we have about 1,200 farmers there. I think we could probably get by with only 200." At that point, the delegation walked out.

Representative Charles Rangel (D-N.Y.) claimed to oppose starvation, but admitted that he was working with arch-genocidalist Stephen Solarz (D-N.Y.) to increase the IMF's authority over "food relief" efforts.

Representative Tom Foley (D-Wash.) was taught a lesson when he tried to organize a number of black constituents into supporting the KGB's attacks on U.S. defense capabilities.

Foley, who confers almost constantly with Soviet officials in the United States and Russia, is also a supporter of the IMF's genocide. He told a delegation, "If I were President, I'd take the whole defense budget and use it to feed Africa." He was greeted with a chorus of remarks like, "Man, are you smoking dope? What do you think the Russians would do then?"

Signs of progress

Some of the meetings did demonstrate some real, if limited, progress with some congressmen. Edolphus Towns (D-N.Y.) had thrown a delegation out of his office on Jan. 29 when they informed him that they could not take seriously his protestations that he was against starvation, unless he opposed the International Monetary Fund. This time around, he agreed to fight the IMF, but said, "I'm only one congressman, I can't do anything. Why don't you put pressure on the Banking Committee."

Representative Austin Murphy (D-Pa.) told the delegation visiting him something they already knew. "Nothing positive is going to come out of Washington until you change the whole philosophy here."

What's Weld?

One of the points that the lobbyists stressed in many of their meetings was the evidence that has come to light around the scandalous drug-money laundering operations of the First Bank of Boston under the protection of U.S. Attorney William Weld. Although at least two congressional investigations of this case are in preparation, most

congressional offices claimed not to understand the importance of the case. Not only did Kennedy's aide, Allard, pretend not to have even heard of it. Senator Kerry's twerps, Brenner and Dukakis, were apoplectic in their defense of the corrupt U.S. attorney.

Dukakis at first objected to the description of Weld as being associated with his family's firm, White, Weld. "Why do you bring that up?" When it was explained that this was important because it proves conflict of interest and collusion in the money laundering which went on between several different institutions, in all of which the Weld family has interests, he demanded to know whether members of the delegation were familiar with all of the trusts in which Weld's share of the family fund had been placed!

Finally, the twerps shouted together, "Weld is doing a good job. We're Democrats and he's a Republican, but he's doing an exemplary job. We support him. He's absolutely above reproach." When a delegate said, "But this isn't the only case, look at what he's done to LaRouche," these squirts, who apparently didn't even realize who they were talking to, said, "Yes, that's what we mean."

Afraid to talk

Many congressmen apparently feel so guilty about their support for the IMF that they would rather call the police than have to defend their positions. House Majority Leader Jim Wright (D-Tex.), the glad-hander who has already crowned himself next Speaker of the House, personally demanded the arrest of two delegations, totalling over 30 citizens, for trying to pay a cordial visit to his office.

Senator Sam Nunn's (D-Ga.) staff threatened to arrest the second delegation that came to demand he abandon Henry Kissinger's policy of surrendering Europe to Soviet domination.

Representative John J. LaFalce (D-N.Y.) not only refused to see a delegation of over 30 constituents. His office threatened to take pictures of any who tried to visit him and turn them over to the FBI. When a group of constituents attempted, nevertheless, to visit their congressman, he threw a tantrum, and shouted, "I won't meet with you because you're stupid," to a delegation most of whose members had voted for him. He called the police to escort them from his office.

The picture of Dorian Gray

Perhaps the most visceral impression of what must be cleaned up in Congress was the closeup view that one Boston delegation got of their senator, the reportedly photogenic Ted Kennedy. The senator, whose aides were heard discussing visits to the Center for Creative Non-Violence, an organization of homeless winos who sleep on sidewalks, looked as if he himself had succumbed to the bum's life. His face was swathed with puffy red rashes and scars, as if he had fallen asleep in the sun for several weeks on a drunk. There was a gouge close to a half-inch deep in his nose. One of his constituents remarked, "I was afraid to shake his hand because I thought it might fall off." His aide Allard, who had never heard of the First Boston scandal and had forgotten the senator's support for the IMF, assured one of the delegates who expressed concern for the senator's health, "He's just fine."

National News

Universities chosen for SDI research

Five universities have been chosen by the Defense Department for a \$19 million research project to develop new technologies for President Reagan's Strategic Defense Initiative.

According to a letter that Gen. James Abrahamson, who heads Reagan's SDI program, sent to the Texas congressional delegation on Feb. 27, the five schools will be Texas Tech in Lubbock, the University of Texas at Arlington, the Polytechnic Institute of New York in Brooklyn, the State University of New York at Buffalo, and Auburn University in Alabama.

The five schools will take part in a four-year research project to develop the technologies for powering rockets carrying space weapons.

General warns of Soviet operations on U.S. soil

General Wallace H. Nutting, commander in chief of the U.S. Readiness Command, told a Senate panel on March 1 that there is a very real threat of Soviet spetsnaz (special forces) operations in the United States itself. He said that United States is particularly vulnerable to these deployments, because "we today do not have a single soldier, airman, or sailor solely dedicated to the security mission within the United States."

He disclosed that the U.S. Readiness Command has been given a new mission by the Joint Chiefs of Staff to list key U.S. industrial facilities, and to be prepared to provide protection to those facilities, if required, against spetsnaz or related kinds of sabotage.

He described the operations "composed of KGB infiltration teams, possibly in-place agents and the special purpose forces of the GRU [Soviet military intelligence], known as spetsnaz," who "are tasked to perform acts of sabotage and assassination deep in

the enemy's base. . . . Their overall goal would be to degrade or destroy the U.S. war-waging capability."

Florida governor hits David Stockman

Florida Gov. Robert Graham called a press conference on Feb. 26 to denounce budget director David Stockman for his statement that current U.S. radar capabilities are adequate to detect incoming airplanes and the AWAC system is not needed. The director of the Office of Management and the Budget is opposing President Reagan's proposal to allocate \$100 million to deploy six older AWACs radar-surveillance systems to monitor air-traffic in the Gulf of Mexico and the Florida coastline.

Under current U.S. radar capabilities, Governor Graham said, in Florida low-flying planes have gone largely undetected. Calling drug-trafficking a threat to national security, Graham suggested that perhaps Russia should purchase low-technology airplanes, so that they could enter U.S. airspace without detection.

AWACs, with their "down-seeing" radar and ability to fly for 16 hours without refueling, would allow for identification of all boats and airplanes—no matter how low they were flying—entering U.S. territorial waters.

General Rogers: Stop Nunn amendment

Gen. Bernard Rogers, commander-in-chief of the U.S. Europe Command, called on Congress on March 1 to reject any further attempts by Sen. Sam Nunn (D-Ga.) and his collaborators to force a U.S. troop withdrawal from Europe.

"Don't pass the Nunn amendment!" Rogers warned in testimony to the Senate Armed Services Committee. "It's counterproductive and punitive." In heated exchanges with Nunn and Sen. Carl Levin (D-

Mich.) on the issue, Rogers firmly rejected charges that European allies aren't meeting their obligations to the alliance. "No, I don't agree that the Europeans aren't doing their fair share [of] for NATO]. I would agree with Secretary Weinberger that the Europeans are carrying an equitable share of the burden."

Nunn, Levin, and several other senators have recently indicated that they will make fresh moves to pull out U.S. troops from Europe.

Committee chairman Barry Goldwater (R-Ariz.) asked Rogers what Europe actually thinks about the administration's Strategic Defense Initiative. "There is still considerable confusion," the General replied. "But those of our allies who do understand it are shifting from opposing it to supporting research, although they want to be consulted before it is deployed." The Europeans' key concern, Rogers stressed, is whether the SDI could be used to defend Europe. "They've been told by Jay Keyworth [Reagan's science adviser] and Edward Teller that it could be, if the research leads to the development of a defense against Soviet SS-20s. This has caused our allies to become increasingly supportive" of the program, and "more interested in the applications of SDI research and development to areas other than the SDI."

Military says yes to 'right to die' ruling

A cancer patient at the Walter Reed Medical Center was given the right to die by a Washington, D.C. Federal District Court judge Feb. 28. Under Judge Thomas Jackson's ruling, life support devices must be removed from 71-year-old cancer patient Martha Tune of Falls Church, Virginia, who is described by her lawyer as a "very feisty, spirited lady who is very lucid."

According to assistant U.S. Attorney John Birch, "This is the first time a ruling has involved a military installation."

Mrs. Tune petitioned the court, saying that the doctors at Walter Reed were sympathetic to her desire "to die a natural death" but were advised Army policy is "that with-

Briefly

drawal of a life support from a patient in a military treatment facility is not permitted."

According to Birch, the government "took no position as to whether the court could or should issue the release she sought." He said there will be no appeal.

Helms calls for buy out of CBS TV

North Carolina Sen. Jesse Helms March 1 called for support in taking over CBS-TV by buying up its stock so as to impose "fairness and objectivity" on the network. Senator Helms made the call at a Washington, D.C. meeting of the Conservative Political Action Conference.

Helms accused CBS of character assassination and of psychological warfare against the American people through attempting to set the agenda for Congress and the President. Helms said he was considering a Responsible Free Press Act of 1985.

More steps toward Democrats' disintegration

In defiance of Democratic Party National Chairman Paul Kirk, moderate and conservative Democrats have bolted to form a "Democratic Leadership Council" within the Party. The grouping, which is largely composed of southern and western Democratic governors and members of Congress, announced the formation of the council on March 28.

A strategist close to Kirk noted: "The fear of a lot of people is that this group wants to take the cream of the party's leadership and leave Kirk with Jesse Jackson and the single-issue interest groups."

This supposed "cream of the party's leadership" is unfortunately not much better than the Kennedy machine's Kirk. One of the council's new leaders, Virginia Gov. Charles Robb, on Feb. 24 at a meeting of the National Governors Association, called for gouging President Reagan's defense

budget and freezing entitlement programs, including Social Security. Another of the big names in the council, Arizona Gov. Bruce Babbitt, used the same conference to issue a blood curdling call to reduce Medicare, Social Security, and related programs—the precise areas in which cuts would cause a precipitous rise in the death rate among older Americans.

When some of the group went to the White House to lay their demands before the President, Reagan rejected outright Pentagon cuts and a Social Security freeze.

U.S. gives aircraft to Mexico to fight drugs

The U.S. government has donated 70 used aircraft and helicopters to the Mexican government to be used in Mexico's war on drugs. U.S. Ambassador John Gavin presented the \$20 million gift on March 1.

The donation includes 47 Bell helicopters (models 206 and 212), 18 Cessna 206 aircraft, three "Twin Otters," one twin motor Beech King Air, and one Lear Jet.

Gelb persona non grata at State Department

The New York Times' Leslie Gelb has become a non-person for the State Department's Bureau of Politico-Military Affairs, which he once headed, because Gelb put out an article blowing classified information on U.S. war-contingency plans. Gelb, who worked for the State Department under the Carter-Mondale administration, is the *Times'* Washington correspondent.

Current politico-military affairs director Lt. Gen. John Chain, Jr., ordered his 100-person staff the last week in February to refrain from speaking to Gelb, and Gelb's official photograph, displayed in the Bureau's waiting room along with other past directors, has now been removed, with a note on it saying it was taken down "for cause."

● **WHY** is Secretary of State George Shultz meeting with William Weld—"Mr. Cover-Up" in the money laundering between the Bank of Boston and Crédit Suisse—to discuss the problem of international narcotics trafficking? According to the State Department, the meeting will take place on March 6.

● **ROBERT REILL** hosted a huge formal waltzing ball at the OAS in order to conjure up the spirit of the "peace" following the 1815 Congress of Vienna. Reill, White House advisor and agent for the Tradition, Family, and Property cult, sounded like Henry Kissinger in explaining the event: "Between the Congress of Vienna and the outbreak of World War I, the world enjoyed an unequalled period of grace and tranquility. Can it be only coincidence that it was then that the waltz reached the apex of its popularity."

● **OLIVER REVELL**, second in command of the FBI, is reportedly enlisting journalists who will retail KGB slanders against Lyndon LaRouche and his associates. What is the FBI doing spreading the KGB line against LaRouche?

● **SCIENTIFIC SOURCES** report that the latest battle for the Strategic Defense Initiative is being fought over the use of bomb-pumped beam weapons such as the x-ray laser. Of course, High Frontier has been attacking nuclear SDI all along, but the newer attacks are apparently even coming from President Reagan and Caspar Weinberger. "The defense establishment sees that they have a very popular thing and they want to keep it clean and not involve dirty nuclear weapons," one source quipped.

Editorial

Stop the neo-Nazi revival!

Suddenly, the newspapers are full of Nazi-hunting. The upfront target is currently Josef Mengele, reputedly alive and well in Paraguay. There are some interesting stories coming out about Mengele, particularly his connection with drug-running on the South American continent. But to go after Mengele is not the point.

For the individuals we find leading the charge against these "old Nazis" are precisely the individuals who are coordinating the revival of a mass neo-Nazi movement, the Green parties internationally.

Many of these individuals are associated with the organized-crime wing of the Socialist International, the Anti-Defamation League of B'nai B'rith. In their business, they have no compunctions about working with left- and right-wing elements, as long as they can make some money from the drug trade. As for the Socialist International as a whole, it has thrown its weight fully behind the Green Party movement.

The neo-Nazi Green Party must be stopped.

This week the Schiller Institute went on an international mobilization to alert the public to the danger of the Green movement. Over a million leaflets were distributed in West Germany alone, where the Party has gained seats in parliament and is now projected to gain as much as 11% in the upcoming regional elections. The Green fascists, despite revelations about their connections to the Soviet Union and their open flouting of their relationship with the terrorists who are killing industrialists and bombing NATO installations, are still a considerable danger in West Germany.

Our sources in West Germany indicate that this current barrage against them, coming on top of the Oct. 17, 1984 Day of Resistance also sponsored by the Schiller Institute and a recent spate of anti-Green press coverage, has put the neo-Nazi party on the defensive.

But the mobilization was not confined to West Germany. Several hundred thousand leaflets on the Green fascist danger were also distributed in Italy, France, and Scandinavia. What was also unique about this mobilization was the fact that over 50,000 leaflets warning of the neo-fascist danger were distributed in Ibero-America.

This is hardly an academic question for Ibero-America. The Green fascists are major backers of the most murderous terrorist group currently active there, the Shining Path (Sendero Luminoso) cult, which specializes in setting people on fire and hacking them to death. In addition, the Greens have been hosts for the self-avowed Hitler admirer and drug-runner Carlos Lehder of Colombia, a fact which Lehder has spread all over his green-inked newspaper.

In Ibero-America, the population is beginning to understand that the "anti-imperialist" Greens, like their backer Muammar Qaddafi, mean slavery to terrorism and dope.

Also mobilizing against the new Nazi movement were Schiller Institute supporters in the United States. Approximately 500 citizens descended on Washington, D.C. Feb. 27 to give this message to their congressmen. They were flanked by numerous delegations who visited state capitals in Texas and other far-away states.

In the United States, the Green Party is also active. Supported by the has-beens who backed Walter Mondale for President, the Greens are attempting to win support from enraged constituencies like the farmers of the Midwest. They are also carrying out a major propaganda job among the black population.

This latter campaign was dramatized at the recent convention of the Farrakhan wing of the Black Muslims in Chicago, whose shocking proceedings we detail in this issue.

But even before the Greens succeed in making inroads among the population of the United States, they could conceivably create sufficient havoc in West Germany to render that country impotent in the Western alliance. Such a victory of the Green Nazis would represent an immediate security threat to the United States.

Let us indeed hunt down the Nazis, the new movement of Green Nazis who threaten to tear down our industrial plants, bomb our defenses, and turn the West over to their Soviet patrons en masse. Let's support the movement to have them declared unconstitutional in West Germany, and *persona non grata* in all the rest of the world.

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