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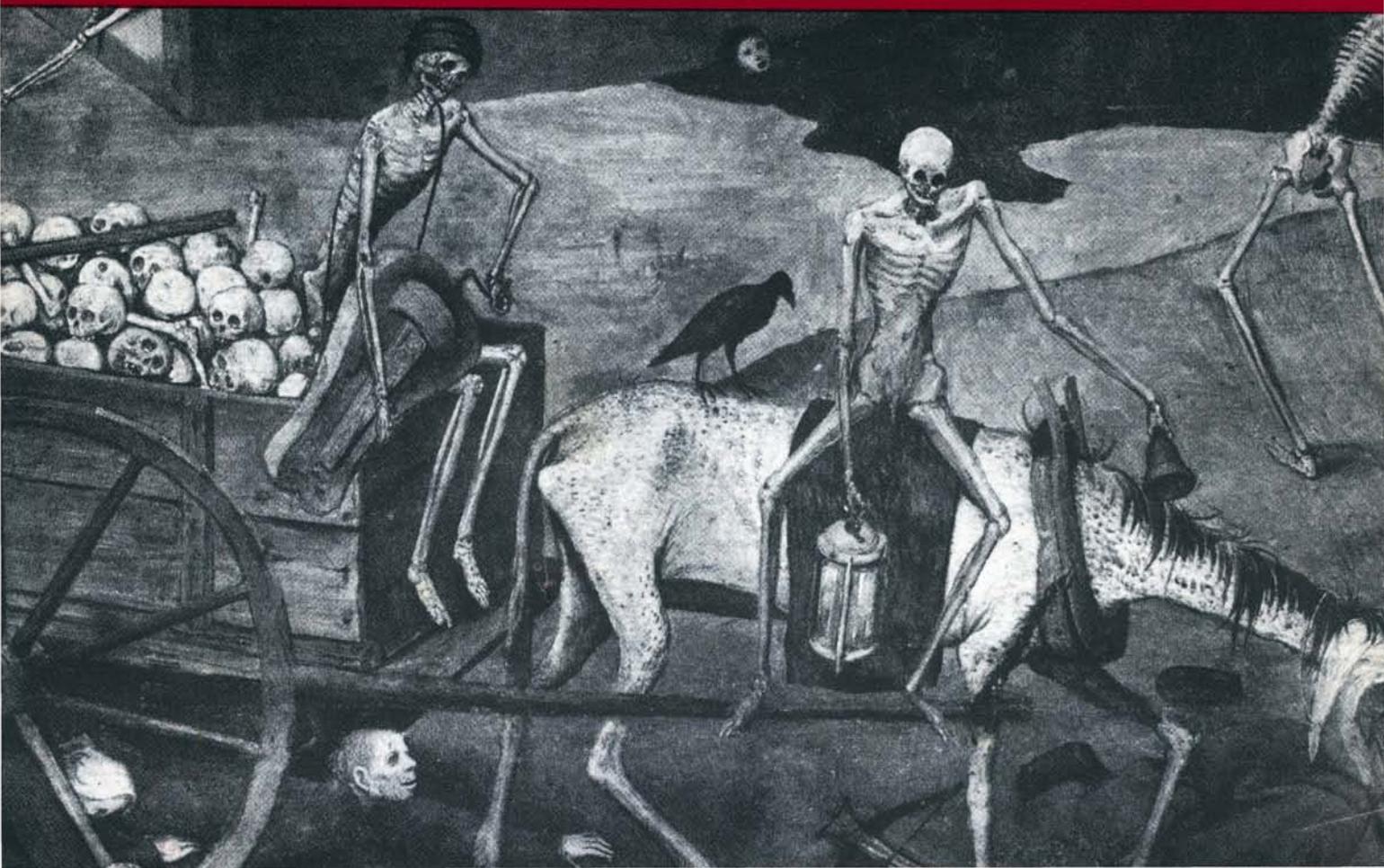
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'Patriots for Germany' formed to fight for West
Free Electron Laser beam weapon is ready
Kissinger orders Thai ex-premier 'eliminated'

**Soviet role in covering up
the deadly threat of AIDS**



The Trilateral Conspiracy Against The U.S. Constitution: Fact Or Fiction?



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David Rockefeller: To some, the Trilateral Commission is a sinister plot by Eastern Establishment businessmen who will do almost anything—including going into cahoots with the Kremlin—for the sake of financial gain. The fact that many former members, including President Carter, are now members of the Administration is hailed as proof of how devilishly well the conspiracy works.

—Letter to the editor of the *New York Times*, Aug. 25, 1980

Moscow: The Trilateral Commission has opposed some of the military programs adopted by Washington which threaten to upset the strategic balance.

—Yu. Fedorov, in *International Affairs*, July 1985

Lyndon H. LaRouche, Jr.: The general object from the side of the Liberal Establishments was to establish a global *Pax Romana*, a thousand-year empire of shared global rule between the Trilaterals and the Soviet empire. . . . It happens, however, that the Soviets intend to cheat. They will maintain their partnership with the Liberal Establishments no longer than the Trilaterals and similar types continue to be “useful fools” working to advantage of Soviet imperial interests. Once the usefulness of those fools has been exhausted, the Soviets will variously assimilate or obliterate them.

—Foreword to *The Trilateral Conspiracy Against the U.S. Constitution: Fact or Fiction?*

To destroy the evil influence of the Trilateral Commission in American political life, one must expose the delusions in which the Trilaterals obsessively believe. *EIR's* Special Report provides a comprehensive textual analysis and refutation of key Trilateral writings, including: Zbigniew Brzezinski's delphic attacks on the Strategic Defense Initiative; George Shultz's argument for the decline of American power and influence; David Rockefeller's “socialism.” Foreword by Lyndon H. LaRouche, Jr.

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EIR

From the Editor

Peru's minister of economics and finance, Luis Alva Castro, delivered the formal funeral oration for the International Monetary Fund and the collapsed financial order which that institution defends against all moral law. The burial services were pronounced, appropriately, at the Annual Meeting of the IMF itself, in Seoul, South Korea, on Oct. 10. "We declare that the conceptual basis on which the Bretton Woods system was built, is bankrupt, and that the IMF, therefore, has lost its legitimacy," stated Alva Castro. (For other quotes; see p. 4.)

The challenge to construct a new world economic order comes not a moment too soon, since the greatest danger to our civilization is not thermonuclear war—hideous as that danger remains—but the biological holocaust of which the leading edge is the AIDS pandemic. This threat to humanity's survival is directly due to the World Bank-International Monetary Fund policies of looting the productive economy, starting with the tropics—where AIDS is already raging out of control.

How the enemies of the West may be exploiting that threat is the subject of this week's *EIR Investigation*. Warren Hamerman, director of *EIR*'s Biological Holocaust Task Force, reports, "The 100% lethal disease hit the Western world like a bombshell. If its spread is not arrested, the experts fear, its devastation will soon be worse than that of nuclear war. Has this fact escaped the notice of the Kremlin? What is the Soviet angle in the spread of AIDS?" He then reveals, "The coordinator for all AIDS task-force work at the Swiss-based World Health Organization (WHO) is none other than a Russian named Sergei Litvinov, the assistant secretary general of WHO for Communicable Diseases." (See p. 52)

Please note that *EIR* has added a new column, "United Nations," whose author writes under the name McFadden—an American political figure from the early part of this century who was celebrated for his opposition to one-worldist political schemes and supranational institutions like the later IMF. Another innovation is our first fictional offering, the "roman à clef" titled *The Greek Premier*, on page 28. We'll leave it to readers to decide what relationship it might have to real events.

Nora Hamerman

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Ibero-American Presidents' summit called for Panama

by Robyn Quijano

Panama's new President, Eric Delvalle, called for a historic heads of state summit to be held at the beginning of 1986, in Panama, the site of the last Ibero-American continental meeting over 160 years ago. He made the announcement in an address to Panama's national labor council (CONATO) on Oct. 16, responding to the mobilization of the strong trade union movement, which had taken up the banner of the summit in their fight against the International Monetary Fund. The CONATO's battle against IMF conditionalities that caused economic and social chaos in the country was a major factor in the resignation of former World Bank official President Nicolás Ardito Barletta two weeks before.

"Upon assuming the presidency of the Republic of Peru, Alan García expressed a desire to revive in Panama the assembly of the Americas, in order to examine our common problems, among which Latin America's worrisome foreign debt is most prominent, and to reaffirm our fraternal solidarity. Since then, other distinguished Latin American statesmen have expressed a similar concern. Inspired by our historical tradition of encouraging rapprochement and peaceful communication, we accept the challenge of the Latin American peoples, and we offer Panama as its seat," announced President Delvalle. "I will consult with my colleagues of the continent shortly on the possibility of our meeting in Panama to jointly strengthen development, democracy and peace among all our peoples and nations," he said.

The President, whose speech was nationally televised, promised to place Panama's interests first when dealing with its foreign debt, to ensure that national sovereignty is respected and workers interests not harmed; to consult the development program drawn up by CONATO when economic policies are formulated for the country; and to reject the strike-breaking Labor Law reforms which Ardito Barletta had introduced into Congress.

The President stated: "Our peoples and the workers of Latin America have an identical community of aspirations; a great vocation for peace and great solidarity as brothers in this great *mestizo* continent. We are most willing to contribute to solving Latin America's problems, because they are also ours."

In a militant statement that differentiates him from his pro-IMF predecessor, Delvalle stated: "Our social forces and our productive groups will determine the Panamanian medicine that we need, and the doses that we can tolerate." "Our principal responsibility," he said, "is to solve the most pressing problems of Panamanians, especially the most needy, to lay the basis for true national progress. My government has firmly confronted the problem of the foreign debt. We have declared our independent criteria and made our existence as a free nation a priority. We have continued to talk with our international creditors, but whatever solutions we achieve, must agree with our national interests and respect our sovereign dignity, without affecting the well-being of the great national majorities, in particular, the working class," he promised.

President Delvalle's address to the CONATO labor federation was covered in the Peruvian, Mexican, and Brazilian press, with special emphasis given to his embrace of Alan García's heads-of-state summit proposal. Headlines such as "There Will Be Presidential Summit in Latin America" and "Site Given for Summit" appeared in Mexico. Peru's *La Cronica* headlined its front page, "Score for Alan: There Will Be Presidential summit."

Alliance for Integration

Two days after Delvalle's speech, Argentine Peronist leader Juan Gabriel Labaké arrived in Panama on his organizing tour for the Alliance for Latin American Integration,

which will be officially founded on Dec. 6-8 in Lima. The Alliance, which has gained the official backing of Peruvian President García, Colombian President Betancur, and many military figures, politicians, and industrialists, as well as several ex-Presidents, from a dozen Ibero-American nations, including Brazil, has already set into motion a virtual economic defense pact on the continent.

Labaké found widespread acceptance for his proposal from Brazil's top economic policymakers, politicians, military men, industrialists, and labor leaders with whom he met during his six-day visit there. He met with Brazilian nationalists in important positions who believe Brazil has no option but to replace the "special relationship" organized by Henry Kissinger in 1976—in which Brazil served as a gendarme against Spanish-speaking America—with a true Ibero-American alliance.

In Brasilia Oct. 16, Labaké ended his trip with a press conference which produced coverage by UPI, Agence France Presse, ANSA, *Folha de São Paulo*, *Senhor* magazine, and the daily *Correio Braziliense*. A UPI cable datelined Brasilia reported: "Important Brazilian figures today gave their support to an Argentine politician's initiative to carry out the creation of the Alliance for Latin American Integration, a private entity, which already has the support of several figures, among them, Peruvian President Alan García."

"It is a grave error to leave integration in the hands of governments, because they are subject to pressures and work with ancient diplomatic bureaucracies," said Labaké. His proposal won support from Sen. Fernando Henrique Cardoso, economist Antonio Barros de Castro, foreign-relations specialist Helio Jaguaribe, businessman Roberto Fonseca, and various business associations. Although he did not gain formal support in his contacts with Brazilian government officials, he said they had very positive reactions to his plan.

Labaké announced that the Alliance would promote concrete measures for regional integration in "total agreement with the governments, though, as a private entity, it would preserve its autonomy in making decisions." "The final objective of the creditor banks and the International Monetary Fund is to destroy the industry of the Latin American countries," warned Labaké, noting that industry has already been destroyed in Mexico, Peru, Chile and Argentina. He predicted that Brazil will be next to go.

In defense of Peru

Labaké's initiative was received in every nation as the right idea at the right moment. Although the Panamanian government is one of the first to officially back the new Peruvian President, support for García's war on drugs and open battle against the IMF among the labor movement and political layers on the continent is enormous. And every step Peru makes in defining its declaration of independence from the IMF, is being studied in every capital from Mexico City to Buenos Aires.

"We declare that the conceptual basis on which the Bretton Woods System was built, is bankrupt, and that the IMF, therefore, has lost its legitimacy," stated Peru's Minister of Economics and Finances, Luis Alva Castro, in an address to the IMF meeting in Seoul, South Korea on Oct 10. He continued, "The monetary system agreed to at Bretton Woods," the 1944 conference which decided the postwar financial order, "has proven unacceptable to the South, inefficient for the North, and anachronistic for all."

The immediate task before the world, the minister argued, is to build a new world financial order which can sustain world trade and production, at levels adequate for the development of sovereign nations. Therefore, the Peruvian government proposes that an international task force be convoked immediately, and given "a maximum deadline of six months to prepare a proposal for the total reform of the international monetary system."

The speech dissects the long-term policy failures which led to the current world economic crisis, and charges that the IMF made itself an "accomplice" of Third World countries' "over-indebtedness." The IMF then used the power it had thus gained, to dictate conditions which "assault our very sovereignty," and "violate the political constitution" of countries like Peru, Alva Castro charged.

He ripped apart the idea that the IMF's dictates are based on "scientific criteria," painful but, in the long run, necessary. IMF policies have driven productivity levels in Peru down to where they were 20 years ago, even in production of such basic staple foods as potatoes and corn.

The United States' own problems cannot be solved without "a dramatic change in its economic policy," the minister pointed out. The U.S. budget deficit cannot be reduced by "an extreme limitation on defense spending," as the IMF is recommending, because of the costs of servicing its own public debt.

IMF officials and their retainers were outraged. "I don't appreciate his suggestion," grumbled World Bank President A. W. Clausen at a press conference the next day. A U.S. official called Peru's actions "stupid," the *Washington Post* reports; another delegate found them "arrogant." Jacques de Larosière, head of the IMF itself, huffed that he had "not perceived that said declaration was in line with the general understanding and position of the majority of the members."

The response of the banking community was immediate: Orders have been issued that the nation of Peru be starved, its credit lines cut off, until it returns to IMF rule. This has occurred with full approval of U.S. government officials—although Peru is a U.S. ally.

London's *Financial Times* called Peru a "pariah," to be "shunned" now for its "hardline policies." But the move for continental integration, for development and growth against handing the nation's resources and industries over to the Shylocks of the world after the pounds of human flesh run out, is not being shunned.

Colombian labor minister links IMF conditionalities to AIDS

by Valerie Rush

For the second time in as many days, the policies of the International Monetary Fund came under indictment by Ibero-America's nationalist forces for fostering conditions of genocide in the developing sector.

The Oct. 7-11 Conference of Inter-American Labor Ministers, gathered in San José, Costa Rica under the auspices of the Organization of American States (OAS) and under the control of the U.S. State Department, was split wide open when Colombian Labor Minister Jorge Carrillo charged the usurious creditor banks and their gendarme, the International Monetary Fund, with creating conditions in this century for a new "Black Death" of AIDS and other deadly epidemics.

Carrillo's accusations were presented at precisely the moment that Peruvian Finance Minister Luis Alva Castro was shattering protocol by denouncing the International Monetary Fund, at its own annual meeting in Seoul, South Korea (see page 4).

Carrillo's speech addressed the development needs of Ibero-America as the key to a competent employment program. He warned that the austerity conditions imposed by the IMF had brought the continent "to an inflection point, in which the downward spiral in which we have been trapped will become even more accelerated. Neither our biosphere, nor our social and political institutions will withstand this deterioration. . . ."

He concluded that, unless "great solutions" were employed to reverse the continent's rapid decline, "the deadly AIDS is but a harbinger of what is to come." Among those "great solutions," Carrillo urged the construction of more than 100,000 kilometers of new or renovated railway lines, to include rail connections with Central America and with Mexico. He proposed significant expansion of the continent's waterways and many more canals, drawing on the network of major rivers that criss-cross Ibero-America. A new ground-level inter-oceanic canal, to be built either in Colombia or Panama, would also be necessary, declared Carrillo, as well as the investment of several billion dollars in developing Argentina's Paraná River to yield vast quantities of energy and increased food production from the irrigation potential thus realized.

Carrillo's speech highlighted a rising tide of protests from

numerous Ibero-American ministers, such as the Peruvian and Venezuelan, against the "inflexible" criteria of the industrialized nations regarding the foreign debt crisis. Venezuelan Labor Minister Simón Anton Paván warned of "global crisis" because of "the myopic and usurious banks in certain industrialized countries, immersed in an individualistic and dehumanized capitalism, and in rigid and inflexible international financial institutions. . . ."

Peruvian Labor Minister Blancas Bustamante reiterated his government's position of setting a 10% limit on export revenues destined to service the foreign debt, and declared that, as a result of IMF prescriptions which have promoted a dramatic deterioration of the Peruvian economy, his country would no longer deal with that institution. Blancas added, "To those who denounce our position as unilateral, we can only respond that it is no more unilateral than the decision of the creditor banks to raise interests and commissions collected on the debts of the poor nations."

In a speech to the special roundtable discussion on debt convoked by the labor ministers, U.S. Deputy Assistant Secretary of State for Inter-American Affairs Paul Taylor threw down the gauntlet to the United States' hemispheric allies—on behalf of the IMF. He asserted that high population growth, worker consumerism, over-extended government, excessive protectionism, and indulgence in capital intensive production methods was responsible for Ibero-America's current economic crisis.

Denying that the debtor nations have suffered the brunt of the debt crisis, Taylor complained that "the banks have in fact suffered a reduction in income" and the United States "has suffered from worldwide recession and loss of exports"—statements that certainly contradict the claim the United States is enjoying a "recovery" under its own acquiescence to IMF policies.

Without naming Peru, Taylor attacked that country's sovereign decisions about handling the foreign debt. He said that setting "an arbitrary low limit" on export revenues devoted to debt service "is not desirable. Some have suggested that countries could unilaterally determine the manner in which they would service their external debts . . . but there would likely also be adverse consequences for the debtor nation. It

would suffer further declines in short-term trade financing and if it wanted to finance some large and badly needed development project, it would be hard pressed to locate external credits. . . .”

Finally, Taylor elaborated current U.S. policy, which he defined as “growth with adjustment”: 1) continued support for debtor “adjustment” programs; 2) continued full support of the IMF and World Bank in their “vital role in assisting nations to implement stabilization and adjustment programs”; 3) greater use of World Bank “structural financing”—with standard IMF conditionalities written in; 4) promises of renewed efforts by the industrialized countries to keep their markets open.

Peruvian Labor Minister Blancas Bustamante commented to the Spanish news service EFE that Taylor’s statements were a “veiled threat” against Peruvian President Alan García’s position on the debt and on the IMF. Said Blancas, “If a country leaves the framework of the IMF, its credit and all sorts of financial support from the other countries of the world is restricted.” The Peruvian minister asserted that, should this be the response to Peru, his country would appeal to the “international solidarity” of friendly countries around the world to assist it.

‘Black Death of the 20th century’

In a separate paper released to the conference, entitled “Humanity on the Brink of Disaster,” Colombian minister Carrillo emphasized that epidemics of diseases like AIDS, malaria, cholera, polio, etc. are a direct result of IMF conditions imposed on the Third World.

“Both Africa and Latin America are victims of the economic adjustment programs formulated by monetary authorities to guarantee payment of the foreign debt service. The United States and Europe themselves are now beginning to be faced with the serious consequences of these same adjustment programs,” he said.

“Insistence that the payments crisis be resolved only through import cuts and export increases has had one consequence: that the Latin American countries and the rest of the Third World have been forced to export their food production and restrict imports of basic raw materials necessary for the production of indispensable drugs, vaccines, etc.

“Adjustment programs applied to reduce our budget deficits have forced our continent to eliminate almost all attention to health services and basic hygiene. . . . As a result an unusual growth in the infant mortality rate has occurred from malnutrition stemming from lack of food, disease stemming from lack of medical attention, and epidemics as the logical consequence of both.

“Africa began this way a few years ago. Nonetheless, there was no compassion from the most powerful, and today Africa is a continent in agony. . . . Africa has today become a breeding ground for what has been called the ‘Black Death of the 20th Century,’ AIDS.”

Documentation

Debt and the threat of disease pandemics

From the speech by Colombian Labor Minister Jorge Carrillo before the VIII Inter-American Conference of Labor Ministers, which met Oct. 7-11 in San José, Costa Rica:

Our Great Fatherland, from Mexico to Argentina, is faced with a critical situation: Either creative solutions are employed, or simple monetary formulas will aggravate the economic crisis to the point that the epidemics and pandemics currently raging across Africa and wiping out millions, will be but a pale promise of what awaits Ibero-America.

The challenges we face are great; the solutions, then, must also be great. Our subcontinent is home to 395 million people, of whom 130.5 million make up the economically active population (EAP). If the current rate of population growth is maintained, we will have a population of 532 million by the end of the century. The EAP will then be 190 million.

If we accept the calculations of the ILO [International Labor Organization], the average level of unemployment in Ibero-America is 8%, which gives us currently some 10.5 million unemployed workers. If we subtract these 10.5 million from the 130.5 million EAP, that leaves 120 million currently employed workers.

We must, however, also count among the number of underemployed, those who need new jobs. At least 25% of the agricultural labor force is underemployed, which gives us an additional 7.5 million workers who require employment. If we subtract this figure from the total of currently employed workers, we are left with 112.5 million, the real employment figure for 1985. If from the 190 million jobs that will be needed for the year 2000, we subtract the 112.5 million that currently exist, we will need to create 77.5 million more jobs by the end of the century. At least one-half of them should be in the industrial sector. . . .

To address this great challenge, we must abandon artisan methods and incorporate ourselves into modern life. We need machine tools to produce machine tools, mechanized agriculture, and great infrastructural works. Labor productivity will only increase if we use capital-intensive methods. With the current rates of growth, we will never escape underdevelopment.

We must analyze the true causes of the economic crisis,

since until now the only thing anyone has done is to describe the crisis. High rates of interest, deterioration of terms of trade, and flight capital have been responsible for the cancerous growth of the foreign debt. In 1984, the region's foreign debt rose to \$355 billion. If we discount the three factors I mentioned, the real debt would not come near that figure.

To pay debt service, we have contracted the real economy to such a degree that the bankruptcy of industries and growing unemployment have become the breeding ground for a social holocaust of unforeseen consequences. Our political parties and our democracy are destabilized by the "adjustment programs" of the financial institutions. In this kind of situation, all kinds of extremism find fertile ground. . . . The measures that have been implemented, apart from being short-term, have had but one purpose: generating resources to service the foreign debt, without taking into account the investment needs of the nation nor the consumption needs of the population.

The deans of international finance may think they can impose this kind of policy with impunity. The truth is that we are about to reach an inflection point, in which the downward spiral in which we have been trapped will become even more accelerated. Neither our biosphere nor our social and political institutions will withstand this deterioration.

What we are witnessing is not another Depression like that of the '30s. What we are allowing to occur can only be compared to the Black Death which, in the 14th century, finished off half the European population. The deadly AIDS is but a harbinger of what is to come. If we persist in defending and justifying usury, we will not be morally fit to survive, nor shall we survive.

Regarding the internal weaknesses of our economies, the main problem is the colonial structure of our production methods. Despite the wars of independence which were fought at the beginning of the last century, we continue to produce unprocessed raw materials for export. We escaped the Spaniards only to fall into the clutches of British free enterprise.

The common factor of all these so-called "strategies for development" has been to prevent the creation and consolidation of a solid capital-goods sector in the region, while destroying any possibility of generalized mechanization of agriculture. We never speak of the infrastructural works required. The subcontinent continues incommunicado. The few railroads and highways that exist all lead to the coasts, to facilitate export of our raw materials. Our internal communications are still very backward. . . .

The development of our economies is continually linked to the "recovery" of the advanced sector. In fact, there does exist an interrelation among the economies of the world. Nonetheless, it would be absurd for Ibero-America to remain subordinate to the economic policies of the developed sector. Interregional trade must be fostered. We need an Ibero-American common market. It is embarrassing to note that only about 15% of the region's total trade is among ourselves.

Some of the great experts might argue, with a mocking

smile on their lips, "But we have already tried regional integration, and failed. Look at the state of the Andean Pact. Why create false expectations?"

The truth is that the Andean Pact has been lawfully affected by the adjustment programs which, especially since 1981, have been imposed on the region. It is a matter of public knowledge that, between 1981 and 1983, 16 countries of the region had to submit to IMF conditions. The majority of them had to reschedule debt service with their creditors. The "liquidity crisis" that forced these adjustments was caused by two things: 1) the dramatic increase in interest rates; and 2) the drastic restriction of credit to Ibero-America, decreed by the commercial banks.

To service their debts, our countries had to generate trade surpluses, which were achieved by 1) accelerating the rates of devaluation, in order to cheapen the cost of their exports; and 2) slashing imports, including suspension of vital necessities such as capital goods. As the annual report of the World Bank (1985) admits: "Practically the entirety of the trade surplus generated was absorbed by net interest payments on the foreign debt." . . .

Regarding economic integration, the maxi-devaluations and the accelerated rate of devaluation—components of the adjustment programs—generated a ruthless trade war among the nations of the region. Everyone wanted to sell and no one wanted to buy. The result: Interregional trade declined abruptly.

In speaking of 1984, the World Bank shows great familiarity with the accomplishments of the adjustment programs: "Economic activity did not increase sufficiently to keep level with the increase in the region's labor force, and apparent unemployment was aggravated. Per-capita production declined by more than two-thirds. . . . Per-capita Gross National Product, adjusted to take into account the deterioration of the region's foreign trade during the period, declined even more, to levels that existed at the beginning of the 1970s. Trade among the Latin American countries has deteriorated by 22% since 1980. . . . Adjustment has been achieved at a high economic and social cost. Living standards have declined in the majority of the countries, and the impetus for development has suffered a pronounced deceleration."

Instead of using statistics and monetary percentages, let us look at what the impact of these adjustment programs has been from the point of view of the living standards of the populations: An increase of 1% in interest rates represents an increase of \$3 billion in Ibero-America's foreign debt. According to a study by the Latin American Economic System (SELA), this same increase of 1% is equivalent to 17 million tons of grain. Given that the adequate sustenance of a single person requires one ton a year of grain, the 1% increase in interest rates affects 17 million persons a year.

According to a November 1984 UNICEF study, 40 million Ibero-American children between the ages of 5 and 18 have no home because their parents can't afford to keep them.

More than 10% of the total population of the subcontinent, our children have been transformed into beggars and lumpens who subsist upon garbage and theft.

In sum, we are facing the year 2000 with a deficit of between 77 and 100 million jobs, and any competent employment program must address this situation. Only industries stimulated by investment in great projects and facilitated by genuine economic integration can remedy the deficit.

The future of the continent rests upon our resolve and our action.

Venezuela and the IMF

From the speech of Venezuelan Labor Minister Simón Anton Paván to the VIII Inter-American Conference of Labor Ministers:

We attend this conference . . . in the name of the democratic government of the Republic of Venezuela, at a moment when a crisis of still unpredictable dimensions ominously marks the future of our nations.

global crisis, which embraces all facets of human existence, as well as a moral crisis, in which drugs, like an implacable termite, undermine our youth, the future of our society. . . .

It is obvious that each country has a different reality that

defines its behavior; nonetheless, the problem of the debt, in all its dimensions and basic characteristics, has an unescapably collective character. In view of this, we are forced to adopt firm and resolute positions because, for us, satisfying the demands of the creditor banks cannot presuppose, nor could we accept, aggravating the precarious state of poverty of our people. . . .

Collaboration with the debtor is to the best advantage of the intelligent creditor, and in this sense there have been many forms of collaboration suggested by the debtors. Nonetheless we continue to encounter a lack of receptivity from the myopic and usurious banks in certain industrialized countries, immersed in an individualistic and dehumanized capitalism, and in rigid and inflexible international financial institutions imbued with cold and limited accounting concepts. . . .

The attitude of the international financial institutions regarding the problem to which we refer must go beyond the technical exercise of suggesting adjustment measures which in practice mean having a greater flow of foreign exchange to pay debts, but at the cost of affecting the economic indicators which deal fundamentally with the welfare of the workers. . . .

Venezuela has declared and ratified its readiness to meet its foreign commitments. We have just reached a refinancing

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agreement with our creditors, which was done without the intervention of the International Monetary Fund. We are including a contingency clause which anticipates changes in the event of special situations stemming from accidents or *force majeure*, or in the case of substantial economic changes which modify the basis of the agreement; that is, in no case does our express readiness to honor our obligations mean sacrifices which limit the viability of our country's economic and social progress. We believe that this clause which we negotiate today should be a universal norm in all refinancing agreements that the developing countries carry out in the future.

The State Department line

Remarks by U.S. Deputy Assistant Secretary of State for Inter-American Affairs Paul D. Taylor, during a round table discussion on the foreign debt, held Oct. 8 under the auspices of the VIII Inter-American Conference of Labor Ministers:

A major question facing Latin American and Caribbean countries is how to achieve sustainable, balanced economic growth while continuing to service their debt. This requires the reduction of tremendous structural and policy barriers to growth. . . .

The [OAS] paper entitled, "The Social Impact of the Financial Crisis in Latin America and the Caribbean" . . . supports our view of the need for structural adjustment over an extended time period among the countries of the region.

The authors of the paper recognize that a large debt was contracted in an effort to prolong the high levels of economic growth of the 1960s and early 1970s. . . . The high rate of borrowing postponed the inevitable adjustment and made it more difficult.

Much of the borrowed money did not go to truly productive investments. It often contributed to a high level of consumption, and some was wasted.

Despite strong growth last year in some countries . . . overall per-capita product was roughly stagnant in the region. . . . The continuing high population-growth rate has contributed to this result and is expected to continue to absorb huge amounts of resources and detract from absolute and per-capita growth.

The paper . . . recognizes that inefficiency is often fostered by excessive protection of domestic industry. Capital-intensive technologies using imported raw materials and other inputs (as well as an imported technology itself) have not contributed to balanced growth or created the number of jobs needed, and have made Latin American economies vulnerable to external shocks. . . .

I might add that the role of labor has not always been conducive to economic development and sound policy formulation. Labor has often insisted on devoting large resources to consumption. . . . In some cases, labor policies

have been more appropriate for advanced industrialized countries than poor countries struggling to begin industrialization. Numerous strikes, legislated wage settlements, overly restrictive legislated personnel policies, and other practices have inhibited investment, and made it more difficult to compete with more efficient producers. . . .

A separate factor which has hurt the external accounts, putting pressure on currencies and dampening private investment, has been the flight of capital from Latin America. One hopes that ongoing reforms will restore the economic conditions that will attract that capital home. . . .

We disagree with some of the paper's conclusions and recommendations. It is misplaced emphasis to say that the burden of adjustment has been borne to date exclusively by the debtor nations. International banks have in fact suffered a reduction in income, as compared to what was originally contracted, and industrialized countries have adopted policies to ease the adjustment burden. The United States has

What we are witnessing is not another Depression like that of the '30s. What we are allowing to occur can only be compared to the Black Death which, in the 14th century, finished off half the European population. The deadly AIDS is but a harbinger of what is to come.

—Jorge Carrillo

suffered from the worldwide recession and loss of exports. While it is clear that countries cannot devote more than a reasonable amount of their export income to debt service, an arbitrarily low limit such as some have suggested is not desirable.

Some have suggested that countries could unilaterally determine the manner in which they would service their external debts. This approach may appear appealing at first glance. A country might be able to save some money in debt payments, but there would likely also be adverse consequences for the debtor nation. It would suffer further declines in short-term trade financing and if it wanted to finance some large and badly needed development project, it would be hard pressed to locate external credits. . . .

Expanding the resources of international financial institutions so that they can increase assistance to debtor nations is desirable, but we have to recognize the political reality that it will be difficult to obtain. Likewise, external factors such as protectionist measures in developed countries and vulner-

ability to raw materials prices are difficult to control.

On the other hand, interest rates have fallen considerably in recent months, and this is already saving billions in interest payments from what had been projected. . . .

We do not believe in a general rule that expanding government expenditures is going in the right direction. . . . In general, Latin America must reduce the dominance of the public sector and must improve the investment climate for the private sector. . . .

The United States is seriously concerned about the severity of economic problems in the region. Because of our concern, we have since the onset of the debt crisis in 1982:

- supported adjustment efforts by debtor nations;
- sought, through growth in our domestic economy and the maintenance of open markets, to encourage exports from the region, as long as such exports are not encouraged by unfair trading practices;
- supported the strengthening of existing institutions such as the International Monetary Fund and the World Bank, and better donor coordination;
- encouraged prudent and flexible lending and scheduling by commercial banks; and
- provided emergency infusions of liquidity when necessary such as in bridge loans to IMF disbursements.

. . . Recognizing that these countries must return to a long-term growth path, . . . many believe that we have reached a new stage in which debt management should have a greater emphasis on economic growth. This is the view of the United States government and, as announced by Secretary of Treasury Baker in Seoul yesterday, the U.S. will promote a strategy which might be called "growth with adjustment." It includes the following points:

- greater use of World Bank Structural Adjustment and Sector Adjustment loans. These are fast-disbursing and long-term, and, also, conditioned on fundamental structural reforms in the recipient country. . . .;
- use of World Bank co-financing arrangements to encourage new loans by the commercial banks;
- renewed efforts by the industrialized countries to keep their markets open, sustain their economic growth to the extent possible, and consider increased capital needs of the international financial institutions [*sic*] as this strategy is put into operation;
- generally greater resource transfers from the industrialized countries to developing countries, especially in the form of foreign direct investment. . . .

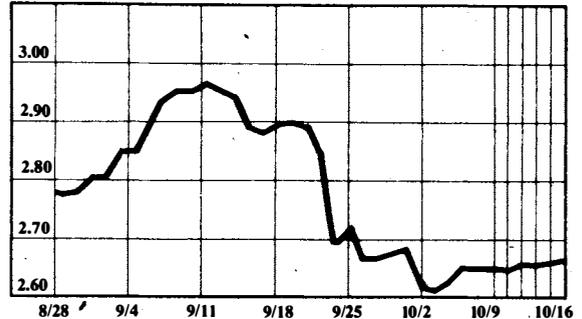
With or without the IMF, debtor nations would still face the same problems, and without its financial and technical assistance, countries would have to adjust more abruptly under even more adverse circumstances. . . .

We support the IMF and the World Bank in their vital role in assisting nations to implement stabilization and adjustment programs. . . .

Currency Rates

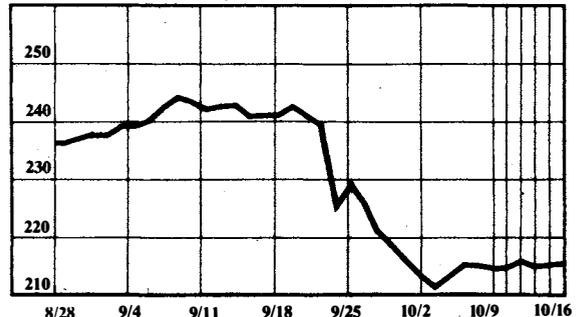
The dollar in deutschemarks

New York late afternoon fixing



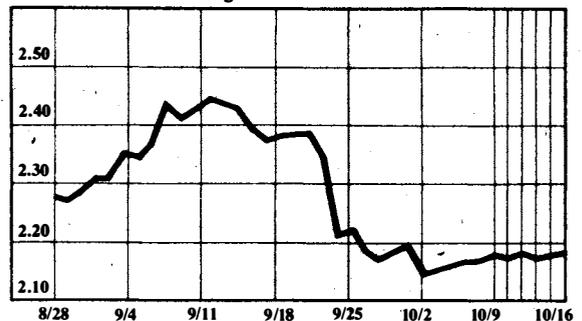
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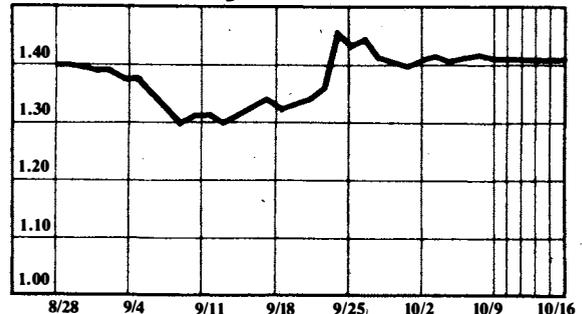
The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



Will Chase win suit for Maryland S&Ls?

by Stephen Pepper

The Maryland General Assembly will have to let it be known shortly whether it seriously intends to reject Chase Manhattan Bank's suit to relieve the state of three thrift institutions as the ticket for admission into the Baltimore-Washington market, or whether it is playing the role of the coy mistress who hopes merely to extract greater expressions of attention from her suitor. If the legislators are playing the latter game, they will soon find that not only has Chase put a pistol to their temples, but it is quite prepared to pull the trigger.

The New York bank, one of the biggest drug-money-laundering outfits in the world, has treated the state of Maryland as if it were several notches below El Salvador in its list of political colonies. Chase Vice-President Stanley Burns, in charge of the negotiations for the home bank, gave Maryland Gov. Harry Hughes just about three days to present to the legislature the complex deal whereby Chase would acquire Merritt Commercial, Friendship, and Chesapeake Savings, which it would convert into commercial banks, receiving in addition a \$25 million bonus to compensate it for absorbing the losses of the three troubled thrifts. In addition, the very suspect Gerald Klein, the chief operating officer of Merritt, would in effect become Chase's associate in at least four properties, in which he would be allowed to retain proprietary interest. Since Klein is generally accused of having crossed the line between mismanagement and fraud, that he should walk away with a profit seemed outrageous.

The man who suddenly blocked the deal was the president of the Maryland Senate, Melvin A. Steinberg. The deal, said Steinberg privately, had a "smell" about it.

The smell was that of Governor Hughes's flesh being roasted by his former Chase associates. "In our view, the most appropriate thing for us to do is very gracefully depart the scene," said Burns, Chase's chief negotiator. "We can't make the deal work absent the financial help we've discussed."

The governor, prodded by Chase's ultimatum, rushed to address a joint session of the legislature to compel it to vote up an acceptable version of the deal—acceptable, that is to Chase. In effect, he accepted the terms of the bank: "We are dealing with curing a cancer with one surgical incision. And

while it will not be painless, it will be nothing compared to the pain that will ensue if we don't operate." Or as one observer put it more pointedly, "It's either the greatest game of 'chicken' or Chase takes a walk."

How the S&Ls were wrecked

But the real issue is not the merits of different details of the deal, but rather the whole rotten process whereby a drug bank like Chase can be allowed to come in and pick up the pieces of the wreckage of the once viable thrift industry in a state such as Maryland. How did this come to pass?

The Savings and Loans across the country are among the prime victims of the policy of Paul Volcker, chairman of the Federal Reserve. From 1979, when Jimmy Carter appointed Volcker, his explicit policy of "controlled disintegration" of the U.S. economy, executed through double-digit interest rates, shattered the financial viability of S&Ls because there was no way they could compete for liquidity, tied as they were to long-term assets with fixed yields. Instead of attacking the Volcker policy, Congress compounded the problem by "saving" the S&Ls through deregulation, meaning that the institutions would be diverted from their main purpose of providing the funds by which most families in this country are able to buy or own homes. Instead, the S&Ls would become rivals of the commercial banks in drug-money laundering, real estate scams, and other swindles. Over the last five years the rate of failures in the industry has increased threefold, and there is no end in sight.

Under these circumstances, the thrifts have become targets for the wolves on the prowl for ever greater pools of liquidity. In Ohio recently, Chemical Bank had everything positioned to move in and swallow the drug-laundering Home State Bank, owned by Marvin Warner. But before Chemical could snap its jaws, a home-grown fox, financier Carl Lindner, stole the meat.

In Maryland, it was Volcker himself who brokered the arrangements between Hughes's office and Chase. The governor held a meeting with the Fed chairman during the third week of August, at which time Volcker gave assurances that the Fed would raise no objections to a deal involving an out-of-state bank. Neither he nor anyone else saw any conflict of interest between his role as regulator of such deals and his former employment at Chase.

The irony of the situation is that if anyone cared to examine the reality of Chase's financial position, they would find that Chase is in far greater need of a bailout than the thrifts. If non-performing loans totaling billions were removed from its assets, Chase would be seen to be bankrupt. Instead, as one legislator pointed out, "Harry Hughes didn't just blink, he closed his eyes."

So we are treated to the spectacle of the governor and the Maryland legislature fighting over who can make the best deal with a bankrupt Chase Manhattan, in a no-win situation created by Paul Volcker, the very man who gave the green light to the Chase deal.

What is Washington doing?

Farm banks and farmers are failing, while Congress legislates lower output and the President blames Europe!

On October 8, the House passed its new farm bill, and during the week of Oct. 14, the Senate cast its final votes on a new farm bill. On Oct. 16, President Reagan initiated an unprecedented unfair-trade investigation to prove that wheat exports from Europe are damaging U.S. interests.

All the while, farm banks were failing in record numbers, and farm families were being dispossessed at rates now threatening key parts of the national food supply.

Eleven banks have failed this year in Kansas, and eight banks have failed in Oklahoma—the top wheat producing states in the nation. Out of the total of 85 bank failures this year to date, 45 have been farm banks, and many more will go under during the last quarter of the year, when there is no “crop in the ground” on which a farm bank can base the pretense of solvency.

The headlines you have been reading about “record harvests” are propaganda on behalf of Cargill and other cartel companies, enabling them to pay farmers nothing for their crops. Even the U.S. Department of Agriculture had to admit that the wheat harvest is down 7% from last year.

It is a blessing to the nation that perfect weather conditions prevailed for corn: The harvest may truly be a record. However, grain farmers are getting nothing for their crops—bountiful or scarce. Thousands face foreclosure.

In Iowa, the top corn-producing state, where yields may run as high as 200 bushels an acre—even where

farmers could not afford to fertilize—Gov. Terry Bransted (R) announced a moratorium on farm foreclosures to halt wholesale dislocation of farm families.

So, what are Congress and President Reagan doing? Blaming someone else. They are avoiding the necessary emergency measures, and they are playing into the hands of Soviet strategic interests to cut the Western food supply, and at the same time, supply the Soviets.

First, look at the new farm bills. The bills continue, in a minimal way, the ineffectual farm price and loan support mechanisms for various named crops. However, both measures are committed to the disastrous goal of reducing food output—in the name of driving up prices to the farmer—according to the mythical laws of “supply and demand” promulgated by the cartel interests, which themselves control food commodity-price levels.

The bills call for creating a new federal entity to lock up farmland for 10 years (and then, forever) in the name of “conservation.” Farmers still clinging to their farms will be coerced through financial pressure to contract with the government to take their land out of production, in exchange for some short-term financial help in planting trees or non-food cover crops.

Perhaps the consumer should plan to eat splinters in a few years.

Sen. Jesse Helms (R-N.C.), the Senate Agriculture Committee chairman, avoided these fundamental aspects of the farm bill, and instead played the old-budget-blues refrain.

He proposed an amendment to slash \$1.8 billion from the \$28.1 billion agriculture bill, because he said the farm bill would “bust the budget.” Sen. William Proxmire (D-Wisc.) proposed cutting all programs in the bill by 4%. Both motions were defeated by about a 2-to-1 margin, and the Senate bill proceeded, with its provisions for an \$11.9 billion food stamp program, and \$4.1 billion for international programs—like the House-backed bill.

Neither Congress nor the White House has initiated national emergency measures to stop the farm bankruptcies and ensure food production capacity.

President Reagan has so far fallen for every lie and mis-briefing he gets on the state of farming and food supply. For the first time ever, a President has invoked the seldom-used Section 301 of the Trade Act to initiate proceedings against other countries on grounds of unfair trade practices. The complaint is against the European Community and alleges that direct subsidies have caused a the EC share of the \$14.5 billion world wheat export market to more than double, over 16%, since the early 1970s.

President Reagan made his move one day after testimony along these lines was given to Congress by Swiss-based cartel companies, featuring Continental Grain. A vice-president of the company claimed that the United States has been “antagonizing” its proper trade partners, like the Soviet Union, by offering discount grain to North African and other nations, and should offer the U.S.S.R. such favored terms. The Continental spokesman neglected to say that his cartel’s companies broker all the deals between the EC and the East bloc, in the same secret way they broker the grain trade between the United States and the U.S.S.R.

A national security problem

The shifts in the U.S. labor force not only debunk the myth of recovery, but threaten U.S. status as a superpower.

The most crucial area in determining a nation's economic vitality is its steel industry. In this and other basic industries, the United States is in rapid decline, and the Soviet Union on the rapid rise.

In 1972, the United States produced 3 million more tons of steel yearly than the Soviets. By 1982 the Soviets produced 80 million tons more than the United States.

American employment statistics tell the story. From 1979 to June 1985, employment in the steel industry fell from 418,300 to 187,000, a loss of more than 240,000 jobs. Our steel labor force is now less than 45% of what it was in 1979.

Since 1974, at least three steel companies have gone bankrupt, shutting down 200 steel plants. In 1984, Bethlehem closed its Lackawanna plant causing 7,000 layoffs, and U.S. Steel closed 71 facilities with 15,000 workers.

For railroads, the United States has gone from producing 1,141,000 metric tons in 1972 to 611,000 metric tons in 1982, almost halving its output. Meanwhile, the Soviets increased their output in the same time-frame by more than 1,000,000 metric tons, thus out-producing America four to one.

One of the Soviets' latest ICBMs is the rail-based SS-24. The United States doesn't even have the rail system to match what the Soviets have now available for immediate SS-24 deployment.

The Soviets lead in wheel and axle production has gone from three to one in 1972 to ten to one in 1982, and so on.

From a broader standpoint, they have increased their industrial labor force to 65 million, more than twice that of the United States. The U.S. industrial workforce has gone from 30.8% of the workforce in 1972 to 25.8% of the workforce in 1984. This decade-long trend has accelerated in the recent period.

Since 1979, more than 11 million workers have lost their jobs due to plant closings and slack work. In a report by the Full Employment Action Council and the AFL-CIO Industrial Union Department, surveys show one in four of these remains jobless, even after five years, and one of seven have dropped out of the labor force. Of those with jobs, 45% are earning less than they earned before.

Employment in manufacturing is now 1.7 million below what it was in 1979. 35 states have failed to recover all the jobs lost in manufacturing in the past five years.

Now, look at industries other than steel. In copper mining, smelting, and refining, employment fell from 44,000 in 1979 to 20,000 currently. About 50% of the nation's copper mines were closed between 1981 and 1984.

From 1979 to 1983, in the electrical and electronics industries, jobs fell by 183,600. The jobless rate is 86% higher today than in 1979. Since 1979, 92,000 jobs dropped out of the textile industry; farm equipment lost 62,000 jobs; auto employment declined 28%, or 218,429 fewer jobs between its 1978 peak and 1985.

In Michigan, more than 100,000 auto workers were laid off between 1979 and 1982. Of those surveyed in

the summer of 1984, 30% had not been recalled. Among those still on layoff, 47% had found new jobs, 43% were still unemployed or working part-time, and over 9% gave up looking.

This shift of the labor force out of basic production is reflected in an overall decline of U.S. manufacturing output since 1972, across the board and by as much as 50% in many areas.

The Soviets produce more than 20 times the excavating machines the United States produces, almost 5 times the bulldozers, and 4 times the number of freight cars. To the 700 diesel locomotives that the United States produced in 1982, the Soviets produced almost 1,300.

These trends for Soviet advantage hold true for cement production, fertilizer production, sulfuric acid, and many other areas.

The United States has shifted out of industry and into the fast food businesses and service industries. From 1950, when 26.7 million or 46% of the workforce was involved in service industries, to 1984, when 69.3 million made up more than 61% of the labor force, the service sector has jumped a staggering 25%.

Last March, the Bureau of Labor Statistics showed 20 million mothers at work, most in the service industries, a jump of a half-million from 1984: 62% of mothers with children under 16, 61% of mothers living with spouses, and half of all mothers with children under 3 are now in the labor force, up from one-third a decade earlier.

These alarming statistics show the collapse of traditional family life and go far toward explaining our youth's susceptibility to the drug epidemic, and demonstrate how living standards have collapsed—as both parents now work to survive. Most importantly, if these trends continue, the Soviet Union will be the only superpower left by the end of the decade.

A spectre haunts the usurers

The expropriations enacted by the President after his meeting with Echeverría evoke the fears of speculators.

Just one visit by former President Luis Echeverría to Los Pinos, the presidential residence, was all it took to set off acute paranoia and delusions of persecution in the Mexican oligarchy and its party, the pro-communist National Action Party (PAN). And so, days afterward, when President Miguel de la Madrid ordered the expropriation of 7,000 urban lots in downtown Mexico City, in order to provide emergency housing and shelter for the thousands left homeless by the earthquake of a few weeks ago, these oligarchs thought they saw their worst fears confirmed.

The measure came on Oct. 11 in response to widespread criminal speculation, as urban property owners jacked up rents and sale prices for housing and land, in the face of a housing shortage made more acute by the earthquake.

Immediately, the "activists of '76" reactivated themselves. The same mouthpieces of the urban slumlords who in 1976 thought their end was in sight when then-President Luis Echeverría passed the Human Settlements Law, swung into action again.

Not one of them was missing. For example, the Monterrey Group, which organized the famous meeting of the "hooded ones" in Chipinque in 1976, this time picked as its spokesman a man with an unmistakable pedigree, Eduardo Zambrano Plant, to head the rebellion against the "new Echeverrism." (In Monterrey only certain oligarchical families, preferably urban speculators, retain the last name Zam-

brano.) In statements to the press on Oct. 12, Zambrano called the measure "absurd, arbitrary, and anti-constitutional," the same threadbare and hackneyed phrases used in 1976. Not only that, he brandished the same weapons used at that time, stating on Oct. 16 that "capital flight" would occur, given that "the administrative capacity of the government has been lost." Once again, the 1976 crowd spoke of a "loss of confidence."

The National Action Party also jumped into the arena. Jesús González Schmall, one of the leaders of the PAN, had the gall to say that the expropriation of the urban real estate lords had been "ordered" to President de la Madrid by ex-President Echeverría. Alejandro Gurza, one of the leaders of National Action in the state of Coahuila, made hysterical statements against the President of the Mexican Republic. After labeling the expropriation measure as "state-izing" ("creeping socialism"), and saying that now "confidence" has been lost in the government, he intoned that "now the President has more power than Louis XIV. . . ."

Alejandro Gurza, a member of a family of real estate tycoons in the same state, is also a top adviser to Coparmex (the Mexican Employers' Confederation), the same outfit that ran the insurrection against President Echeverría back in 1976, when it was headed up by Andres Marcelo Sada, the "top hooded one" of the Chipinque conspiracy.

The National Chamber of Com-

merce and its national president are also involved in this crusade against the spectre of Echeverría. Some of these warriors are already getting ready to negotiate for "relief," against future "state-izations" which in their delirium they think they see on the horizon. Recourse to "relief," under the Ley de Amparos, a peculiar feature of the Mexican Constitution which includes a special kind of *habeas corpus* and other provisions for relief from prosecution of the law, became fashionable during the last years of the administration of Luis Echeverría (1970-76). A lawyer for the big property owners, Ignacio Burgoa, won celebrity in those years, and has since been considered the "expert on relief law." The law's only use is to protect usurers and speculators from any corrective action by the government. It doesn't help small property owners and producers a bit; in any case, they can't afford the colossal "honoraria" demanded by "expert" lawyer Burgoa.

President Miguel de la Madrid explained his measure more realistically, saying: "The expropriation was an obligation in the face of the emergency. . . . At this time solidarity obliges us to give preference to the homeless." Responding to the urban usurers' campaign against the stability of his government he stated: "We are not seeking popularity . . . we are doing our duty."

In reality, what the "hooded ones" and their international banking friends are worried about is not this particular step, but the fact that it was taken by the man who until now has been most committed to punctually paying the foreign debt, and complying with the conditions of the International Monetary Fund and its allies among Mexico's slumlords and usurers. Uppermost in the bankers' minds is the question, what will de la Madrid declare next? A debt moratorium?

Business Briefs

Free Enterprise

Gay 'bathhouses' losing their business

One "stockholder" in New York city has reported that homosexual bathhouses in which he is financially involved had only 1,500 "clients" during the week of Oct. 14, a 25% drop from previous weeks. Two of the bathhouses reportedly follow guidelines that Gov. Mario Cuomo's advisory group, "Coalition for Sexual Responsibility," suggested—considered by some an alternative to shutting the operations down entirely.

The bathhouses are proven centers for the spread of the deadly disease AIDS.

One "adviser" said the houses cleaned up their act because they had "a gun to their head." Owners might band together for a legal fight to avoid closure. In the words of one owner, "If we found somebody being a real pig, we would ask them to leave."

The Invisible Hand

Charges filed against Kidder, Peabody

The Securities and Exchange Commission (SEC) has filed a complaint against the New York brokerage firm of Kidder, Peabody, saying the firm violated federal securities laws when it used \$145 million in customers' securities as collateral for loans and short-term investment contracts made on the firm's own behalf in the spring of 1984.

Ira Sorkin, SEC New York regional director, provided the information to the press; Gerard Miller, Kidder Peabody vice-president and director of operations, was named in the SEC complaint.

Meanwhile, the *New York Post* is continuing its attack on the bathhouses. Ray Kerrison writes, "The politicians in this state become utterly paralyzed at the prospect of having to take any action against the gay community." Two reasons, he suggests: 1) The gays have power, and 2) New York City seeks to "impose preferential rights for a minority, in defiance of the constitution."

"Why did District Attorney R. Morgenthau [go after the] Mayflower Madam . . . even as he allowed 10 homosexual bathhouses to flourish in this city? . . . Are these the moral standards of this community? Is this what the voters want? They have their chance to express their opinions at the polls next month."

Trade War

Bush criticizes Japan; Japan responds

Vice-President George Bush criticized Japan, during an Oct. 15 address in San Francisco, charging that Japan's regional governments had banned the purchase of U.S. telecommunications equipment. Bush cited this as an example of unfair Japanese protectionism.

The Japanese government responded that one-third of those regional governments have bought foreign computers. The Home Affairs Ministry said that 17 of the country's 47 prefectural governments (36%) have purchased general-purpose computers from foreign manufacturers, including IBM of the United States.

Operation Juárez

Alva Castro: The banks are in last place

In Tokyo on Oct. 15, Peruvian Finance Minister Luis Alva Castro reasserted that private banks are at the end of the line when it comes to the \$320 million Peru will pay for debt service this year.

"We will pay 10% of our exports, which will be \$3.2 billion this year, for debt service. Ten percent is not a magic number, since if we grow and export more, we will pay more."

He spoke to the press after meeting with the Japanese finance minister.

"We will first pay the World Bank and Inter-American Development Bank, since

that will be positive for our balance of payments." He said the World Bank has already approved \$800 million in loans for Peru.

Commercial banks "already know that before the debt could be paid, there has to be growth. I have asked for their support to grow and pay our obligations."

Alva Castro was in Japan after attending the IMF/World Bank annual meeting in Seoul, Korea. There, he blasted the twin institutions and the post-war monetary system they represent as bankrupt and no longer legitimate, calling for changes which would promote economic growth, not austerity, as the key to the debt crisis.

European Trade

Trade deal signed by East Germany, Italy

In mid-October, the Italian chemical firm Montedison announced a new contract with East Germany: a \$250 million five-year cooperation agreement to supply AHB Chemie Export-Import with chemical products. Montedison will in turn buy a variety of chemical products from East Germany.

According to the London *Financial Times*, "The accord, to run from 1986-90, also calls for technology transfer, exchange of research, and the possible construction of plants of Montedison in East Germany." Two-thirds of the \$250 million are projected to be Montedison sales, the rest will be East German exports.

International Credit

Seaga praises IMF loan policies

Speaking at a press conference in New York on Oct. 14, Jamaican Prime Minister Edward Seaga praised the "soundness of the goals" of the IMF and attacked those governments which are limiting their debt payments to a certain percentage of their income—i.e., Peru—as "counterproductive," since by putting a limit to what one

can pay, one is also putting a limit to what one can borrow, he said.

What Peru is doing is "not a viable way to deal with the problem."

His one minor criticism of the IMF was the length of time for loan agreements with debtor nations; he called for seven-year periods rather than the current three-year terms, saying that three years are not enough for IMF adjustment policies to succeed.

Seaga's Jamaica has a foreign-exchange position now largely based on marijuana exports.

Dope, Inc.

Sunday Times exposes drugs in the Bahamas

A major exposé on drug-running in the Bahamas was published in the *Sunday Times* of London, on the eve of the Oct. 15-22 meeting of the British Commonwealth, taking place in Nassau, the capital of the Bahamas.

The exposé emphasizes the links between Bahamas-based drug runners and both Colombian drug kingpin Carlos Lehder and Cuba-based drug runner Robert Vesco. The *Sunday Times* also reported on the arrest late in the week of Oct. 7 of Nigel Bowe, an associate of Bahamas Prime Minister Sir Lynden Pindling, for alleged involvement in a \$2.2 billion drug-smuggling operation through the Bahamas.

Labor

UAW strikes after rejecting Chrysler plan

After UAW President Ken Bieber, himself a member of the Chrysler board of directors, condemned the economic package Chrysler Corp. presented to union bargainers on Oct. 9 as "woefully inadequate," Chrysler workers "stampeded" out on strike, according to a UPI wire.

Bieber said the offer failed to bring Chrysler workers up to parity with GM and

Ford: Current Chrysler base pay is \$9.62, \$13.23 with cost of living adjustment; GM, \$12.82 and \$13.29; Ford \$12.82 and \$13.29.

The old contract, covering about 70,000 workers, expired on Oct. 15.

The Chrysler proposal was for a three-year contract; the union wanted two-years. The proposal contained no provision to stop "out-sourcing," that is, contracting out work into non-union areas. Workers had demanded a moratorium on plant closings and restraints on out-sourcing.

On Oct. 15, union leaders at Chrysler from around the country were summoned to receive instructions on strike benefits. A contract covering 10,000 Canadian workers also expired on Oct. 15. The Canadians had already halted voluntary overtime to prevent the company from stockpiling.

Chrysler has 46 facilities in 15 states and 6 in Canada. Eight are in Detroit, 11 in other parts of Michigan. Negotiations were resumed on Oct. 18. Pickets went up at all plants Oct. 16, with losses estimated at \$70 million a week to Chrysler. Chrysler had \$20 billion in total sales in 1984, and accounts for 12% of the market. The workers' motto is, "Now it's time to get the gravy instead of Lee Iacocca."

East-West Trade

Fruits of Gorbachov visit revealed

The recent Gorbachov visit to France prouced two signed Franco-Soviet economic deals. The first was a \$50 million contract awarded to the state-owned French auto company, Renault, for machine-tools and robots to modernize the Moskvich car plant near Moscow.

French companies have also been awarded an \$80 million contract to modernize the signal system along the Moscow-Kaliningrad trunk railway.

The rail modernization has important military-logistic implications, since the line forms the bulk of the track connecting Moscow and Russia-Byelorussia with the Lithuanian port of Klaipeda, which will soon be the key Soviet Baltic sea port for supplies destined for East Germany.

Briefly

● **EARL BUTZ**, former U.S. agriculture secretary and presently dean emeritus at Purdue University, said on Oct. 9 that the much-publicized Farm Aid Concert was like "trying to stop empty Lake Michigan with a tea cup." He added that "the farmers' financial condition is no worse than in 1932. . . ." Reassuring?

● **THE SOVIET UNION** sent up six satellites of the Cosmos series simultaneously on Oct. 10. Cosmos 1690 to 1695 were transported by a single rocket.

● **RAJIV GANDHI**, the Indian prime minister, recently attacked the efforts of Indian private industry in technological development: "The record of private industries in India in developing its technology is pathetic. What we are going to stop is rubbishy scientific research which develops products that are easily available in the common market abroad. We are going to develop research which will put India up with advanced nations, and indeed put us ahead in some areas."

● **FIDEL VELAZQUEZ**, head of Mexico's CTM labor confederation, warned Oct. 15 that those who take their money out of Mexico "might have to be characterized as traitors." He was responding to threats from private-sector interests that they will pull more money out of the country, after President de la Madrid's expropriation of urban land in Mexico City. Capital flight reached \$1.5 billion in the first six months this year, one private-sector executive claimed.

● **U.S. BANKS** won a first step into the Japanese market after long negotiations Oct. 15, when the Japanese finance ministry approved Bankers Trust and Morgan Trust operations in Japan. Others are expected to win approval.

FEL beam weapon ready

Charles B. Stevens of the Fusion Energy Foundation reports on breakthroughs making near-term deployment possible.

According to informed sources and recent public statements by Lt.-Gen. James A. Abrahamson, director of President Reagan's anti-missile Strategic Defense Initiative (SDI), breakthroughs at Lawrence Livermore National Laboratory in California have made rapid deployment of the free-electron laser feasible. The first generation free-electron laser (FEL) weapon would be based on the ground and utilize battle mirrors popped up into low Earth orbit to direct the laser beams onto missiles as they rise into space over the Soviet Union. One such laser could destroy hundreds of missiles per second before they leave Russian air space. At the same time, the electron beam accelerator, which powers the FEL, can be used to directly destroy nuclear warheads as they descend on the United States. The FEL also promises to be the most powerful tool yet realized for industrial applications.

Speaking before a delegation of foreign journalists on Sept. 6, General Abrahamson reported that there had been "extraordinary progress" in research on the FEL. "Two years ago there were a very, very few, small laboratory versions of these, and mostly there were ideas on paper," he said. "Now, we have already demonstrated the most efficient laser in the world, operating at 42% [efficiency], at the Lawrence Livermore Laboratory. And as a result of that, we're ready to skip steps. We're ready to skip the intermediate steps and move directly to much larger versions."

The FEL has generally been regarded as the most advanced and versatile laser concept developed since the first laser was fired in 1960. Before the FEL was realized in the early 1970s, lasers were all based on utilizing energy transformations within atoms and molecules, where only a small fraction of the energy used to pump up these atoms and molecules could be extracted as the laser beam. The FEL

utilizes "free electrons," like those seen in the electron beam which generates the picture in ordinary TV sets. As a direct result, the FEL has the potential of achieving greater than 50% efficiencies in operation and the ability to be "tuned" to virtually any wavelength of light output. Furthermore, since the FEL is powered by an electron beam, the FEL power output is determined by the power level of the electron beam (e-beam) input. And e-beam accelerators are a well-known technology with which the highest efficiencies and power levels have been reached.

In the most general terms, the FEL consists of an electron beam and a configuration of magnets. A linear electron beam consisting of electrons traveling at near the speed of light are directed through a chamber surrounded by the magnets. The magnetic field causes the electrons to follow a spiral trajectory. This spiraling, or "wiggling," of the electrons causes them to emit electromagnetic radiation—light. The magnet configuration for the FEL is therefore often called the "wiggler."

The spacing of the magnets and the strength of the magnetic field, together with the velocity of the electrons in the beam, determine the physical dimensions of the wiggler spiral. It can be shown that, just as the size of an antenna will determine the wavelength of electromagnetic radiation emitted, the "wavelength" of the e-beam spiral—that is, the physical dimension of the wiggler spiral—will determine the wavelength of the light emitted by an electron beam passing through a wiggler.

But in order for the FEL to achieve actual lasing—all of the electrons emitting the same wavelength in unison such that the net result is a coherent beam of light—at short wavelengths, two other relativistic phenomena must occur.

First, conventional magnet technology would appear to limit wiggler spacings to, at least, a few centimeters. Thus, electromagnetic wavelengths would be limited to centimeters when those desired are tens of thousands of times shorter, in the micron and submicron range. But because the electrons are traveling very close to the speed of light, their radiation output undergoes a double "Doppler" shift to shorter wavelengths. In ordinary phenomena, a Doppler shift is seen, for example, when the whistle of a train moving toward a stationary observer appears to have a higher frequency (shorter wavelength) than when the train were moving away. In the relativistic case, where objects moving near the speed of light are involved, the radiation output of the electrons will be shifted to shorter wavelengths also. A second Doppler shift also occurs with regard to the wiggler spacing. For the electron moving at near the speed of light, the spacing between the wiggler magnets appears to be shortened. As a direct result, the radiation output of the electron undergoes a second Doppler shift to shorter wavelengths.

Secondly, if the electrons within the beam were to remain evenly spaced, no net radiation would be emitted within the wiggler. This is because some electrons would be absorbing radiation at the same time that others were emitting. What actually happens is that the electrons undergo a self-focusing process within the wiggler magnetic field, and form into discrete bunches. This bunching of the electrons involves highly non-linear hydroelectrodynamic processes. The direct result is that the bunched electrons radiate in unison so that a net radiation output is achieved.

From this point on, there are two general paths that can be followed in the development of the FEL. In the first case, semi-transparent mirrors can be placed at either end of the wiggler chamber so that the laser radiation is reflected back and forth (an oscillating cavity), and energy is slowly extracted from the continuously recycled electron beam. As in a conventional laser, the pulse escapes the oscillating cavity through the semi-transparent mirrors when it reaches a preset energy level. The second approach is to simply use the wiggler chamber as a single-pass laser amplifier. In this case, a light pulse from an ordinary laser, tuned to the correct wavelength, is passed through the wiggler simultaneously with the electron beam. The laser pulse grows through extracting the energy of the electron beam via its radiation. The first approach is being pursued with significant success at Los Alamos National Lab in New Mexico. The FEL laser-amplifier approach is that being developed by Lawrence Livermore National Lab.

Two breakthroughs

According to informed sources, two recent experimental breakthroughs have catapulted the Livermore FEL laser amplifier approach decades ahead of previous schedules: 1) demonstration of efficient FEL extraction (42%) with a tapered wiggler magnet on the Livermore Experimental Test Accelerator (ETA); 2) laser-produced electrostatic plasma

channel guiding and focusing both within the electron beam accelerator and through gases external to it. These breakthroughs, combined with successful experiments on the larger Advanced Test Accelerator (ATA) Livermore facility scheduled for early next year, mean that construction of a full-scale, ground-based, FEL anti-missile beam weapon could begin immediately, as indicated by General Abrahamson.

Tapered wigglers

As noted above, the pure FEL laser approach is based on the slow extraction of e-beam energy within an oscillating cavity. The FEL laser amplifier approach being pursued at Lawrence Livermore involves extraction in a single pass. Therefore, in this case, extraction efficiency must be very high. Because of this requirement, the FEL laser amplifier must utilize a tapered wiggler as explained below.

The wavelength of FEL output is doubly determined, through the double Doppler shift, by the energy of the e-beam. The energy of the electrons is proportional to the electron's velocity squared. The wavelength output is also directly determined by the wiggler magnetic spacing. As the energy of the e-beam is decreased, its wavelength output would increase. This is a major problem in the FEL amplifier mode since a significant fraction of the e-beam's energy must be extracted during a single pass.

The solution is to compensate for the energy-dependent shift to longer wavelengths by progressively shortening the spacing of the magnetic wiggler within the FEL chamber. Thus, the magnetic wiggler for an FEL single-pass amplifier must be tapered such that the wiggler spacing decreases throughout the length of the FEL chamber.

Experimental demonstration of an FEL tapered wiggler has long been identified as the most important step needed for making weapon-scale FEL technology feasible. According to General Abrahamson's remarks and informed sources, the ETA facility at Livermore has accomplished this with a 42% efficiency: that is, 42% of the input e-beam energy was extracted with a tapered wiggler and output as laser light. Given that the e-beam is generated with over a 50% efficiency from input electricity, the overall FEL system efficiency demonstrated on ETA is on the order of 21%. This is in the upper range of efficiencies projected by FEL laser-amplifier designers as needed for feasible weapon systems.

Electrostatic channeling

Earlier this year, scientists working the Livermore ATA achieved the most significant e-beam technology breakthrough in the laser five decades. Using a small excimer laser, they were able to generate a cylindrical plasma-channel within the ATA. This plasma channel produced better beam focusing than that normally produced by the ATA's guiding magnetic fields, which were turned off during the experiments. (The actual cost of the excimer laser was less than the monthly electric bill incurred for the guide magnets.)

Most significantly, the laser-produced plasma channel method of beam focusing and guiding demonstrated that beam currents hundreds of times greater than those based on magnetic guiding could usefully be accelerated with linear induction accelerator (linac) technology. In terms of FEL operation, the electrostatic guiding method produced higher quality electron beams. That is, the e-beam output was better focused with less overall divergence and beam oscillations. Such high quality, bright e-beams are essential to achieving efficient FEL operation.

In experiments at both Lawrence Livermore and Los Alamos, it has been shown that these same laser-generated electrostatic plasma-channels can be utilized to guide and focus e-beams through gases outside the accelerator. The plasma channel will even focus misguided beams onto the path determined by the plasma channel, and will simultaneously exclude any effects of external magnetic fields, such as that of the Earth.

Stand alone e-beams

While electrostatic channeling has revolutionized e-beam technology for FEL applications, the same breakthrough has also made stand-alone e-beams more feasible as anti-missile beam weapons. The breakthrough has applications over a wide range of possible beam-weapon missions and technologies.

First of all, the same e-beam which would power an FEL could alternatively be utilized to destroy nuclear warheads as they descend over the United States at a rate of 1,000 per second. Unlike the intercontinental range of the FEL, this alternative application of the e-beam would only function within a radius of several hundred miles. Therefore, the e-beam would constitute a point-defense system. But it would be quite effective in such a mode of operation, since high-energy electron beams can be tuned to penetrate the interior of nuclear warheads. The result is that the warhead can be incapacitated through destruction of its electronic nervous system with orders of magnitude less energy deposited than is otherwise needed for assured kills with laser energy deposition on the surface of the warhead.

Second, combining electrostatic channeling with compact e-beam technology, such as that being demonstrated with the advanced betatron, the system could be popped up into near space for intercepting warheads over the Arctic. Given the much lower energy kill requirements for e-beams, such space-based systems could operate at much lower power levels than that of ground-based FEL e-beams. But they would have upwards of 20 minutes to achieve warhead intercept, since that is the average transit time for the missile across the Arctic.

Third, compact e-beams can also be deployed on ships and tanks for intercepting tactical missiles. The extremely high firing rates—thousands of shots per second—and high lethality of penetrating electron beams, combined with the ease by which they can be retargeted, mean that hundreds of

tactical missiles could be destroyed within less than a second at extremely short ranges.

The linear induction ETA produces an e-beam with 4.5 million volts energy and a 40-nanosecond (nanosecond = one-billionth of a second) pulsed current level of 10 kiloamps. Its maximum pulse rate is 1,000 bursts per second, which can be achieved every 200 seconds, or in other words, at an average rate of 5 per second. Previous to the electrostatic channeling breakthrough, ATA represented the technological frontier for high-power linacs. It produces a 50 million volt, 10-kiloamp electron beam with a 70-nanosecond pulse length with the same burst rate as ETA.

Based on public scientific reports, the technology now exists for construction of linacs with beam currents ranging from 100 to 1,000 kiloamps and voltages ranging from 10 million to 100 million volts. Such an accelerator would produce 1,000 e-beam pulses within one second. Each of the thousand e-beam bursts would have a pulse length of less than 70 nanoseconds and a total energy level of 3.5 million joules. The pulse power level would then be 50 trillion watts. The average total kilohertz second-burst power level would be 3.5 billion watts and the average operating power level would be 70 megawatts. Maximum kiloburst outputs could be generated every 50 seconds. Therefore, with a 42% FEL extraction efficiency, the system could deliver 1,000 multi-megajoule laser pulses within one second and could repeat this output every 50 seconds.

The ground-based FEL beam weapon system would utilize orbiting transfer and battle mirrors several meters in diameter to direct the multi-megajoule laser pulses onto missiles as they are launched, from anywhere on Earth. Some of these mirrors could be pre-deployed in orbit or popped up after initial detection of the launch.

Because the FEL amplifier can be tuned to any input laser wavelength, those wavelengths which would achieve most efficient propagation through the Earth's atmosphere on a given day could be chosen. The low energy laser input could be generated by existing types of excimer lasers and shifted to most efficient wavelength with Raman phase conjugation cells currently in operation. High efficiency for transiting the atmosphere has already been demonstrated in this manner. Sending a series of shortly spaced pulses will further increase propagation efficiency.

Versatile operation

Given the high-energy and short-wavelength output of the FEL, combined with the capability of the e-beam to intercept descending missiles in a point defense mode, the ground-based FEL would be quite versatile and robust as a missile defense system. A single FEL beam weapon would be capable of intercepting 24,000 missiles and warheads at all phases of their trajectories within a 20-minute time span. For example, working with small, orbital mirrors three-meters in diameter operating at ranges greater than 5,000 miles, a single FEL could deliver within a few minutes 3,000 lethal

pulses at energy deposition levels greater than 10,000 joules per square centimeter—far greater than that needed to destroy any currently conceivable type of missile booster.

During the following 15 minutes, the same FEL/mirror configuration could generate, at 500-mile mirror fighting ranges, 20,000 lethal pulses with energy deposition levels greater than several hundred thousand joules per square centimeter—in the range needed for punching through warhead re-entry vehicles. Finally, within a radius of several hundred miles of the FEL itself, the e-beam could disable up to 1,000 descending warheads within as little as one second. In other words, a single FEL prototype could be capable of intercepting the entire Soviet ballistic missile inventory, even if all were launched simultaneously in a single salvo.

The ground-based FEL would cost in the range of several billion dollars and the orbiting and pop-up mirrors on the order of \$10 billion. But the mirror configuration would be capable of efficiently servicing upwards of 50 ground-based FELs with a resulting 50-fold increase in fire power.

Industrial applications

Besides the wide range of alternative military applications of FELs—communications, radar, and beam weapons—they have the potential of revolutionizing all phases of industrial economy. FELs offer several potential advantages over conventional lasers. These include continuous tunability, high efficiency, high power, high beam quality, and low cost. Wavelength tuning is achieved through varying the e-beam energy and/or the wiggler spacing and magnetic-field strength. Wavelengths from the millimeter through to the ultraviolet have been experimentally demonstrated. High overall efficiency, up to 50% or more, can be achieved utilizing tapered wigglers' collective effects and by recovering the energy of the electrons emerging from the FEL. High power is possible because high-power e-beam accelerator technology has been demonstrated and in use for decades. By avoiding a gaseous or solid medium with its associated inhomogeneities and self-focusing properties, good optical-beam quality can be attained. Also, the flow system and pump power are avoided. Finally, low capital and operating costs should be possible. Because the capital cost of large lasers is driven by the power supply and cooling costs, which vary in proportion to the input power, high efficiency should make possible substantial reductions in capital costs per output watt. For example, studies at Los Alamos have projected FEL capital costs on the order of \$50 per watt of output.

Given the high efficiency of the FEL and the demonstrated high reliability of electron beam accelerator technology upon which it is based, low operating costs are projected. When the projected costs of amortization and operation are added together, the result is a cost of a few cents per mole of photons at visible wavelengths. (One mole of visible photons should be able to initiate one mole of chemical reactions. One mole of water weighs 18 grams, for example.)

FEL applications already being considered range from

industrial processing, such as welding, metalworking, and chemical processing. Especially for the case of the chemical industry, the tunability and high efficiency and power level of the FEL shows great promise.

The accompanying charts shows the cost versus consumption of various chemicals. The projected cost of photons for rare gas halide (RGH) and free-electron lasers is also shown. It is presumed that only one product molecule of molecular weight 100 is generated per input laser photon.

The cost per pound for photons is projected on the basis of one near ultraviolet photon for each product molecule, presumed to have a molecular weight of 100. From this chart it is apparent that all but the cheapest chemicals would be economically accessible to FEL laser photochemical processing. But this is an underestimate, since properly tuned, single laser photons should be capable of initiating chain reactions producing many product molecules. This leveraging will reduce projected costs many-fold, well below those shown in Figure 1.

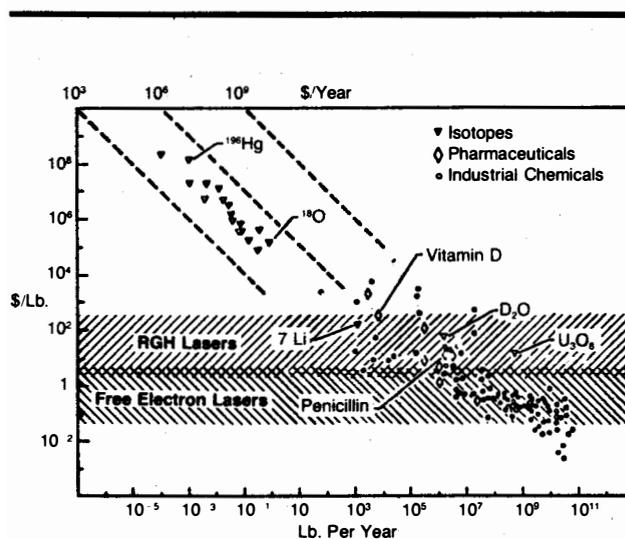


Chart showing cost vs. consumption of chemicals together with projected cost of photons from rare gas halide (RGH) and free electron lasers. One photon is presumed to be required for each product molecule of molecular weight 100.

Existing examples of such leveraging processes are: 1) laser purification of feedstocks in which removal of a few impurities from many product molecules greatly reduces overall costs; 2) laser cross-linking of polymers.

Probably the most revolutionary implication of the FEL for photochemistry will be the possibility of molecular engineering. Given the tunability and high selectivity of the FEL, it will now become practical to efficiently engineer the production of molecules that otherwise would be impossible to generate on a large scale. This capability promises to completely transform the pharmaceutical industry, in particular.

Path to an efficient x-ray laser beam weapon has been found

Breakthroughs are imminent in work being done at the University of Chicago. By Charles B. Stevens.

Researchers working under the direction of Dr. Charles K. Rhodes at the University of Illinois in Chicago are on the verge of demonstrating that efficient, non-nuclear x-ray lasers are feasible. Word of this pending breakthrough is presented in a paper by Dr. Rhodes, appearing in the Sept. 27, 1985 issue of *Science*. This development will revolutionize every field of scientific research and industrial technology and immediately catapult beam weapon missile defense capabilities decades ahead of previous projections.

The experimental basis for this new approach to x-ray lasing, as detailed by Dr. Rhodes in his *Science* presentation, is already quite extensive. Experiments now in process could provide full feasibility demonstration in the immediate future, according to leading scientists at the Pentagon's Strategic Defense Initiative Office (SDIO). One result will be the realization of x-ray lasers (xrasers for short) with operating efficiencies millions to billions of times greater than that seen in existing models. Combined with the recent breakthroughs at Lawrence Livermore National Laboratory in California on the development of plasma refractive optics for focusing powerful xraser beams, the Rhodes work can lead directly to a non-nuclear xraser, multi-burst beam weapon capable of causing the nuclear disintegration of offensive missiles. If used in conjunction with nuclear explosives, the new approach could lead to the realization of single burst nuclear powered xraser devices capable of producing tens of thousands of simultaneous xraser pulses, each capable of destroying an offensive nuclear-tipped missile.

'Multiphoton ionization of atoms'

In his *Science* report with the above title, Dr. Rhodes notes that: "Historically, the initial discussions of coherent generation in the x-ray range and nonlinear atomic emission and absorption all appeared more than 20 years ago in entirely independent circumstances. Recently, however, these two areas of inquiry have become strongly linked, and it now appears that the achievement of the former may depend, at

least in one possible representation, on certain basic properties of the latter."

Dr. Rhodes goes on to review scores of experiments in which an unexpected, multiphoton (a photon is a quantum of light energy) process of radiation absorption was demonstrated.

Most lasers are based on pumping energy into a gas or solid medium with the result that some of the atoms or molecules of this medium are driven into an excited state. Lasing occurs when these excited atoms are stimulated to relax to an unexcited ground state. Each excited atom will emit a light photon of the same wavelength and, since it is precisely the nearby passage of such a wavelength of light which will stimulate an excited atom to emit, the net result is that the excited medium will emit photons all in step—coherently.

The atomic excitation process involves raising the energy of a specific atomic electron. The outer atomic electrons have the lowest energy levels and produce the longest light wavelengths. Therefore, to proceed to shorter wavelengths, such as those of x-rays, higher energy inner electrons must be pumped up. But the problem with this is that any energy input which would pump up inner electrons, would generally first be parasitically absorbed by the outer electrons. Therefore, any xraser pumping scheme would have to be extremely inefficient, if possible at all.

Rhodes reports on experiments in which the pump energy input is indeed absorbed by the outer atomic electrons. But, these pumped up outer electrons then proceed to collectively excite a much higher energy inner electron. As Rhodes emphasizes, his experimental results contradict all existing theoretical models of atomic processes on two counts: 1) the efficient way in which the outer electrons absorb large amounts of input radiation; 2) the efficient manner in which these outer electrons collectively transfer their energy to a single inner electron.

The Rhodes experiments appear to be producing a new state of matter which is similar in some regards to what is

currently only found in collisions between high energy accelerated particles.

Dr. Rhodes has found in his experiments that high power incident optical laser light is non-linearly absorbed by atoms. The atom, in effect, acts like an electron accelerator. The intense electric field of the incident optical laser beam causes the electrons in the outer shell of the atom to become highly accelerated. This is similar to the action of the transformer on the plasma in a tokamak. The transformer induces a large electrical current in the donut shaped tokamak plasma. Rhodes is getting the same result, but on an atomic scale with resulting gigantic electric current densities.

In point of fact the Rhodes research may be unlocking the connection between non-linear processes seen in high density plasma pinches and those found within the atom. In a word, the dawn of the "atomic pinch" may be at hand. Indications of this development have already been seen in plasma focus experiments carried out at the Stevens Institute in New Jersey and the MAN company in West Germany, and in the theoretical work of the Soviet scientist Meievich. Besides revolutionizing every aspect of basic physics, such a development could have immense technological applications. For example, the ability to produce nuclear densities and therefore nuclear energy at will with miniscule and crude energy inputs; the ability to produce particle accelerators which measure only a few centimeters in length, but which produce the same outputs as those currently projected as needing 100 mile dimensions.

Immediate applications

The practical implications of the Rhodes experiments are immense. First of all, as Rhodes notes, a one kilovolt x-ray laser with a 1% pump efficiency could be immediately developed. Furthermore, the pump input could be as little as a few joule excimer laser, making the total cost of the x-raser quite small. As Rhodes notes: "A spectrally bright source of radiation in the x-ray region would be unsurpassed in its ability to microvisualize condensed matter. There is little doubt that major areas of application would include basic materials research, microelectronics, biology, and, indeed, any field that requires structural information of solid matter on an atomic scale." Rhodes's approach could make the x-raser accessible to every university and major private research facility.

With regard to these scientific and industrial applications of x-rasers, the Rhodes approach is particularly exciting since it could lead to x-rasers over a wide range of x-ray wavelengths with a high quality optical output, given the "control on the energy transfer."

Among the more immediate specific applications would be x-raser microholography in which moving pictures of biological and chemical processes could be made on a subatomic scale within a temporal resolution of one trillionth of a second

or less. Besides leading to the development of entirely new materials for computing chips, x-rasers could immediately increase the computing power of chips a million-fold with no increase in cost. A million fold increase in productivity in this one industry! (The greater resolution of x-raser "printing" would immediately reduce the scale of existing types of electronic elements by as much as a factor of 10—since greater coherence of x-rasers reduces the scale of shadow [umbra] effects sufficient to permit the use of printing-resists with a substantial physical standoff. This would increase production per resist by factors of 100 or more. And this in turn, because of the increase in reliability, could be translated into increase of chip size by the same factor. The net result is an increase

If used in conjunction with nuclear explosives, the new approach could lead to the realization of single-burst nuclear-powered x-raser devices capable of producing tens of thousands of simultaneous x-raser pulses, each capable of destroying an offensive nuclear-tipped missile.

in chip linear dimension by a factor of 1000, or a computing capacity increase of one million, since this varies with the area of the chip.)

Weapon applications

In the first place, the Rhodes approach leads to an increase in laser efficiency over existing ones by a factor of one million to one billion. Theoretically, this means that if a x-raser device could produce 20 lethal beams before, it could now develop 20 million such pulses in a single burst. Actually, other considerations, such as optics and geometry of laser distribution around the energy source, delimit this improvement to the range of 100 to 10,000. But still, the potential improvement represents an astounding increase in firepower. A single device, launched on a single missile and costing a few million dollars, theoretically has the potential of destroying the entire inventory of Soviet missiles and warheads costing hundreds of billions of dollars!

Most significantly, the Rhodes breakthrough means that efficient x-rasers can be built to virtually any scale and wavelength up to a kilovolt. This immediately means that effective x-rasers no longer have to be based on explosives of any kind. And systems that can be easily refired are quite feasible. For

example, high repetition rate xasers could be powered by existing types of excimer lasers, which have demonstrated re-fire rates of a thousand single pulse bursts per second. Other single burst varieties could be powered by small chemical explosive charges.

The net result is that xasers could be deployed on the battlefield to provide a robust defense against the entire range of offensive munitions—missiles, aircraft, rockets, artillery shells etc.

Contrary to the claims of missile defense critics, it is not impossible to utilize xaser beams within the atmosphere. In the first place, the physics of high power-density xaser beams is only just now beginning to be explored in great secrecy. Indications, though, do exist that concepts have been developed for achieving atmospheric propagation of xaser beams. And it should be remembered that it was only a few months ago that SDI critics claimed that it was fundamentally impossible to shoot charged particle beams on a straight path through any part of the atmosphere. Now, scientists at both Los Alamos and Livermore have experimentally demonstrated that this can be done through the upper part of the atmosphere—the point being that methods could be developed for basing xasers on the ground for defense against anything that moves.

As a weapon the xaser has a virtually unlimited fire-power capability, though at the same time it is highly selective and not a weapon capable of mass destruction. To be utilized effectively the xaser must be focused down to very small areas—a few square meters at most and millimeters in most cases. Therefore it is only capable of destroying specific targets. But within that limitation the xaser is all-powerful.

The primary means of target destruction with the xaser is that of shock kill where the powerful x-ray pulse produces a shock wave on the surface of the target which punches a hole through it. But the xaser pulse is also capable of producing more complicated types of electronic kills at even very low power levels of beam deposition, such as system generated electromagnetic pulses. At the other end of the scale, highly focused xaser beams can produce nuclear disintegration of the target, even before the shock wave has time to punch a hole through it.

In this case the high power beam is deposited within an extremely thin micron layer of the target surface. Because the x-rays knock out electrons from this layer, this leads to the generation of huge electric fields within this layer. And the electric field accelerates ions within the layer to energies otherwise only produced in charged particle accelerators several miles long. (There already exist designs for miniature high energy particle accelerators based on xasers.) These charged particles are capable of penetrating deep within the target and generating showers of nuclear reactions. Electronics, nuclear fuels and chemical explosives are particularly vulnerable to high energy charged particles. As a result, nuclear disintegration can be the most efficient and effective means to disable military hardware and weapons.

Japan moves to fusion forefront

by Charles B. Stevens

As I reported in *EIR*'s Oct. 4 issue, there is no barrier to achieving fusion power as an industrial source of energy, except money. The Reagan administration has cut the budget for inertial confinement fusion by 50%, despite criticism by the National Academy of Sciences.

Despite the excellent record of the program in achieving its technical goals, the program suffers under the restriction of being classified top secret; and, because of congressional chiseling on the budget for the Strategic Defense Initiative, funds are being vacuumed into that program from every other ongoing program.

This has also affected the magnetic fusion program, which is on the verge of significant breakthrough. Over the past two years, magnetic fusion has seen the initiation of reactor-scale experiments, such as the Princeton TFTR, the Japanese JT-60, and the European JET. The Alcator C at MIT has demonstrated the plasma-density/energy-confinement product needed for net energy generation. Confinements of hot fusion plasmas by magnetic fields has been improved by a factor of 10.

This notwithstanding, an adequately funded laser (inertial-confinement) fusion program probably offers the greatest chance for breakthrough at this time.

Laser fusion energy

Ironically, the other great handicap of the program identified by the National Academy of Sciences, the restrictions due to top-secret classification, appear to have little point, since the Japanese inertial-confinement program is a parallel program that is entirely open.

In laser, or inertial confinement fusion, the laser focuses intense pulses of radiation upon minute target-pellets of hydrogen. There are two basic approaches to depositing energy on the target. One deposits the beam energy directly upon the target surface. This leads to what is called an ablative implosion, which compresses the target.

In the other, the energy is deposited within a chamber, where it is converted into higher frequency forms of energy such as x-rays. The target is then caused to implode, indirectly, by the emission of these x-rays. While possibly necessitating greater amounts of total beam energy, the indi-

rect-drive approach has been credited with having better characteristics in terms of producing compression.

For net energy generation, the total energy invested in running the laser, the laser pulse, etc., must be more than matched by the total fusion energy output. Generally, this output is measured as laser fusion gain. That gain is the ratio of the fusion energy output to the laser energy input. Implosions of fusion fuels which are symmetric and isentropic appear to have greater hydrodynamic efficiencies. This method is favored by the Japanese.

The Japanese program

In the United States, the Los Alamos laboratory's Antares carbon-dioxide laser fusion research program has been cut off from funding, bringing CO₂ laser fusion research to an apparently abrupt halt—at least in the public domain. Many U.S. scientists have suggested that CO₂ lasers could overcome certain disadvantages by switching from direct to indirect drive configurations. But the only program known to be carrying out such an effort now, is that of the Institute for Laser Engineering at Osaka University in Japan.

One practical configuration for indirect drive is the Osaka Cannonball design. Laser beams are directed through small openings in a hollow chamber. The laser light thus becomes trapped within the chamber. The fusion target to be imploded is placed at the center of the chamber.

This configuration has several general advantages over direct drive ablation targets. High absorption and high hydrodynamic efficiency can be achieved because of the confinement of the energy in the cavity. High uniformity in implosion of the fusion fuel is also attained since the multiple-reflection effect of the trapped laser light between the fuel target surface and the inner wall of the Cannonball leads to a smooth distribution of laser energy within the cavity.

The problem found with the relatively long wave-length CO₂ laser at Los Alamos laboratory, where the direct drive configuration was used, should not present itself with the Cannonball. With direct drive, what are called superthermal, extremely "hot" electrons are generated. These can penetrate into the interior of the fusion fuel. When this occurs, the target is preheated and it is impossible to compress it isentropically to the high densities needed to produce fusion. The Cannonball provides the means of controlling the hot electron spectrum through the design of its cavity structure.

Experiments which are reported to have taken place in Osaka on the LEKKO II CO₂ laser, utilized planar Cannonball targets. Single-sided irradiation of the planar target was effected with 30 to 100 joule nanosecond or less laser pulses. The focal spot size was 180 microns in diameter. The beam was directed at an angle of 27 degrees with respect to the normal of the planar target.

In this test, the planar targets did not contain fusion fuel pellets. Each target consisted of three parts, a front disk to act as a tamper, a cavity wall, and a rear foil. The foil corre-

Despite the excellent record of the U.S. fusion program in achieving its technical goals, because of congressional chiseling on the Strategic Defense Initiative, funds are being vacuumed into that program from every other, including fusion. The program also suffers under a top-secret classification, which has no point: Japan's parallel program is entirely open.

sponds to the pusher on a fusion fuel target, which would otherwise be within the interior of the Cannonball.

The hole in the front disk had a diameter of 400 microns through which the laser light was directed. A hollow aluminum cylinder formed the Cannonball cavity. Aluminum was also used for the rear, a two-micron thick foil. The front disks were varied, using in one case ten-micron thick gold, in another ten-micron thick gold with two-micron thick aluminum on its inner surface and, lastly, a nickel wire net. The laser intensity was about 10¹⁴ watts per square centimeter.

A two-micron, single aluminum foil was also used for purposes of comparison of the Cannonball with a conventional ablative target. The Cannonball target was found to have good laser energy absorption—above 50%—and a high hydrodynamic efficiency in the range of 16%. The numbers of hot electrons emitted from the rear of the first type of Cannonball target were found to be less than those seen in the single-foil ablative target. This tendency was even more noticeable for the second type.

Overall, the energetic hot electrons are mainly absorbed by the Cannonball cavity wall. Their energy is thus converted into plasma generation and heating, which then effectively drives the implosive acceleration of the inner surface representing the fuel target surface in this experiment. Furthermore, low energy hot electrons in the cavity also become useful in driving the implosion of the inner surface.

It was found that the formation of the cavity structure of a plane foil can modify the energy distribution of the hot electrons. This modification of the hot-electron spectrum appears to depend on the cavity materials and geometry. Therefore, proper design of spherical Cannonballs can suppress the hot-electron preheating of pellet fusion fuel otherwise seen in direct-drive, long-wavelength laser fusion.

These experiments are a major step forward, opening up the possibility of the industrial use of fusion power in the near future.

The Soviets are covering up the deadly AIDS pandemic

by Warren J. Hamerman

For most of this year, high officials of the U.S. government have systematically rejected *Executive Intelligence Review's* attempts to raise the national security implications of the global AIDS pandemic and declare a full-scale War on AIDS.

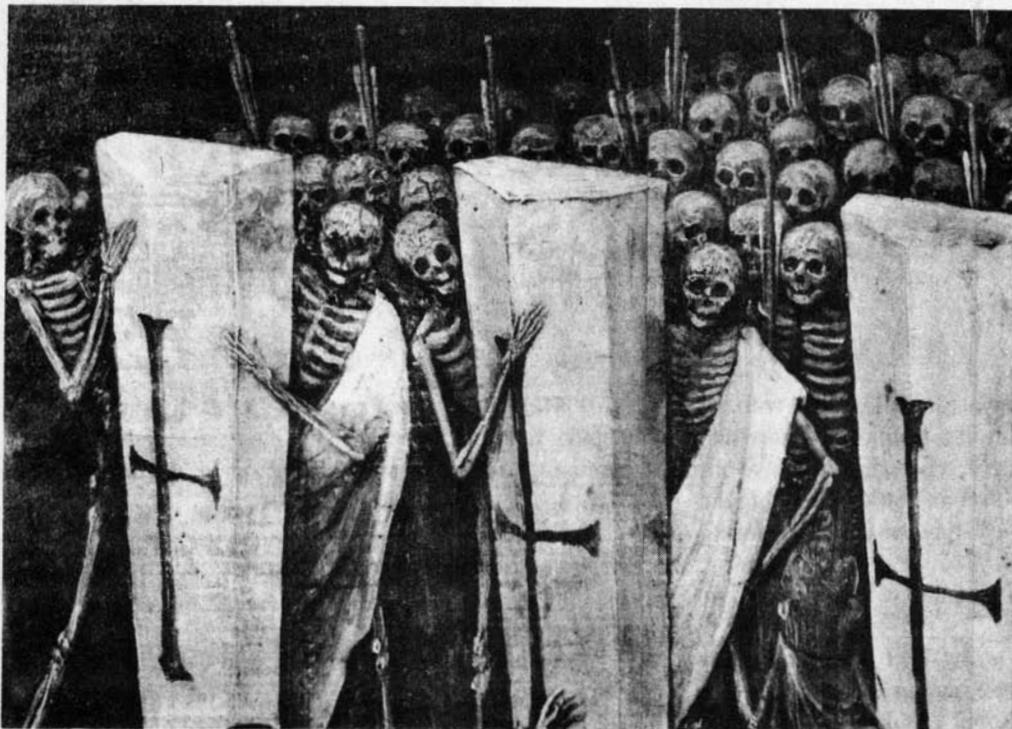
In my capacity as Director of the *EIR's* Biological Holocaust Task Force, for example, I received a letter dated Aug. 27, 1985 from Dr. James O. Mason, the Director of the Atlanta Centers for Disease Control and the Acting Assistant Secretary of Health of the United States. In his letter, Dr. Mason stated:

"We also cannot agree with your conclusion that the national security is threatened by the diseases and conditions which your report discusses. Many of them could be threats if we do not maintain adequate surveillance, necessary expertise, continued research and control efforts, and an adequate standard of living. We are optimistic, however, that these are securely in place in this country and that we will continue to make advances toward protecting mankind against the diseases you discussed. We also have more confidence than you express in the multinational efforts through the World Health Organization, although we recognize that there is much to be done in the coming years for the good of mankind."

At the time he wrote that letter, Dr. Mason *knew or should have known* the following facts contained in this special package.

Soviet control of WHO

The Soviet Union controls all the critical command positions in the precise institution which has coordinated and is at this very moment coordinating the statements, policies, and actions of the world's governments on the deadly AIDS pandemic—namely, the World Health Organization (WHO) based in Geneva, Switzerland. The entire chain of command within the WHO responsible for AIDS surveillance programs and information is under explicit Warsaw Pact Command. **Dr. Sergei K. Litvinov** is the Assistant Director General of WHO, a current high official in the Soviet Federal Ministry of Health and a Soviet-trained specialist in the epidemiology of African diseases; in his official capacity at the WHO, Litvinov is in full command of all principal divisions and sub-divisions for the surveillance,



Detail from Bruegel's The Triumph of Death

control, and supposed prevention of virtually every deadly disease known to man, including: AIDS, tuberculosis, malaria, smallpox, leprosy, venereal diseases, diarrheal diseases such as cholera, parasitic diseases, and viral diseases.

T.A. Bektimirov is the head of the WHO Virus Diseases Sub-Division which coordinates all operational medical questions on AIDS globally. Bektimirov is a Soviet-trained specialist who also functions as a special deputy to Litvinov. The so-called AIDS Task Force of the WHO under Dr. F. Assad—the man most American scientists think of as the “WHO coordinator of AIDS”—actually works under the Russian Bektimirov, who reports to Litvinov, who reports to the Communist Party Central Committee through his superior in the Soviet Health Ministry, Dr. Chazov.

Dr. Yevgenii Chazov, Litvinov's superior in the Soviet chain of command, is not only the Soviet Deputy Minister of Health, but also the personal physician of all recent Soviet heads of state, and a member of the Central Committee. He has just been named co-winner of the Nobel Peace Prize in his capacity as co-founder of the International Physicians for the Prevention of Nuclear War (IPPNW). When the announcement was made, Chazov himself was at Geneva WHO offices, in discussions on how to utilize the WHO even more effectively to promote the aims of the IPPNW.

Rakhim M. Khaitov is the deputy director of the Immunology Institute in Moscow and has travelled to the Centers for Disease Control (CDC) in Atlanta, Georgia and been actively engaged in the recent period in disseminating deliberate disinformation on the nature of AIDS.

Dr. Boris Labin of the Sukhumi Primate Center in the

Soviet Union is engaged in joint AIDS and SAIDS (Simian Acquired Immune Deficiency Syndrome) research projects with the Yerkes Primate Center in Atlanta, Georgia, which projects are now under investigation. Other Soviet research disinformation has revolved around **Professor Ivanovskii** of the Soviet Institute for Virus Research, and others.

WHO control of CDC

Numerous professional scientists in this nation and around the world have stated in private, and increasingly, in public, that they are “astonished,” “astounded,” and “upset” by the radical and irresponsible position taken by Atlanta CDC and other government institutions on the subject of AIDS. Private citizens have been angered by the preposterous hostility of the CDC to Public Health measures against AIDS, et al., while the disease continues to rage out of control.

In its own brochure, the Centers for Disease Control states the following about its relationship to the WHO:

“On the international front, CDC works with governments of other nations and with the World Health Organization (WHO) to help control diseases before they can spread from one country to another.”

Too much time has been wasted in the face of an urgent need for a full-scale Public Health Emergency Program against AIDS. The lethal pandemic is infecting tens of millions in the West, while the Soviets chortle that they have no native-born AIDS cases. We now know why *EIR's* requests for national security action have been rejected. The Soviets have been running the global command and control of all AIDS policies through WHO. How convenient.

Dr. Litvinov and Co. at the WHO: How Soviets run AIDS policy

by Mark Bördman

Medical experts, not themselves integrally involved with the World Health Organization, but in a position to know that organization's activities intimately, report that they have observed a continually growing power and influence within the WHO of Soviet and Soviet fellow-traveler networks during the past 5-10 years.

EIR investigations indicate that this is indeed the case, and is a cause for alarm.

The Russians and their Warsaw Pact satellites have a stranglehold over "nodal points" within the world health community, via direct control over certain important divisions within the WHO. Their control is magnified by the extensive influence in, if not actual policy-control over, the WHO by influentials from the Geneva-based "Pugwash" organization, the central appeaser group in the West.

The most extraordinary, and dangerous, case of direct Soviet control over international health policy, including policy on AIDS, is that of Dr. Sergei Litvinov, one of the WHO's six assistant director-generals.

In Dr. Litvinov's department are located the following components of the WHO:

- **The Division of Communicable Disease:** It is through this division, headed by the Egyptian Dr. Assad, that Litvinov effectively operates as the "plenipotentiary" over the flow of information and direction of policy for AIDS, internationally; his underling, Assad, is the head of a "WHO Task Force on AIDS," formed in late September 1985. Also in this Division are located the following programs: Smallpox Eradication; Tuberculosis and Respiratory Infections; Leprosy; Bacterial and Venereal Infections; Virus Diseases; Special Program on Safety Measures in Microbiology; Program for the Prevention of Blindness; Veterinary Public Health; and Immunology.

Special attention should be drawn to two divisions: "Virus Diseases," which, according to WHO sources, has special responsibility for monitoring, on a day-to-day operational/medical front, the AIDS epidemic threat; and the "Smallpox Eradication Program." The head of the former, T. A. Bektimirov, is also a Russian. And, since March 1985, the Smallpox Eradication Program has been under the direction of the Czech Dr. Jezek. This should be a matter of special concern to the West (see box).

- **Malaria Action Program:** In this division, subunits include: Epidemiological Methodology and Evaluation; Programming and Training; and Research and Technical Intelligence.

- **Diarrheal Diseases.**

- **Parasitic Diseases Program:** In this division, subunits include: Filariasis Infections; Schistosomiasis and other Helminthic Infections; and

- **Division of Vector Biology and Control:** In this division, subunits include: Pesticide Development and Sale Use; Ecology and Control of Vectors; and Equipment, Planning and Operations.

- **Expanded Program in Immunization.**

Litvinov assumed the post of WHO assistant director-general in February 1983; this coincides with the period in which AIDS began to be recognized as a great danger in certain Western countries, particularly the United States. Before assuming the post, Dr. Litvinov had been with the External Affairs bureau of the Soviet Federal Ministry of Health, and is still an official of that Ministry. He had earlier worked in Africa on disease-eradication programs, in cooperation with U.S. State Department and British Commonwealth-linked officials involved in U.S. and European programs for "population control" in Africa.

As AIDS plenipotentiary, Litvinov, together with WHO director-general Dr. Halfdan von Mahler and Dr. Assad, defines the policy-orientation for "WHO Collaborating Centers on AIDS," set up in 1984, in West Germany, France, Australia, Japan, and the United States, with prospective new centers to be established in Ibero-America (probably Brazil), Africa, the Indian Subcontinent, and the U.S.S.R. These centers have powerful influence on AIDS policy in different nations, including the capability of blackmailing honest health officials who are trying to warn about the true dimensions of the AIDS threat. In the United States, for example, the Atlanta Centers for Disease Control has willfully spread misinformation downplaying the AIDS threat, and has pressured doctors who are sounding alarms about AIDS. In West Germany, Dr. F. Deinhardt, of the Munich Pettenkorfer Institute, is also perpetrating the lie that AIDS is a "limited" threat. Dr. Deinhardt's WHO collaborating-group has recently assumed an important, AIDS-related WHO function:

to analyze blood serums from Africa; this function had formerly been performed in Czechoslovakia, and was handed over to Deinhardt, under arrangements that are at this moment still not clear.

Litvinov's line on AIDS is straightforward: Exaggeration and panic are spread "from the country where AIDS originated." Asked what country that is, he replies, "The United States of America." That propaganda line is currently being spread by Soviet, or Anglo-Soviet front organizations around the world, typified by the Pan-African Peoples' Organization, which slanders those who are warning about the AIDS danger in Africa as "imperialists," and who insist, with absolutely no documentation to back this up, that AIDS was a foreign import into Africa.

Litvinov and his minions insist that there is no cause for panic. The Soviet population itself is fed a somewhat different line: AIDS, while not a global epidemic, is of special danger to the "decadent West," but is not a real threat to the Soviet population itself. As the Oct. 12-13 *Sovietskaya Rossiya*, journal of the Soviet Communist Party Central Com-

mittee, put it, "There is absolutely no reason to believe that the AIDS epidemic threatens us." Nonetheless, as admitted by Litvinov himself and as corroborated by articles in the trade union newspaper *Trud* and the local paper *Moscowskaya Pravda*, in August of this year, numerous Soviet institutions are themselves working intensively on research pertaining to AIDS.

Why?

The Warsaw Pact and 'mental health'

The Soviets and their Warsaw Pact allies also maintain critical policy influence and/or control in other sections of the WHO. For example, there is the Division of Mental Health, through whose doors come information flows and policy decisions on a wide range of issues of great importance to nations around the world, including effects of psychotropic drugs, social reactions to epidemic outbreaks (i.e., panic), the causes of psychological disorders, and so on. Traditionally, this area has been a British "preserve," dating from the times of arch-brainwasher Dr. John Rawlings Rees of the

Pox Sovietica?

On pages 190-91, under the heading, "Smallpox Eradication Surveillance," in the official World Health Organization publication, *The Work of WHO, 1982-83*, the WHO takes pride in "making efforts to discourage the continuation of vaccination" in those few countries which, as of that writing, still were immunizing their populations against smallpox. The same section reports that WHO "has been notified that the vaccination of military personnel has been discontinued in Belgium, Denmark, Finland, the Netherlands, Norway, Switzerland, the U.K., and Zimbabwe," and that "fewer laboratories are now producing smallpox vaccine."

Further, "WHO continues to publicize the fact that smallpox vaccination certificates are no longer required from international travelers and, when necessary, brings this to the attention of those concerned."

To the naive layman, these admissions might appear very odd: Why phase out a vaccination, when the last "reported" case was as recent as 1977, and, when India has, as recently as 1984, reported evidence of smallpox cases? The standard answer is: More people die, or suffer, from the vaccination, than are saved by it.

But certain Western medical experts consulted by *EIR*, have been even more skeptical. One labels smallpox "the patriotic microbe," the perfect agent for "destroying

everybody outside of the Holy Motherland."

These experts point to the following evidence: 1) It was unquestionably the Soviets who, from behind the scenes, made the most energetic efforts to phase out smallpox vaccination, during the late 1970s-early 1980s. 2) The Soviets still give smallpox vaccinations to their military personnel, and perhaps to wider layers of their population. 3) France currently has smallpox-vaccination capabilities for 5 million people, the U.S. for 10 million. Says one expert: "An aerosol can on the Paris metro, spraying smallpox microbes, could wreak havoc throughout the nation." Given the very fast doubling rate for smallpox, 100,000 New Yorkers could acquire the disease within weeks. 4) The organization that campaigned most vociferously in Europe for phase-out of smallpox vaccination in the early 1970s was Friends of the Earth, an organization launched with seed-money from Robert O. Anderson, head of ARCO and the Aspen Institute, and a Soviet fellow-traveler. 5) In March 1985, the Smallpox Eradication Program in WHO was taken over by a doctor from a Warsaw Pact country, Dr. Jezek of Czechoslovakia.

According to a reliable source, Dr. Sergei Litvinov, Soviet representative in the WHO leadership, says privately that the Soviets are maintaining full smallpox-vaccination capability "for the next three years." Asked why, Dr. Litvinov replies: "For security reasons," but won't say more.

London Tavistock Institute, who set up the World Federation of Mental Health. A "private," non-governmental organization, the WFMH, still headquartered in London, maintains considerable overlap of personnel and perspective with the WHO Division of Mental Health.

The head of the WHO division is Dr. Stanislav Flashe. He is a Yugoslav. The head of the Division subunit on "Psychosocial Aspects" of disease outbreak, and on "Social and Epidemiological Aspects of Mental Health," is Dr. Yablensky. He is Bulgarian. The head of the subunit on "Biological Psychiatry" is Dr. Morosov. He is Russian, a graduate of the Institute of Psychiatry of the Moscow Academy of Medical Sciences.

With enthusiastic approval from a circle of British doctors (irrespective of the noises from British official quarters "disapproving" of Soviet psychiatric practices), Morosov has built up "Biological Psychiatry" into quite an influential field in psychiatry, even though it is founded on certain absurd reductionisms about the biological-causative factors in psychological disorders. His WHO division plays a significant role in a newsletter called, *Biological Approaches to Mental*

Health, which looks at such issues as psychopharmacology, schizophrenia and manic-depressive states, and genetic parameters of mental disorders.

But Soviet Dr. Morosov has his hand on other aspects which might prove very useful to Mother Russia under conditions of further epidemic-breakdown. In 1984, his group at WHO and the University of Montreal sponsored a conference on "Virus, Immunities, and Mental Health," which dealt, in part, with the "social aspects" of AIDS. The Soviet doctor is also reportedly investigating the past history of epidemics, as a precedent for AIDS today, and, he proclaims privately, "AIDS is a very interesting model for investigation" in this respect.

Evidently, the Soviets are more concerned with the global-epidemic aspects of AIDS than their disinformation propaganda from Dr. Litvinov's office at WHO, would otherwise indicate.

The impact of the U.S.S.R. on global health policy via the WHO may also work through the communist parties of Western Europe. One such case under investigation is that of French Dr. Jacques Roux, formerly the president of the Ex-

'Cryptocommunist,' or communists of the crypt?

Over the weekend of Oct. 12-13, the Nobel Peace Prize Committee in Sweden awarded this year's Peace Prize to the International Physicians for the Prevention of Nuclear War. The Soviet co-founder of the IPPNW, Dr. Chazov, has been the personal physician to numerous Soviet leaders, including Brezhnev, Chernenko, and Andropov. He has toured the United States, in his capacity as IPPNW leader, fulminating against the U.S. Strategic Defense Initiative, and is one of the founders of the so-called "nuclear freeze" movement.

After receiving this award, the French branch of the IPPNW protested against the designation "cryptocommunist" to describe the organization, just because of Chazov's prominent role.

Nevertheless, the following piece of suggestive propaganda is worth noting.

In the May 1985 edition of *World Health*, official publication of the WHO, Soviet Deputy Minister of Health Dr. Yuri Isakov authored a piece on the lessons of World War II, entitled, "It Must Not Happen Again." He wrote, in part:

"The lessons of the Second World War are of lasting

importance. The war showed the lethal and far-reaching consequences that may result from basing a policy on a position of strength and attempting to impose one country's will on other sovereign states. At the same time, the victory of the progressive forces showed vividly that mankind's aspirations for peace and cooperation in the name of humane goals are invincible, and that, once united, the peoples of the world can and must prevent a repetition of a universal tragedy by repelling the threat of a new and devastating war.

"This is precisely why the United Nations Organization and its network of specialized bodies were set up immediately after the war. One of the largest of those agencies, the World Health Organization, was founded in 1948. The memory of what the war had cost in human lives, disablement and ill-health was still fresh, so a clause underlining the close link between health and international security was written into its Constitution from the very outset. . . .

"In 1981, Soviet and American doctors combined forces in an effort to prevent nuclear war. This was the beginning of the broad international movement called International Physicians for the Prevention of Nuclear War, which now unites doctors in at least 54 countries. Last year, this movement was awarded the UNESCO Prize 'For Education in the Spirit of Peace.' Working contacts between WHO and this movement are now being widened."

ecutive Board of the WHO, which is a kind of legislative/consultancy body in the WHO. Roux, according to the French weekly *Minute* of the week of Oct. 14, is presently director-general of the Health Ministry of France, a position to which he was appointed by former French Health Minister Ralite, himself a member of the Communist Party. Roux, says *Minute*, is also a central committee member of the PCF.

His replacement as president of the Executive Board of the WHO is an Ethiopian vice-minister of health.

Roux, according to reliable sources, was instrumental—together with an associate named Marcovitch, leading layers of the Pugwash group, and Henry Kissinger and friends in the late 1960s/early 1970s U.S. State Department—in making the behind-the-scenes arrangements that led to the 1972 “Global Conventions on Biological Warfare.” Like the SALT and ABM Treaties arranged in the same period (for the areas of strategic weaponry and strategic defense, respectively), this convention has had the effect of unilaterally dismantling, or decapitating, critical U.S. capabilities in research related to biological warfare, and thereby, in research in critical frontier areas of biotechnology as well. Meanwhile, the Soviets proceed ahead in critical areas in this domain.

The Pugwash factor in WHO

In fact, in a more general sense, Pugwash and WHO might be seen as nearly interchangeable institutions, on the level of policy direction and leading personnel.

The case of Dr. Martin Kaplan is exemplary.

Since 1976, Dr. Kaplan has been the secretary-general of Pugwash, based in Geneva. Prior to that moment, he was head of the Office of Research Promotion and Development at WHO, which reports directly, in the WHO structure, to the director-general’s office, and is a very powerful institution in the global health infrastructure. Prior to 1974, that bureau had been called the Office of Science and Technology, headed up to the point of the name-change by Dr. Kaplan.

According to a close Pugwash associate of Kaplan, “Martin’s relation to WHO goes back at least 30 years, until about 6-8 years ago. He coordinated all the research.”

One of Kaplan’s pet projects, in the late 1960s, was developing the “Systems Analysis Project” of WHO, which provided WHO with a global-modeling capacity, during the same period that the Austria-based International Institute of Applied Systems Analysis (IIASA) and the arch-genocidalist Club of Rome International were being created out of behind-the-scenes negotiations between such Soviet officials as Dzhermen Gvishiani, son-in-law of the late Premier Aleksei Kosygin, and U.S. Eastern Liberal Establishment chieftain McGeorge Bundy. This extraordinary array of East-West “systems analysis” institutions has spewed out reams of data on the correlations between population, food, and disease-outbreak; the embedded policy aim has been to “play back” Malthusian policies into the Western world, to speed up the

collapse of the West, through implementation of policies based on Soviet-manipulated, or even Soviet-constructed, data. At the same time, the systems-analysis mafia can provide data justifying policies for causing massive reduction in global population.

One of Kaplan’s chief collaborators during this period was Halfdan von Mahler, who has been, since 1973, the WHO director-general. One of Dr. Mahler’s special fields is “cost-effectiveness” in health care.

One of Kaplan’s other specialties, as indicated, has been in the field of dismantling Western biological research capabilities, under the cover of global conventions against biological warfare. This has been done, in part, under the cover of meetings and seminars on “the medical consequences of nuclear war,” often in collaboration with the Nobel Prize-lauded International Physicians for the Prevention of Nuclear War” (see box).

The head of the Communicable Disease division is Sergei Litvinov. He is Russian. The head of the Virus Diseases sub-division is T. A. Bektimirov. He is Russian. The head of the sub-unit on psychosocial aspects of disease is Dr. Jablensky. He is Bulgarian. The head of “Biological Psychiatry” is Dr. Morosov. He is Russian.

On Oct. 24-27, Kaplan will be the main mover-and-shaker for a secret conference co-organized by the Pugwash group and the Stockholm International Peace Research Institute (SIPRI), likely to be held at the Swedish Royal Academy of Sciences, on both chemical and biological warfare. Officials from the U.S.S.R., East Germany, Hungary, Poland, and Czechoslovakia will be among those Warsaw Pact attendees there. The last day of the event will be devoted, sources say, to a private planning meeting on biological warfare, to set the framework for September 1986 meetings that will “review” the 1972 Convention on Biological Warfare.

The strand running throughout these activities is a commitment to what Kaplan’s mentor and Pugwash founder, Britain’s late Bertrand Lord Russell, called for in numerous of his writings: the creation of conditions, through “socialism,” for economic collapse, wars, and plagues that will reduce the world’s population dramatically.

Officials of WHO inculcate themselves

On Oct. 8, a senior official of the World Health Organization made the following revelations to a caller. The official insisted that his name be kept off the record:

"AIDS is becoming a political problem in Africa. We in the WHO were just in Lusaka, Zambia, at the regional commission for Africa meeting. I spoke with many ministers, or vice-ministers of health, from several African countries, who are saying that the WHO should really look into this AIDS problem. Zaire, the Central African Republic, others, it's all the same. From what I have seen, the people who are sounding alarms about AIDS are not exaggerating at all. The African countries are worried. When I was there, they were very worried indeed.

"I was in Zaire, in Brazzaville, and, in each place, the health administrators and the health ministers told me how concerned they were.

"It's difficult to know the truth. Our data is, at best, sporadic, but the data we have may not reflect the real number of cases. The disease may be breaking out in large proportions. For example, people may be getting AIDS, and just staying in their homes, and this is not reported. We don't know precisely what is coming.

"I wouldn't be surprised if this became the new black plague, in Africa, and more. We must take public health measures, including, of course, isolation. This is very important."

Asked how he could be saying this, in view of the official statements by such WHO doctors as Mahler and Assad, downplaying the AIDS danger, the senior official responded:

"They want, psychologically, to downplay the emotions. Because, if this breaks out in large proportions now, everybody at the WHO will feel guilty about what they had said before, downplaying the danger. As a leading official in the WHO, I am extremely concerned about AIDS.

"I am not entirely in agreement with [Drs. Mahler, Assad, etc.]. My visit to Africa, and my discussion with policymakers, leads me to think that, it is all right for us to be here, and to pontificate in Geneva, but since they are taking the true measures, in Africa, I share this concern with them there. I

say to my colleagues here, privately: You shouldn't make rather premature announcements that we will have to take back. We simply don't know what we are dealing with. We don't have figures. Of course, I agree with Dr. Assad, we shouldn't have panic, we shouldn't be hysterical. But let us know the true dimensions; some people say the AIDS virus incubation period is three to four years. We just don't know!

"If we are not right about what is going on with AIDS, it may not be very good for us, for our credibility, if we tell them not to worry, when AIDS is devastating their countries. . . . I don't want to be quoted. . . . I'm talking about the psychological dimensions, people are worried. . . . As my personal opinion: When I visited African countries, they expressed grave concern. I share this concern. . . . It may well be the new black plague, and I don't think we should wait till it gains strength in Africa. We must at least begin to find out what is happening there. Now, we are not in a position to know the whole profile of what is happening in Africa."

"I wouldn't be surprised if this became the new black plague, in Africa, and more," said the senior WHO official, in stark contradiction to his colleagues' official words. "We must take public health measures, including, of course, isolation. This is very important."

Dr. Halfdan von Mahler

On Sept. 26, the Italian daily *La Repubblica* reported on statements by WHO Director-General Dr. Halfdan von Mahler, made when he was in Lusaka, Zambia, for a conference on AIDS. He advised the Africans, *La Repubblica* reports, "not to pay excessive attention to AIDS. . . . Even though it is terrible and dangerous, it does *not* spread like wildfire."

Dr. F. Dienhardt

On Oct. 2, Dr. F. Dienhardt, head of West Germany's WHO Collaborating Center on AIDS, who, during the previous month, had chaired the WHO conference on AIDS, told a caller: "It is ridiculous to compare AIDS to smallpox, or cholera. It is not communicated via aerosol communication, not via urine, or stools. It is communicated *only* by direct, intimate sexual contact, or by blood transfusion. In the latter case, the problem is now being dealt with, and we would expect that over 99% of the danger from this will be solved.

"Of course, the problem is, we can't educate drug addicts overnight who are using the same needles, or we can't educate homosexuals who are promiscuous overnight, and we can't educate heterosexuals to use rubber condoms, where they should be. We need education, education, and information, information.

"But, to say AIDS is comparable to the pest, to the plague, is absolutely ridiculous! In Africa, too, only *intimate* direct connection transmits the disease. The mode of transmission, the size of the problem—most of this is not proved. . . .

"Panic is absolutely wrong! It is irresponsible to advocate panic! This kind of attitude is creating some terrible fear in the population, and there is no reason for it! We are creating new colonies of lepers, and we shouldn't be."

Dr. F. Assad

In an Oct. 7 telephone discussion, WHO Division of Communicable Diseases head Dr. Assad, coordinator of the newly-created international WHO Task Force on AIDS and immediate assistant to Soviet Dr. Sergei Litvinov, downplayed the danger of AIDS. Assad's comments here are similar in content to comments made in a press release distributed by WHO on Oct. 1, following a special late-September meeting on AIDS. Assad said, in part:

"My reaction to the fears on AIDS, is that, this is a disease, and anybody who does not have certain practices, won't get it. The most important thing is a good information system.

"It's tied up with certain sexual practices, and drugs, and that's all! It's the kind of disease, that you have to go yourself and get it. It's hard to get. You have to work hard to get it.

"Everyone is free to speculate, but responsible people should restrain themselves, we shouldn't have panic. . . . The WHO is planning another meeting in December, and we will set guidelines for the whole world."

He said that this meeting would be preceded by a WHO meeting in Africa, at the end of October, on AIDS.

Dr. Jean Hamon

On Oct. 10, Dr. Jean Hamon, WHO director-general in charge of the Divisions of Environmental Health; Epidemiological Surveillance, Health Situation and Trend Assessment; and Public Information and Education for Health, said of AIDS:

"The only people who can speak responsibly on AIDS here, are the director-general, Dr. Mahler, the assistant director-general for communicable diseases, my Russian colleague, Dr. Sergei Litvinov, and Dr. Assad, the head of the Task Force on AIDS for WHO. . . . The importance of AIDS seems to vary tremendously with lifestyle. Homosexuality is the main cause of transmission. There is also blood transfusion, for financial remuneration. The question of AIDS being the potential new black plague has not even been discussed here!"

WHO, the U.N., and the genocide lobby

by Mark Burdman

In one of its pieces of organization literature entitled, "WHO Within the United Nations System," the WHO writes of itself:

"It is a constitutional requirement that WHO should collaborate with the United Nations and with the other specialized agencies. . . . WHO contributes to the work of the numerous other United Nations bodies established for special purposes and cooperates in the execution of several important U.N. programmes. It also contributes to the major international conferences that the U.N. convenes from time to time, such as the U.N. Conference on the Human Environment in 1972, and the World Population Conferences in 1954, 1965, and 1974. . . ."

The World-Federalist 'visionaries'

It is not surprising that the WHO would be a regular participating body in the "Population" and "Environment" functions of the United Nations. The U.N. Population Conferences, particularly the 1974 event in Bucharest, Romania, have set the standard for population-reduction policies in various governments around the world.

The WHO derives from the group of neo-Malthusian world federalists, primarily from Great Britain, whose post-World War II aim was to set up globalist institutions that would destroy the sovereign nation-state, put a brake on scientific and technological progress, and create the conditions for the radical lowering of the world's population. The world-federalists, who advocate a one-world empire, have so weakened the nations of the West, that they have created the conditions for the capital of that empire to be situated in Moscow.

Organizations like Julian Huxley's UNESCO and John Maynard Keynes' International Monetary Fund, grew out of the same world-federalist group. So did the Pugwash group of Bertrand Russell, the British Lord who advocated the mass-extermination of large segments of the world's population through disease.

As one well-placed British influential puts it today: The WHO grew, in part, from a "small circle of visionaries." These included Dame Margaret Mead; British psychological-warfare coordinator Dr. John Rawlings Rees; and Canadian

senior health official Brock Chisholm, appointed WHO's first director in 1948.

These were the inner core of the "world mental health movement," the movement which studied, in-depth, how populations and nations can be psychologically manipulated and controlled. Rees's Tavistock Institute in London studied, in enormous detail, how the "big lie" techniques of Nazi Propaganda Minister Josef Goebbels worked, and how such techniques could be "sanitized" to work in a less "messy" way.

Similarly, through the influence of Dame Mead's anthropological work, this core-group of "visionaries" fought against the conception of a universally sound notion of health, whether it be mental or physical. Instead, cultish syncretisms have been promoted to undermine effective medical and biological research.

The most interesting case study in this respect is Dr. Thomas Adeoye Lambo of Nigeria, today the Deputy Director-General of WHO. Dr. Lambo is also a member of the neo-Malthusian Club of Rome, and of the Soviet-infiltrated Pontifical Academy of Sciences.

Dr. Lambo is referred to, by the deceased Dr. Rees's protégés today, as "the first African psychiatrist." He specialized in such studies as "psychological disorders among the Yorubas," one of Nigeria's main tribes. He is lavishly praised in WHO circles for having developed a syncretic method of mental health care, involving arcane combinations of "traditional healers" (usually known as "witch doctors"), psychopharmacological "cures," and family-community health care. These have been praised as "cost-effective," and "culturally" sound.

Today, Lambo is engaged in a special operation within the WHO to contain public information flows about the magnitude of the AIDS danger in the world, particularly in Africa.

Fewer people, less health care

The WHO's embrace of the population-reduction lobby has taken on, in recent months, some dramatic aspects.

In May 1985, the WHO held Technical Discussions at that month's World Health Assembly, the parliamentary body of the WHO. The appointed head of these Technical Discussions was Thailand's Meechai Viravaidya, popularly known as "The Condom King."

Meechai has worked hard to earn that nickname. Inside Thailand, he has performed mass vasectomies on Thai men. He has invented children's games and children's artifacts that popularize the use of condoms for "population control." It might not be a joke to surmise that the WHO's advice that AIDS can be contained through wider use of condoms, might have something to do with this fanatical fellow.

In the March, 1985 edition of *World Health*, the official publication of the WHO, Meechai wrote, in part: "The dimensions of the problem of bringing about health for all by

the year 2000 are staggering. If we add to that problem the short amount of time and the limited funds available, we might well be inclined to throw in the towel. . . .

"It is precisely because of these limitations on government that nongovernmental organizations exist. Now is the time for government bodies . . . to acknowledge the role of NGOs in bringing health services to hundreds of millions of poor people, and to follow up that acknowledgment with concrete backing and support. . . .

"In Thailand, the Ministry of Public Health has a strong record of encouraging participation of NGOs, with immensely satisfactory results. Collaboration exists on many levels, from mutual representation on governing boards that shape policies and programmes, down to the grass-roots level where activities of the two sectors are coordinated. Such cooperation began, and has had its biggest success, in family planning, where at least four NGOs have actively and continuously played a major role in the national family planning programme. In just 15 years, this partnership has helped Thailand to reduce its population growth rate from 3.30% to only 1.60%, the most *cost-effective* development effort ever undertaken in that country. The Public Health Ministry is now encouraging the NGOs to expand their services into other areas of public health. . . . [emphasis added-ed.]"

WHO officials admit that their vaunted "Health for All/2000" program, created at a conference in Alma-Ata, U.S.S.R. in 1978, is actually a catchy phrase for phasing out effective health care around the world.

In the September 1983 edition of *World Health*, the coordinator of the Health for All program, Dr. Hakan Hellberg, identifies health care as a "spectrum," from the "individual to the mother, the family, the neighbor, the traditional healer, the chemist, the volunteer or Red Cross aide, all the way to the neurosurgeon." Asked by the interviewer, himself an activist in the arch-Malthusian International Planned Parenthood Federation, what his perspective was for "Health for All" by the year 2000, Hellberg answers: "It is too early to talk about this in national programs in developing countries. We have to be very realistic. We have to accept very small increments in development results. And in all the fuss about Alma-Ata and Health for All, expectations have been raised to unrealistic levels." The year 2000, for him, is important primarily as a slogan. The future, one of budget cuts and collapse of health care, will be one of increasing "local self-reliance, using local taxes and local resources," to eliminate "overdependence on centralization."

Asked when there will be "health for all," Hellberg answers: "In some ways, you can say, perhaps, never."

The WHO is, as of this writing, preparing a study on "cost-effectiveness" in medical care. The division working on this, Health Situations and Trends, is sharing data and policy guidelines with a special unit in the International Monetary Fund, the agency which is the single leading reason for an unhealthy world.

The possibility of respiratory transmission of AIDS

by Warren J. Hamerman

Director of *EIR*'s Biological Holocaust Task Force

On behalf of the *Executive Intelligence Review* Biological Holocaust Task Force, I am honored to present to our readers the following extraordinary scientific paper on the subject of AIDS transmission by England's John Seale, MA, MD, MRCP. While Dr. Seale's paper is of crucial significance to our understanding of the true nature of the global threat of the deadly AIDS pandemic, nonetheless it has been irresponsibly rejected for publication from normally appropriate journals.

We believe that this was part of an effort to try to suppress the explosive scientific fact that, in the tropics, AIDS is already being spread by the respiratory route. Therefore, we are publishing this paper in *EIR*, despite its somewhat technical nature.

In his paper, Dr. Seale reports on findings of the Pasteur Institute of France that the AIDS virus is carried in respiratory secretions and "*in the tropics it is already being spread also by the respiratory route.*"

The French finding signifies that AIDS can spread in a manner analogous to tuberculosis under conditions of crowding and poor sanitation.

In the *EIR* Special Report issued on July 1, 1985, entitled *Economic Breakdown and the Threat of Global Pandemics*, we reported that tuberculosis is "the first of the horseman of death" and:

"... has classically been associated with malnutrition and crowded, dirty, urban settings which provided for early transmission of the organism from person to person. It is making its anticipated comeback as these conditions continue to spread, in both the underdeveloped and advanced sector."

In his paper, Dr. Seale draws the conclusions from the finding of AIDS virus in the pulmonary secretions of a 30-year-old Black Haitian woman with AIDS-related complex

(ARC) by the Pasteur Institute. Dr. Seale states:

"This finding may explain the observation that acquired immune deficiency syndrome (AIDS) affects men and women equally in Haiti and Central Africa. It also raises the ugly possibility that LAV may often be transmitted by respiratory aerosols in the tropics."

An *aerosol* is a collection of droplets containing infectious organisms, spread in the air by mechanisms such as coughing and sneezing. This does not necessarily mean that every time that an infected person coughs and sneezes in another's vicinity, the latter individual will become infected, but chronic exposure or longstanding exposure to such aerosols could result in transmission of the disease in a manner analogous to tuberculosis.

LAV is the name of the AIDS virus used in France; LAV stands for Lymphadenopathy-associated virus. *Lymphadenopathy* is the term for the swelling of infected lymph glands.

In his paper Dr. Seale states:

"Pulmonary tuberculosis is often the initial clinical manifestation of infection with LAV in Haiti and Central Africa. Indeed it was suggested last month [July, 1985—WJH] in the *Lancet* that infection with *M tuberculosis hominis* should be included as a manifestation of lesser AIDS or ARC. CDC [Centers for Disease Control in Atlanta—WJH] remains silent on this absolutely fundamental issue."

M tuberculosis hominis is the scientific term for the germ or bacillus, rather, which causes tuberculosis in man.

The widespread transmission of AIDS is out of control in collapsed, crowded, and unsanitary hell holes created by the conditionalities policies of the International Monetary Fund (IMF) and World Bank in the developing sector, and increasingly also in collapsing urban centers of the United States and Western Europe. Thus, the parallels between AIDS and

tuberculosis demand that the same type of emergency public health measures now on the books for dealing with tuberculosis and similar communicable diseases be applied to AIDS, before this deadly and untreatable disease devastates our society.

The leadership of the Centers for Disease Control in collaboration with the Soviet-controlled World Health Organization (WHO) in Geneva, Switzerland has explicitly maintained the preposterous lie that the standard of living has improved in the tropics and in America's urban areas over past years, and therefore, there is no immediate threat. The principal control point for the Soviets at the World Health Organization in Geneva is through Sergei Litvinov, the assistant director general for communicable diseases of the World Health Organization, who has the official command position for all AIDS policies globally.

EIR maintains that Soviet attempts to spread disinformation on AIDS must be thoroughly discredited and, in the interest of maintaining the security of the West, we must embark upon a fullscale global War on AIDS modelled upon traditional Public Health measures for stopping the spread of tuberculosis which we have elaborated in other locations.

The TB resurgence

The implications of an analogous mode of transmission of AIDS and tuberculosis through respiratory aerosol is ominous. As IMF austerity conditionalities have rapidly collapsed standards of living, tuberculosis is currently on a massive global resurgence. In addition to Peru, northern Brazil, and Mexico, TB is breaking out in countries such as France, where 13,000 cases were reported last year. Tuberculosis had been declining steadily in the economically developed areas of the world over the last 100 years, and had become a disease of the urban poor. Now the decline has halted and an ominous increase in cases is occurring in the deteriorating central cities of New York, Chicago, Boston, and others.

Globally, half of the world's population shows evidence of exposure to tuberculosis, and are prime candidates to activate this infection as a consequence of an exposure to AIDS virus. AIDS-associated tuberculosis is a rapidly progressive, lethal process with a potential to wipe out half the world. The potential in the United States is illustrated by the outbreak of drug-resistant tuberculosis in shelters for the homeless in Boston, Massachusetts.

Public Health officials in both Miami, Florida and New York City have done block-by-block studies which demonstrate that there is a direct correspondence to the outbreak of tuberculosis and AIDS in the poorest, overcrowded, and most unsanitary sections of their cities. In the developing sector, some tropical disease specialists believe that many of the cases classified as tuberculosis deaths over the past few years represent clinical AIDS infection.

Thus, several specialists in tropical medicine have commented that TB is the best "marker disease" for actual immune suppression.

AIDS, TB linked in respiratory aerosols

by John Seale, MA, MD, MRCP

The following paper, dated Aug. 19, 1985, was entitled by the author, "Chronic Lymphoid Interstitial Pneumonitis and Probable Transmission of Lymphadenopathy-Associated Virus (LAV/HTLV III) by Respiratory Aerosols."

Lymphadenopathy-associated virus (LAV or HTLV III) was isolated a month ago by workers at the Pasteur Institute and at the Pitie-Salpetriere, Laennec and Claude Bernard Hospitals in Paris, from bronchoalveolar lavage fluid of a 30-year-old black Haitian woman with AIDS related complex (ARC).¹ This finding may explain the observation that acquired immune deficiency syndrome (AIDS) affects men and women equally in Haiti and Central Africa. It also raises the ugly possibility that LAV may often be transmitted by respiratory aerosols in the tropics.

The woman had suffered from anorexia, weight loss and intermittent fever for over two years, and from dyspnoea on exertion for one year. The only abnormality detected on physical examination was generalised lymphadenopathy; there were no abnormal pulmonary signs. However, chest x-ray films showed diffuse reticulonodular infiltrates, and lung biopsy revealed lymphocytic and plasma-cell infiltration of the alveolar septa and bronchial walls, characteristic of lymphoid interstitial pneumonitis.

The bronchoalveolar lavage fluid contained 18 million cells per millilitre (comprising macrophages and lymphocytes, of which 2 million were T4 lymphocytes) without evidence of blood contamination. LAV was isolated from the lymphocytes, but appropriate staining and culture of the lavage fluid showed no evidence of pulmonary infection by *P. carinii*, fungi or any virus other than LAV.

Other workers have already reported markedly increased lymphocytosis in the bronchoalveolar lavage fluid from patients with AIDS and ARC.² Lymphoid interstitial pneumonitis has been found in infants with AIDS³ and in adults with ARC.⁴ The chest x-rays of large numbers of patients in Zaire with ARC show diffuse reticulonodular infiltrate characteristic of lymphoid interstitial pneumonitis (Quinn T. personal communication).

On 28 June 1985 Centers for Disease Control (CDC) belatedly recognised these observations and redefined AIDS to include histologically confirmed chronic lymphoid interstitial pneumonitis with positive serological tests for LAV/HTLV III.⁵ However, the new CDC definition only applies

to children under 13 years of age; the 30-year-old Haitian woman above, the thousands of her adult compatriots with the same abnormalities in Haiti, and tens of thousands of similarly affected Zairians, still do not have CDC-defined AIDS.

Pulmonary tuberculosis is often the initial clinical manifestation of infection with LAV in Haiti⁶ and Central Africa.⁷ Indeed, it was suggested last month in the *Lancet* that infection with *M tuberculosis hominis* should be included as a manifestation of lesser AIDS or ARC.⁸ CDC remains silent on this absolutely fundamental issue.⁵ A recent study by the head of the U.S. task force against AIDS, and others workers from CDC and NIH, Bethesda, of patients with active tuberculosis in a sanitarium in Kinshasha, the capital of Zaire, showed that 48% were infected with LAV⁷ compared with only 4% of controls.

Pulmonary infection with *M tuberculosis hominis* is characteristically transmitted via respiratory aerosols. If open, cavitating, pulmonary tuberculosis co-exists with chronic lymphoid interstitial pneumonitis caused by LAV, it is inevitable that large numbers of infectious LAV virions, as well

Globally, half of the world's population shows evidence of exposure to tuberculosis, and are prime candidates to active this infection as a consequence of an exposure to AIDS virus. AIDS-associated tuberculosis is lethal.

as tubercle bacilli, will be expelled in aerosols during coughing. LAV spread by the respiratory route would affect men and women equally; spouses and children of index cases would be particularly at risk, as has already been observed in Africa.⁹

It is possible that respiratory transmission of LAV may occur even without the assistance of *M tuberculosis hominis*. It is well known that LAV/HTLV III is a retrovirus genetically very similar to the maedi-visna virus of sheep,¹⁰ and that both viruses cause progressive encephalopathy in man¹¹ and sheep¹² respectively. It is less well known that maedi-visna virus also causes chronic progressive pneumonia in sheep,¹³ which is histologically indistinguishable from chronic lymphoid interstitial pneumonitis in man caused by LAV/HTLV III.

An epidemic of maedi-visna in Iceland, spread by respiratory aerosols amongst sheep crowded into shelters to protect them from the long Arctic winters, followed the importation of one infected ram from Germany in 1933. The epidemic built up slowly and unnoticed over several years (just

like the AIDS epidemic has in a thousand cities across the globe) but by 1950 over 100,000 sheep had died from the disease¹⁴ as a direct result of the introduction of just one infected animal.

It seems probable that in the prosperous West LAV is still only transmitted by per-cutaneous inoculation, or by anal intercourse, but that in the tropics it is already being spread also by the respiratory route with, or without, the co-operation of *M tuberculosis hominis*. The prospects for the less prosperous inhabitants of the crowded cities and villages of the world beyond the next decade are bleak.¹⁵

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'Patriots for Germany' formed to fight for alliance

by René Pomme

On Oct. 15, the newly formed initiative "Patriots for Germany" placed advertisements in four West German daily newspapers—the national dailies *Die Welt*, *Frankfurter Allgemeine Zeitung*, and *Bildzeitung*, plus the *Braunschweiger Nachrichten*, the leading paper in the northeastern part of the Federal Republic.

The proclamation is a nonpartisan call to action, to confront the crisis which the Federal Republic of Germany is facing as a result of the military threat from the Soviet Union and the readiness of forces in the West to sell out West Germany to Moscow, in a "New Yalta" agreement. The strategic crisis is compounded by the worldwide economic breakdown and cultural and moral degeneration. The signatories invoke the spirit of the great German classical poet Friedrich Schiller, to call for a "battle for freedom of Reason," to renew the patriotic and scientific traditions which made Germany great.

The declaration will have repercussions far beyond Germany, however. The movement considers itself an alliance of what Schiller called "world-citizens," to provide patriots in each nation with a reference point for their own fight for national sovereignty and economic development. Fields of international joint action include the fight for a solution to the world debt crisis and a new international monetary system to replace the neo-colonialists and Malthusian policies of the International Monetary Fund.

Among the signatories is Helga Zepp-LaRouche, the president of the Schiller Institute, internationally reknown as a fighter for a new world economic order and for rekindling the ideals of Schiller and the German Classics. Some 60 other prominent figures, representing an estimated 15-20% of the German electorate, signed the call, including Prof. Emil Schlee, president of the Mecklenburg Expellee Organization

and vice-president of the Organization of Expellees from Central Germany; Vice-Admiral (ret.) Karl-Adolf Zenker, former Inspector-General of the West German Navy; Brigadier-Gen. (ret.) Friedrich August Freiherr von der Heydte; Robert Becker, chief editor of *Reichsbanner*, the monthly magazine of the anti-fascist resistance organization Reichsbanner Black-Red-Gold.

The proclamation issued the following five demands:

- A clear "no" to decoupling from the United States; "no" to a Social Democratic-Green coalition government in Bonn;
- Full cooperation with the American Strategic Defense Initiative;
- A just treaty of peace for Germany in all of its parts, in order that the German people may exercise self-determination in national sovereignty;
- A policy of economic growth and opening of the German economy to a New World Economic Order and industrialization of the non-developed sector;
- A cultural renaissance based on the foundations of German classical culture.

The publication of the proclamation has created a storm of controversy within the German political system. Hundreds of telephone calls jammed the circuits of the "Patriots'" offices, most from citizens expressing hope that at last something would be done to save the nation from otherwise virtually certain Soviet domination. The ruling Christian Democratic Union is scrambling to decide how to respond; as one Christian Democratic functionary put it: "I don't know yet what this really is, but I think our party will have to reckon with this new group." The opposition Social Democrats and other advocates of a "New Yalta" deal with Moscow are silently furious. As one unfriendly source remarked, "The

text of the declaration is so well crafted, it would be counter-productive to criticize it."

The proclamation addresses Germans at a time when the political situation of the country is in profound disarray. Chancellor Helmut Kohl's tactic of steering a middle-of-the-road course between commitment to NATO and appeasement of the Soviets, of his own coalition partners the Free Democrats, and of the Social Democratic opposition, has jeopardized the Western alliance; his disastrous economic policies have brought his government's popularity to a new low.

In all recent state-level elections, Kohl's Christian Democratic Union (CDU) lost 5-10% of the vote. In the state of North Rhine-Westphalia, Kohl's party lost 1.2 million votes in the May elections, while the Social Democrats gained. National elections are scheduled for February 1987, and all indications point to a massive election defeat for the Christian Democrats. Since the Free Democrats (FDP) of Foreign Minister Hans-Dietrich Genscher have formed a coalition of interests on defense and foreign policy issues with the Social Democrats, it cannot even be ruled out that they may overthrow Kohl before 1987. The conflict between the CDU and FDP over the question of official participation in the U.S. Strategic Defense Initiative, could break up the coalition within weeks.

Should the Social Democrats come to power, as Moscow desires, West German membership in NATO and the military-political alliance with the Americans would be put in question. The Social Democrats have announced that they want the American nuclear missiles to be withdrawn from the country, and that they envisage a partial, if not complete withdrawal of American troops from the Federal Republic, which they want to turn into a neutral entity living in "security partnership" with the Soviet Union. Once Germany goes that way, all of Western Europe does, and it would mean the end of American presence in Europe.

Not only has its hapless performance in foreign and defense policy cost the Kohl government a loss of confidence, but also its inability to handle the economic and social crisis. The change of government in October 1982 from Social Democratic Chancellor Helmut Schmidt to Christian Democratic Chancellor Helmut Kohl was approved by a thin majority of voters in the March 1983 national elections. But this approval was given on condition that the new government find ways to reduce the high unemployment rate of 2.1 million. Not only has the Kohl government failed to reduce the jobless rate, which stands now at an official 2.15 million, but it has implemented austerity policies which have set into motion a process of general pauperization of the jobless, as well as those who are still employed.

Never in 20 years has any West German government been so unpopular as the Kohl government. All of the most recent public opinion polls document that 65-70% of the population considers an improvement of the employment situation among their top political priorities. Christian Democratic trade unionists see no way to support a government, which docu-

ments its incompetence to solve the economic and social problems.

What next? Prof. Emil Schlee, one of the initiators of "Patriots for Germany," explained: "We will wait to see what the response is to our proclamation. And then in regional conferences and other events, we will consolidate the structure and form of this movement."

Documentation

The following statement of support for the Patriots for Germany was issued by Milton Croom, and is being circulated for signatures in the United States. Mr. Croom is past president of Peace Through Strength, North Carolina, and past president, Reserve Officers of America, N.C. In summer 1985, he chaired the Ad Hoc Coalition to Stop Richard Burt.

On behalf of millions of Americans committed to the preservation of freedom, we the undersigned applaud the formation of the Patriots for Germany citizens organization. This could not have come at a more critical time for Western civilization.

The Western Alliance is in imminent danger of dissolution as the result of efforts of the Soviet Union, aided by a pro-appeasement fifth column in the West. The immediate target of these forces is the decoupling of the United States of America and the Federal Republic of Germany. If successful, Soviet domination, in the near term, is all but assured.

Soviet success depends on keeping the truth from our populations. Through much of the media, and the fifth column within our own governments, our citizens are fed Soviet originated disinformation on a daily basis, leading to the disorientation of our citizens and our nations' leaders.

We in the U.S. face many of the same problems as you in Germany. The greatest crisis is the failure of our political leadership and institutions, who constantly fall victim to Soviet disinformation.

Your proclamation is a welcome and necessary statement of truth. We fully endorse your efforts and pledge ourselves to do everything possible to work towards its implementation. We too say no to decoupling, and yes to cooperation on the Strategic Defense Initiative, economic growth and a strong alliance. We applaud your efforts against a Red-Green government, and for a just treaty of peace for all Germany.

Your demand for a return to education and culture based on the classical cultural tradition of Humboldt and Schiller is as necessary for the United States as it is in the Federal Republic.

As a first step of support for these principles, we call on President Reagan to immediately withdraw Richard Burt as U.S. Ambassador to West Germany due to his pro-appeasement views, and to replace him with an Ambassador committed to the preservation and strengthening of the Alliance.

Proclamation of the Citizens' Group 'Patriots for Germany'

Our citizens are increasingly filled with concern, that we in the Federal Republic of Germany are in danger of losing our freedom forever.

Recent Soviet military maneuvers have repeatedly rehearsed surprise attack against the West. The shift in the new Five Year Plan of the East bloc to a war economy leaves no doubt that Moscow is preparing for war. The Soviets are simultaneously attempting, with all means at their disposal, to achieve the political decoupling of Western Europe from the U.S.A. at the earliest possible point in time, thereby to achieve world domination, even without war.

The Soviet Union can launch this attempt only because there are forces in the West, who are ready to sell out West Europe to Moscow, in a new Yalta Agreement.

If the Social Democratic Party came to power, under its present leadership, it is certain that it would take the Federal Republic out of the NATO alliance. With the publication of the scandalous Von Bülow Theses, the SPD has let its mask fall once and for all. The idea of a "neutral Central Europe" is an illusion. We would become forever dependent on Russia.

The chief problem consists in the fact, that the change promised by the federal government has not occurred. If the government continues its present economic policy, increasing unemployment will lead to an electoral defeat in 1987 at the latest. But the danger of a state crisis is not only posed for 1987; it could develop very rapidly in the aftermath of more spy scandals, terrorism, and resulting government crises.

There are good reasons for the present disaffection with the parties and the state among our citizens. The established parties and institutions are obviously no longer capable of finding constructive answers to growing problems.

Out of concern about these developments, we, the undersigned, as German patriots in the tradition of the constitutional movement during the Liberation Wars and of the Prussian Reformers, want to achieve a non-partisan movement of all

*That is not German greatness,
To triumph with the sword . . .
Higher victory hath he won,
Who wields the lightning flash of truth,
Who frees the very mind.
To battle for freedom of Reason,
Means for all people to contest,
Holds for all time eternal.*

—Friedrich Schiller, fragment, "Deutsche Grösse"

patriotically-minded citizens and already-existing groups and associations, in order to stand ready and be capable of acting, in case of foreseeable political crises.

- We say a clear "no" to decoupling from the West! A Red-Green government alliance in Bonn must be stopped.

- We stand firmly by the Alliance with America as the sole guarantor of our freedom. That includes full cooperation of the Federal Republic of Germany in the American Strategic Defense Initiative (SDI).

- We want to contribute to the conclusion of a just Treaty of Peace for Germany in all of its parts, in order

that the German people may exercise self-determination in national sovereignty.

- We are committed to a policy of economic growth to guarantee full employment, and to enable us to reassume a leading role as an export nation, especially to our traditional markets in Latin America, Asia, and Africa.

- We demand that the education of our youth be based upon the foundations of German classical culture and the Humboldt conception of education, best exemplified in Beethoven and Schiller, in the political ideas of the Prussian Reformers like Vom Stein, Scharnhorst, and Gneisenau. In the natural sciences, we must revitalize and continue the tradition of Leibniz, Gauss, the Göttingen School, and of the space pioneers of the 1920s.

We appeal to you, in view of the dangers threatening the survival of our nation, to join us in formulating answers to these burning political issues. If you wish to support our intentions and efforts, please inform us of your interest as an individual or organization.

Patriots for Germany, P.O. Box 122, D-2420 Eutin-Fissau, Federal Republic of Germany. Telephone: 0511-3 50 22 86

We are grateful for your financial support:
Kreissparkasse Ostholstein, Bank No. 213 522 40, Account No. 125.003.640.

Signatories:

Rainer Apel, journalist, Hesse; **Robert Becker**, Reichsbanner, Black-Red-Gold, Hesse; **Karl Heinz Beicht**, advertising manager, Hesse; **Max Benndorf**, graduate engineer, Hamburg; **Franz Blazek**, factory councillor, Lower Saxony; **Walter Böhnke**, factory councillor, Schleswig-Holstein; **Arnold Boldt**, Schleswig-Holstein; **Helmut Deckhut**, managing director, Rhineland Palatinate; **Egon Faber**, entrepreneur, Hesse; **Edith Gerold**, housewife, North Rhine-Westphalia; **Elizabeth Graeupner**, teacher, Baden-Württemberg; **Hans-Georg Grünwald**, former chairman, Employers' Association Hildesheim, Lower Saxony; **Friedrich Wilhelm Grunwald**, brigadier general (ret.), Baden-Württemberg; **Hermann Heuer**, entrepreneur, Lower Saxony; **Professor Friedrich Karl Baron of Heydt**, brigadier general of the reserves (ret.), former Member of the State Parliament, Bavaria; **Franz Hron**, Reichsbanner, Black-Red-Gold, Hesse; **Siegfried Hunger**, factory councillor, Lower Saxony; **Karl Jagach, Jr.**, graduate engineer, Rhineland Palatinate; **Gerd Jordan**, city councillor, Hanover, Lower Saxony; **Eckhard Köhn**, personnel manager, Bavaria; **Joachim von Kruse**, author, Bavaria; **Dr Hugo Langer**, attorney, Baden-Württemberg; **Michael Liebig**, manager, Hesse; **Ingolf Löhner**, engineer, Lower Saxony; **Irmengard Metten**, city councillor, Bavaria; **Otto Metzdorf**, photographer, North Rhine-Westphalia; **Professor Roderich Müller**, engineer, Bavaria; **Roderich Orendi**, entrepreneur, North Rhine-Westphalia; **Dr. Med. Hans Ortwein**, Hesse; **Angelika Raimondi**, journalist, Hesse; **Klaus Rebholz**, bank employee, Rhineland Palatinate; **Professor Emil Schlee**, Schleswig-Holstein; **Gerhard Schrab**, engineer, North Rhine-Westphalia; **Hans Werner Schwarz**, construction entrepreneur, Hamburg; **Ehler Sommermeyer**, attorney, Schleswig-Holstein; **Franz Stepanov**, factory councillor, Hesse; **Werner Thren**, entrepreneur, Hesse; **Margareth von Veh**, Bavaria; **Konrad Vogt**, community pastor, Bavaria; **Manfred Vollack**, Schleswig-Holstein; **Wilhelm Wehner**, chairman, Association of Refugees Herford, North Rhine-Westphalia; **Dr. Med. Volker Weisswange**, Hesse; **Dr. Med. J. Jörg Wiedemann**, Hesse; **Achim Wilczok**, graduate engineer, Schleswig-Holstein; **Horst M. Wittmann**, graduate engineer, entrepreneur, Bavaria; **Giesela Würfel**, teacher, North Rhine-Westphalia; **Karl-Adolf Zenker**, vice-admiral (ret.), North Rhine-Westphalia; **Helga Zepp-LaRouche**, executive board of the Schiller Institute, Hesse.

Armand Hammer clique pulls Israeli government into the Soviet orbit

by Lyndon H. LaRouche, Jr.

Soviet Communist Party General Secretary Mikhail Gorbachov's Paris Oct. 4 announcement, that Moscow was on the verge of reopening diplomatic relations with Israel, reflects a fact which is presently terrifying traditionalists inside Israel itself: Israel's close cooperation with Moscow's terrorist frontmen, Syria and Libya, is very far advanced at the present time. What frightens some leading Israelis the most, is the fact that the Soviet agents around Armand Hammer, Edgar Bronfman, and Ariel Sharon, have taken over large chunks of the United States' intelligence functions, and are blinding and disorienting the U.S. government with a torrent of wildly false information.

On the surface, it might appear that Israel's present cooperation with Syria and Libya, in efforts to topple the governments of Egypt and Tunisia, is merely consistent with Israel's long record of starting wars each time forces in Israel and the U.S.A. are at the edge of launching a new Middle East peace process. When Israel's Moshe Sharett tried to launch a peace process, the legendary David Ben-Gurion launched a war. When U.S. Secretary of State William Rogers launched his "Rogers Plan" for Middle East peace, the 1973 Arab-Israeli war was triggered to sabotage the Plan, dump Rogers, and promote Henry A. Kissinger to Secretary of State. When President Reagan launched the "Reagan Plan," Ariel Sharon launched the bloody invasion of Lebanon, leading to the present destruction of that nation. As President Reagan relaunched the peace process, Israel committed an act of war against Tunisia and threatened to invade Jordan. Considering the pattern over decades, it might appear to some, that nothing much has changed.

The recent Greek elections were followed immediately by Greece's forming an alliance with the Warsaw Pact against NATO member Turkey, and this event, combined with the takeover of Lebanon by Soviet ally Syria, has unleashed a Soviet plan for immediate takeover of the Middle East as Moscow's zone of strategic influence, and pushing the U.S. Sixth Fleet out of Mediterranean. As part of this, Moscow has approved cooperation among Israel, Syria, and Libya, for the killing of Palestine Liberation Organization head Yasser Arafat, the destruction of Jordan, and the destabilization of Egypt, Tunisia, and Algeria.

In this setting two factions in Israel are competing to see which can win the race to make a deal with Moscow first. Ariel Sharon and terrorist Meir Kahane, sponsored by the coalition of Soviet agent Armand Hammer and Edgar Bronfman, have the best inside track with Moscow at this time, but Prime Minister Shimon Peres is pushing hard through channels of Romania's President Nicolai Ceausescu.

Following the visit to Moscow of PLO Foreign Minister Farouk Kaddoumi, Yasser Arafat made repeated public statements warning that a "New Yalta" agreement had been made, which would place the entire Middle East within the Soviet sphere of strategic influence, and that he, Arafat, was scheduled to be eliminated very soon, as part of the package. High-level sources have confirmed, that Moscow officials told Kaddoumi of this "New Yalta" deal, and proposed the PLO's immediate dumping of Arafat.

Following this, on Sept. 25, 1985, Soviet-trained "Force 17" agents of Syrian intelligence killed three Mossad agents at Lanarca, on the island of Cyprus, which Israel used as a pretext for bombing Tunisia. On Oct. 6, 1985, an assassination-team of four Syrian intelligence agents boarded the Italian cruise ship *Achille Lauro*, on which President Reagan's daughter Maureen was reported to be booked, and by a series of coincidences, temporarily took over the ship on Oct. 7, 1985, killing an invalided 69-year-old U.S. citizen, Leon Klinghoffer. The director-general of the Israeli foreign ministry, David Kimche, then claimed to have proof that Tunisia-based Yasser Arafat was behind a planned piracy against the ship. In both cases, Israeli officials knew that the incidents were directed by Arafat's enemies in Soviet Damascus. The leading known facts about the *Achille Lauro* case make the point very clearly.

Facts of the case

Fact #1: On the *Achille Lauro* affair, the evidence is clear, that no takeover of the ship itself was planned in advance. To take over a ship of that design, the terrorist team would be obliged to take over three areas of the ship, the bridge, the radio room, and the engine room, and would be equipped to mine the ship with explosives. This requires between 12 and 18 trained terrorists. Therefore, if there were

Israeli patriots, led by men and women who are not amateurs in the intelligence profession, see the Soviet-controlled "Trust," big names of organized-crime included, taking total control over Israel, and transforming the nation into a drug-trafficking brothel.

only four terrorists on the ship, the piracy was essentially an unplanned action by a team originally assigned to some other mission, most probably the assassination or kidnaping of some individual of exceptional political significance, such as President Reagan's daughter or some important intelligence operative.

Fact #2: The assassination-team was under the control of Syrian intelligence, linked to Syrian agent Abul Abbas. This is a Soviet-controlled faction of Palestinians working to eliminate Arafat.

Fact #3: Israeli foreign ministry director David Kimche is openly collaborating with Libya's Muammar Qaddafi, in operations directed against both Egypt's President Hosni Mubarak and Tunisia.

On Oct. 1, President Reagan stated publicly, that the reason his government had cooperated with the Israeli bombing of Tunisia, was that he trusted the information he had received from Israeli intelligence. The Israeli intelligence, it was later proven, had been a lie. The President's own statement makes it absolutely clear, that Israel had succeeded in duping the President of the United States with this lie. The President placed the United States' strategic position in the Middle East and Mediterranean region in immediate jeopardy, for no other reason than that he had been taken in temporarily by Israeli influence over the U.S. intelligence services.

The Israeli government is working in behalf of an arrangement with Moscow, Damascus, and Tripoli, and the United States has turned over major portions of its own intelligence services to "reliable ally" Israel. Worse, the elements of Israeli intelligence being deployed into the U.S. intelligence services are under the control of the faction of Soviet agent Armand Hammer and his accomplice, Edgar Bronfman.

The 'Trust'

There are two reasons for the surfacing of this new cooperation against the United States between Moscow and Israel. The more obvious reason, is circumstantial; the Soviets are taking strategic control over the Middle East, and Israel is determined to survive by making arrangements with

the region's new overlord. The more complicated, but more important reason, is the fact that the faction behind Sharon is headed by Soviet agent Armand Hammer. Armand Hammer, like his father, Julius, has spent his entire adult life as an agent of a branch of Soviet intelligence set up by Cheka head Felix Dzerzhinsky, the "Trust."

With cooperation from Winston Churchill's famous spy, Sidney Reilly, the Soviet Cheka, predecessor of the present-day KGB, used wealthy Russian businessmen and Russian aristocrats in the service of the Soviet government, to set up a far-flung financial empire in the West. During the later 1920s, wealthy Western financiers, such as Averell Harriman, were coopted into this "Trust" organization, through the system of "foreign concessions" set up under the New Economic Policy of the 1920s.

Although the "Trust" was set up formally under Lenin, Trotsky, and Dzerzhinsky, it was in fact nothing but a continuation of an operation established at the beginning of the 20th century through the most famous, and wealthiest, super-spy in modern history, the Odessa-born Alexander Helphand, also known as "Parvus." Parvus was directed by Venice's powerful Count Volpi di Misurata, who was the creator of Libya, and the man who put Benito Mussolini into power in Italy. Volpi was at the center of the complex of financier interests which orchestrated the Balkan wars of 1912-14, and both the 1905 and 1917 Russian revolutions. Parvus was co-author of Leon Trotsky's doctrine of "Permanent Revolution," and the German-British spy who organized Lenin's 1917 "sealed-train" journey from Switzerland to Petrograd.

Parvus had owned Trotsky during the events of 1905. He also owned Karl Radek, N. Bukharin, G. Ryazanov, Christian Rakovsky, and others among the Bolshevik leaders Stalin later ordered killed during the 1930s Purges. If one studies the lists of banking families who financed Russian revolutionary leaders before and during World War I, and who were financial angels of both the Left Opposition and Right Opposition during the late 1920s and the 1930s, one has the beginnings of a list of the Western financial interests tied to Armand Hammer's "Trust" operations of today. The list is nearly completed by adding such anti-Semitic names as "Harriman," and assorted other European aristocrats and "concessionaires" who were integrated into the "Trust" during the 1920s. One must also include former Nazi financiers in Switzerland and elsewhere, who were taken over by Soviet intelligence's "Trust" operations beginning about 1943. One must add to this consolidated list, the Communists and ex-Communists who went into business ventures whose financial success was helped by Soviet operations run through "Trust" resources in the West. Some of these are famous as financial backers of Communist parties and Communist "fronts." Others are kept in more discreet roles, either as KGB "sleepers" or in active covert intelligence functions.

This "Trust" was the true reason for the bloody factional struggles within the Soviet leadership during the 1920s and 1930s. Although the "Trust" was predominantly an asset of

the Soviet secret services, it was so powerful a force, both inside and outside Russia, that it was able to attempt to take over its Soviet master. Inside the Soviet leadership of the 1920s, the faction controlled by the "Trust" were the "cosmopolitans." Stalin tried to control the "Trust," by playing the Right Opposition against the Left, and then cutting down the "Trust's" key figure of the post-Lenin 1920s, N. Bukharin. During the purges of the 1930s, Stalin slaughtered most of the more famous of the "Trust's" agents within the Soviet Communist leadership. The "Trust" continued, but that ever-suspicious nationalist, Stalin, reduced its power inside Russia greatly, until Khrushchov's rule. Wherever a Soviet official speaks kindly of the memory of Bukharin today, there speaks the voice of the "Trust."

If one selects, from the readily accessible names on a list of "Trust"-affiliated Western financiers, a much shorter list of those financier interests with Jewish names, one has some of the facts which show how the Soviet KGB controls Ariel Sharon's faction today. One must add to that list of financial assets of the "Trust," elements of the old Soviet Left and Right Opposition who adopted an anti-Stalin cover and went

Moscow has approved cooperation among Israel, Syria, and Libya, for the killing of Palestine Liberation Organization head Yasser Arafat, the destruction of Jordan, and the destabilization of Egypt, Tunisia, and Algeria.

into Western intelligence services after 1938, noting those who went into what is sometimes called "the Zionist Lobby" after World War II:

At that point, one begins to appreciate the fear expressed by a large faction of Israeli patriots. Those patriots, led by men and women who are not amateurs in the intelligence profession, see the Soviet-controlled "Trust," big names of organized-crime included, taking total control over Israel, and transforming the nation into a drug-trafficking brothel. That is what they see as the issue behind Ariel Sharon's drive for dictatorial power. That is why they hate the U.S. State Department, which they rightly see as propping up Sharon's faction.

Many Israelis know, and have said repeatedly, that there is no hope for Israel unless Israel reaches a peace-agreement with the Palestinian Arabs. As long as Anglo-American Middle East policy continues to be strongly influenced by American and European arms of the "Trust," the Israeli factions working for peace have no chance of preventing Israel's takeover by butchers such as Sharon and the terrorist Kahane.

The jet intercept: Moscow is laughing

by Thierry Lalevée

With President Reagan's decision to approve Israel's terror-bombing of Tunisia and intercept an Egyptian jet carrying the hijackers of the *Achille Lauro* oceanliner, the United States has launched a "war on terrorism" which has Moscow cheering.

There is a very simple solution to the present crisis between the United States and Egypt, said a Middle East observer: "If the United States is really committed to the fight against international terrorism, as they claim after the intercept of the Egyptian Boeing 737 plane, then Washington should attack Libya!" The Oct. 15 *Wall Street Journal* quoted a "senior administration official" expressing the same view. The next step should be to attack: Libya, Iran, and Syria.

This view may be shared by Defense Secretary Caspar Weinberger, who is said to have opposed the intercept of the Egyptian plane, certainly not out of weakness, but because he foresaw the events which have since unfolded.

But Weinberger lost out to Secretary of State George Shultz. Thereupon, a very blind and foolish President Reagan, after years of doing nothing about terrorist atrocities that at times took hundreds of American lives at a single blow, atrocities in which the highly visible culprits were Soviet allies and puppets in the Middle East, finally decided to act—against America's own allies in the Middle East!

No wonder that the President's intercept action has received the highest praise from Moscow. Wrote TASS on Oct. 11: "The American anger against the crimes of the terrorists of the *Achille Lauro* is understandable and just. . . ." Indeed.

There was similar jubilation in the Israeli government, especially the Sharon faction, now almost public in conspiring with the Soviets against the United States.

In sum, the President's new "boldness" against terrorism has been tailored by Secretary of State George Shultz within a "New Yalta" framework of agreements with the Soviet Union—a pure expression of American disengagement, giving the Soviets suzerainty over a region in which the American interest, by America's own actions, has been discredited and destroyed. And, the entire affair is thus a clear factional victory of Shultz over Weinberger, a dire portent for the Geneva talks.

The Kremlin rests assured that, unless Moscow itself

decides to permit it as a "good will" gesture, Washington will not trouble Moscow's Syrian and Libyan allies—even though the sought-after mastermind of *Achille Lauro*, Abu Abbas, is patently not a PLO, but a Syrian agent.

Egypt, Jordan, and the PLO

Of course, the hijacking of the *Achille Lauro* and murder of Leon Klinghoffer should not go unpunished. But proper punishment would not harm chances for peace in the region. On the contrary, were the United States actually punishing the perpetrators of terrorism—including those inside Israel—it would happily find itself punishing those who are also sabotaging peace efforts. But since *the United States has decided not to punish terrorism*, it now finds itself punishing those who have sought peace, Arafat's PLO faction, the Egyptians, the Jordanians.

Two realities emerge from October's ashes in the Middle East: 1) The peace process is dead, and that includes the Jordan-Palestinian peace initiative, the 1982 Fez peace plan, and the Reagan peace plan. In a matter of weeks, Jimmy Carter's Camp David agreements will be dead, too. 2) The United States has lost Egypt as an ally, and Egypt may be lost altogether. Reagan's stubborn "Never!" when asked if he would apologize to President Mubarak, has unleashed ominous Islamic fundamentalist unrest.

Egypt's pro-American options have been shattered, from without and within. Mubarak was not informed, it seems, of the preparations for the intercept. While he was publicly saying that he had ordered the departure of the terrorists the night before, the office of Defense Minister Ghazala was in liaison with the Americans, behind Mubarak's back: Ghazala still had the four terrorists in custody!

The PLO's peace policy is shattered. Talks in London between the Foreign Office and a Palestinian delegation broke down. Such talks should have been held last July with State Department envoy Richard Murphy in Amman, Jordan. But State, fearing Arafat would recognize Israel and launch a real peace process, played for time, working hard to prevent the talks altogether. Following the London break-down, the European Community canceled its talks with a Palestinian-Jordanian delegation. Twenty four hours later, the United Nations canceled an invitation to Yasser Arafat to speak at the General Assembly. Reagan gave the ultimatum: "It's him or me," although he knew that Arafat would announce a major initiative such as formation of a government-in-exile. In effect, Reagan withdrew the olive branch from Arafat's hands, leaving him only the gun.

The Jordan-Palestinian agreement itself will now collapse. King Hussein decided to side with Britain in the matter. With Jordanian Prime Minister Rifai a committed enemy of Arafat, the odors of a new Black September massacre have returned.

Listen: Damascus, Teheran, and Tripoli are laughing. Moscow is laughing.

Americas menaced

by Gretchen Small

The proponents of Russian world domination through a "New Yalta" agreement between a castrated United States and the Soviet Union, have activated operations against Ibero-America, in this immediate period before the Geneva summit. For a "New Yalta" to succeed, the possibility of an independent Ibero-American power bloc emerging on the world scene must be eliminated, rapidly.

In succession, Russia's allies in the drug trade activated separatist movements against Peru and Colombia; the U.S. State Department succeeded in turning the first South American country against the Contadora group of countries seeking a regional solution to the Central American crisis; and Israel, the emerging instrument of Russia's "New Yalta," formalized its role as a power-broker in the Western Hemisphere.

A Central American crisis, to prepare a new round of "crisis management," is now to be watched for.

An Oct. 6 *New York Times* article by Zbigniew Brzezinski, entitled "Exchanging Crisis," signaled to the Soviets the Trilateral Commissions's decision to activate the Ibero-American theater of war. Brzezinski, who once directed the Trilaterals, proposed that the United States and Soviet Union reach a pact which formalizes "a trade-off on Afghanistan and Nicaragua," as the *sine qua non* for any wider Soviet-American accommodation." Brzezinski's proposal put no new strategic plan on the table; Yuri Andropov had put forward the same *sine qua non* as Soviet policy in April 1983, in an interview with *Der Spiegel* magazine. In the Soviet "offer," the United States can turn against its own allies in the Western Hemisphere, provided the U.S.S.R. is given free rein in its "sphere of influence": Europe, the Middle East, Africa and Asia.

Brzezinski's "signal" quickly passed to action; efforts to dismember Ibero-American nations and continental unity are under way.

Russian narco-terrorist assets began threatening to form "independent" states. Bogota's *El Espectador* warned Oct. 15 that the drug mafiosi in Colombia, a joint Cuban-Nazi operation, "are promoting a shameless and outrageous separatist movements" in the Amazon region, "to obtain the only thing which they lack, . . . control of politics." The Marxist mayor of Cuzco, Peru, Daniel Estrada, proposed that the southern states in Peru unite to form an "Andean Republic,"

by 'Yalta' terror

separate from the rest of Peru, *El Comercio* of Cuzco reported Oct. 9. Estrada is a member of the United Left, a coalition of left-wing parties that has taken up Fidel Castro's war against Peruvian President Alan García as its own. United Left's President, and mayor of Lima, Alfonso Barrantes, last week supported the murder of government party members by Peru's Shining Path terrorists.

At the same time, the U.S. State Department escalated its attacks on the Contadora Group, the centerpiece of Ibero-American diplomacy against the "New Yalta" strategy in the Western Hemisphere. Led by Peru's García, the Contadora Group was strengthened in August with the formation of the Contadora Support Group, adding the weight of Argentina, Brazil, Uruguay, and Peru to the efforts of Mexico, Venezuela, Panama, and Colombia, the Contadora initiators, to end strife in Central America.

In late September, George Shultz met with representatives of El Salvador, Honduras, and Costa Rica. Immediately, the three governments proposed that the Contadora Support Group be expanded; the State Department wished to see Ecuador and the Dominican Republic added to its ranks.

The initial reaction was cautious in Ibero-America. Had a Trojan Horse been wheeled to their door? Then the show began. Ecuadorian President León Febres Cordero announced Oct. 9 that as long as "there are no legitimate popular elections in which the Nicaraguan people have the right to self-determination and can choose their own destiny . . . we will have a conflagration in Central America." Nicaragua responded as planned. On Oct. 10, Nicaraguan chief Daniel Ortega railed that "Mr. Febres Cordero's actions are part of an imperialist plan to affect Latin American peace efforts . . . and give support to U.S. interventionist ideas." The Sandinista daily *Barricada* added that Ecuador had been bought in April, with a \$200 million loan from the United States. On the night of Oct. 11, Ecuadorian Foreign Minister Edgar Terán announced a break in relations with Nicaragua.

A break in relations over the rhetoric of radicals? "Was there foreign pressure, outside of Ecuador, behind this decision?" former Peruvian Foreign Minister Gen. Mercado Jarín asked, in an interview with Lima daily *Hoy* Oct. 12. "What forces have led the President of Ecuador to take such a drastic decision in such delicate moments," when the nations of Ibero-America are trying to unite and find solutions

to common problems, such as the foreign debt and Contadora? the general asked.

Meanwhile, Costa Rican President Luis Alberto Monge began a five-day official visit to Israel, which concluded with such warmth that all but a formal alliance between the two countries was signed. "Israel does not have many friends in this world like Costa Rica," Israeli Foreign Minister Yitzhak Shamir stated after meeting with Monge. "Few countries support us, for better or for worse." Israeli agricultural technicians and aid were promised for Costa Rica, although the suspected agreement on Israeli military aid was publicly denied.

President Monge promoted the Israeli policy of counter-terror strikes, in clear reference to Israel's Oct. 1 raid on Tunis. "We recognize Israel's right to defend itself effectively by whatever means it sees fit, and to seek out terrorism, or the source of terrorism, wherever it can," Monge said to the Israeli Knesset.

The implications for the Ibero-American theater were left unspoken, but it had been Israel's Radio Jerusalem which had first made the parallel between Israel's strike against Tunisia, and U.S. preparations for a strike against Nicaragua. President Reagan "wanted Israel to set a precedent [so] that he can do the same in Central America," Radio Jerusalem commented on Oct. 5, to explain the U.S. quick support for the raid against a U.S. ally.

The State Department has been pumping out propaganda to justify U.S. action against Nicaragua as a strike against "terrorist bases." In August, State issued an unclassified document detailing Nicaragua's ties to Middle East radicals, featuring the links of the Nicaraguan Sandinistas to the Palestine Liberation Organization as proof that Nicaragua is an "international terrorist haven."

True? Absolutely. But, like the current Russian-allied Israeli government, the Trilateral's State Department is cynically selective in its "anti-terrorist" policy, wielding it to further the "New Yalta" deal with the Soviet Union only. Thus the Peruvian government, carrying out the harshest war against narco-terrorism on the continent, finds the U.S. administration side-by-side with Cuba's assets in its attacks on the García government as a "pariah" to be isolated internationally.

The government of Ecuador, meanwhile, proceeds in its deal to allow the Sikh assassins of Indira Gandhi to establish a "government-in-exile" in Ecuador. The "Khalistan Government in Exile" in Ecuador, led by the terrorists of the World Sikh Organization, the National Council of Khalistan, and others (see *EIR*, Vol. 12, No. 38), has advanced as planned, according to reliable Canada-based intelligence sources, who report a Sikh office has been opened in Quito.

As documented in *EIR*'s earlier report, the Israeli Mossad "owns" a major chunk of the Sikh terrorist movement. An Israeli strike against these international terrorists is, therefore, not considered likely.

Soviet Central Committee Plenum backs Gorbachov's war-economy drive

by Konstantin George and Luba George

The Central Committee of the Soviet Communist Party met in plenary session on Oct. 15, two weeks after the announcement that 80-year-old Prime Minister Nikolai Tikhonov had been replaced by Nikolai Ryzhkov, an engineer who hails from the heavy-industry center of Sverdlovsk, and was formerly First Deputy Minister of Heavy and Transport Machine-Building, then deputy chairman of the State Planning Commission (Gosplan). The CC Plenum approved the draft documents for the upcoming Party Congress and Gorbachov's new Five-Year Plan, and ousted the 20-year head of Gosplan, replacing him with a telecommunications specialist who played a key role in the Soviet occupation of Afghanistan.

These events confirm *EIR's* evaluation that a decisive shift has occurred in the Soviet war-economy mobilization. Under the regime of Mikhail Gorbachov, Moscow has launched a drive to accelerate the rate of introduction of advanced technology into industrial production, and to increase labor productivity and automated production.

This program, identified as "Plan B" in *EIR's Global Showdown Special Report* (see *EIR*, Aug. 2, 1985, "The two qualitative facets of the Ogarkov war plan"), signifies that economic bottlenecks and inefficiency are now seen as jeopardizing the capability of the Soviet empire to achieve the strategic superiority required to win a first-strike assault against the United States by 1988. The continued commitment of President Reagan to the Strategic Defense Initiative, in particular, has convinced Moscow that such a high-technology shift is now indispensable for global strategic victory.

Every principal policy statement by Gorbachov since his assumption of power has emphasized this course (see *EIR*, Sept. 13, 1985, "Gorbachov orders science drive to upgrade war industry"). The mastermind of the war-economy buildup is Marshal Nikolai Ogarkov, the Warsaw Pact commander, whose latest book was published in May, just a month after Gorbachov came to power. Titled *History Teaches Us Vigilance*, it specifies that Soviet economic development is what allows the creation "in a short period of time" of "technically complex" weapons—a reference especially to the Soviet equivalent of the U.S. Strategic Defense Initiative.

Gorbachov's speech at the October Plenum underlined the need for "accelerating economic growth and fulfilling

such strategic tasks as maintaining the country's defense might at a proper level." The new Communist Party program, he said, is aimed at "technically restructuring the Soviet economy to double its potential in the next 15 years." Industrial growth during that period will have to "equal what has been achieved since Communist power was established in 1917." Gorbachov demanded an increase of 130% to 150% over current productivity by the year 2000.

"In enriching and developing the content of the program," Gorbachov said, "we have at the same time critically reassessed those of its formulations which have not stood the test of time." Referring to the ongoing purges of officials at all levels of the Soviet bureaucracy, he explained that "not all the cadres" had freed themselves from inertia, the old schemes, and *extensive* (rather than *capital-intensive*) economic planning. Not everybody was "psychologically capable" of working under the new conditions. "These tendencies we have to overcome, and we are overcoming them," he said.

Speaking three weeks before the Geneva summit meeting with President Reagan, Gorbachov warned of the "very dangerous tilt" in U.S. policy and denounced "the practical actions of the American imperialists" who seek "social revenge through the attainment of military superiority over the Soviet Union" and "maintaining a state of tension in the world at such a level that it would justify the creation and development of ever new types of mass destructive weapons and the militarization of space." This, he explained, was the reason for the urgent war-economy measures currently under way.

A rubber-stamp Plenum

The Central Committee Plenum, which did not even occupy a full day, was a *pro forma* gathering of the 300-member body to "approve" what had already been decided by the inner circle of the Politburo and the military. It confirmed Gorbachov's complete hold on the ruling Politburo, thanks to his swift and ruthless moves in recent months to place his own men in key positions throughout the Soviet *apparatus*. The Plenum rubber-stamped all the draft documents which are to be presented to the 27th Communist Party Congress on Feb. 25, 1986—the first Congress of the post-Brezhnev era.

The key documents include:

1) A new Party program to replace the current one, which dates from the 22nd Party Congress held under Nikita Khrushchov in 1961.

2) The Five-Year Plan for the period 1986-90, and accompanying economic policy guidelines through the year 2000. Under General-Secretary Konstantin Chernenko, the preparation of the Five-Year Plan had been entrusted to Gosplan chief Nikolai Baibakov.

But in June of this year, Gorbachov delivered a speech on economic policy at a specially convened Central Committee Conference on the need to accelerate the introduction of advanced technology into the economy. At that time, he announced that the Gosplan's draft Five-Year Plan submitted to the Politburo had been rejected, and would have to be thoroughly rewritten to conform to the new war-economy guidelines. That speech marked the "writing on the wall" for both Baibakov and Tikhonov. It was only a question of *when* they would be formally ousted, and thus complete the process begun by Gorbachov at the April 1985 Central Committee Plenum, when he began stacking the Politburo with his hatchmen.

At the April Plenum, Gorbachov promoted both Igor Ligachov and Nikolai Ryzhkov from Central Committee members to full Politburo members, skipping over the rank of candidate Politburo member. Andropov's hand-picked successor as KGB chief, Vitali Chebrikov, was promoted from candidate member to full member of the Politburo.

Then in July, Gorbachov dumped former Leningrad Party head and personal rival Grigory Romanov from the Politburo. Foreign Minister Andrei Gromyko was removed from the post which he had held since 1957, though he remained on the Politburo and was named to the largely ceremonial job of

President. Gromyko's replacement as foreign minister was Eduard Shevardnadze, the Georgian Party chief, who was also appointed to the Politburo.

At the same time, Gorbachov stacked the Secretariat, dumping Romanov, and appointing B.N. Yeltsin, former first secretary of the Sverdlovsk heavy-industry region, to CC secretary in charge of construction, and Lev Zaikov, head of the Leningrad Party since June 1983, to the Secretariat. Gorbachov had already named Viktor Nikonov, minister of agriculture for the Russian Republic, as CC secretary in charge of agriculture. This makes for a hard-core Andropov/Gorbachov-mafia majority of 6 in the 10-man Secretariat, by the most conservative estimate.

The October Plenum finalized the ouster of the last remaining intimate of Leonid Brezhnev from the Politburo, Nikolai Tikhonov. On Sept. 27, Gorbachov had removed Tikhonov from the post of prime minister, replacing him with Nikolai Ryzhkov, 56, a protégé of former KGB head and Soviet General Secretary Yuri Andropov. Ryzhkov was transferred from the Gosplan and placed on the Central Committee Secretariat at Andropov's first Central Committee Plenum, in November 1982—the same Plenum which brought Geidar Aliyev, former KGB head and Party boss in Moslem Azerbaijan, onto the Politburo.

The Plenum also named Nikolai Talyzin to succeed Baibakov, a move underlining the importance accorded to the high-technology war-economy push by Gorbachov. Baibakov had been installed as Gosplan head in 1965, soon after Brezhnev came to power. Talyzin, a veteran of 25 years of service to the Soviet war economy in the telecommunications field, was appointed a candidate member of the Politburo, an honor never accorded to his predecessor.

Gorbachov names Talyzin to head the Gosplan

The Central Committee Plenum dumped Nikolai Baibakov, head of the State Planning Commission (Gosplan) for 20 years, in favor of a Gorbachov man, Nikolai Talyzin, 56, who was also promoted to first deputy prime minister and made a candidate member of the Politburo.

From 1955 to 1980, Talyzin had served in the Ministry of Telecommunications. In 1965 he was appointed by Prime Minister Aleksei Kosygin to the post of deputy minister for telecommunications, and in 1975 he was named to head the ministry. West German defense sources have confirmed that he accompanied the Soviet troops which invaded Afghanistan in December 1979, was seen in Kabul, where he oversaw the setting

up of military communications lines between the Turkestan Military District HQ in Tashkent and the various Soviet ground and air bases in occupied Afghanistan.

In 1980, Talyzin was named deputy prime minister and Soviet representative to the Council for Mutual Economic Assistance (CMEA, or Comecon). In the latter capacity, he oversaw the mammoth Comecon economic integration programs then in full swing. These involved implementation of the Soviet demand for vast increases in East European exports of machinery, industrial goods, transportation equipment, and machine tools, and investments in Soviet raw material projects, and massive improvement of transport and communications infrastructure in all the Warsaw Pact countries. Only through these forced exports and investments would these satellites get Soviet oil and gas. In short, Talyzin oversaw the qualitative leap in the exploitation of the East European satellites, to serve the Soviet war economy.

Genoud case: Swiss tribunal to judge Nazism and terrorism?

by Thierry Lalevée

Next Nov. 15, what may become a historic trial will open in the Palais de Justice in Geneva. Accused are half a dozen journalists from Switzerland and France belonging to the *Tribune de Genève*, the daily newspaper *Le Monde*, and the French weeklies *Le Point* and *L'Express*. The plaintiff will be Lausanne-based Nazi François Genoud, assisted by one of the most renowned lawyers of Switzerland, some say the most expensive, Maître Bonnant, who in recent years also defended Licio Gelli, the grand master of the illegal Propaganda-2 Freemasonic lodge.

The roots of this trial were sown more than three years ago, when in March 1982, a Swiss terrorist, Bruno Breguet, was arrested in Paris. After a shoot-out with the local police, Breguet and his German sidekick, Magdalena Kaupp, were arrested with weapons and explosives which were to be used against Paris's townhall. They were then charged for planning terrorists activities on behalf of France's underground terror movement, Direct Action, and the international network associated with the infamous "Carlos."

While Kaupp seemed to be new at the game and was mostly known as an associate, not an activist, of the West German underground terrorist "Revolutionary Cells," this was not Breguet's first time out. The young Swiss from the Tessin region had been caught by the Israelis in the 1970s, while on a special terrorist mission on behalf of George Habash's Popular Front for the Liberation of Palestine. Condemned to 15 years in jail, he was freed in the wake of Menachim Begin's election in June 1977. Mystery surrounded and still surrounds that early release, which was brought about by diplomatic pressures from the Swiss government, most publicly initiated by Nazi banker François Genoud. Maître Cruchon, who then became Genoud's son-in-law, was Breguet's lawyer.

Kept quiet then, such friendships were revealed publicly in 1982, first in *Le Monde*, then in Geneva and in French weeklies. After his 1977 release, Breguet was taken under Genoud's protection—a most important link, as the terrorist "Carlos" publicly threatened then-Interior Minister of France Gaston Defferre with retaliation, should Breguet and Kaupp not be released immediately. On the day the first hearings

opened in Paris, a car-bomb exploded in Rue Marbeuf, killing an innocent passerby. In subsequent days, bombs were discovered at railway stations, and one exploded in an express train, killing several people.

Questions arose: Who, then, was François Genoud? What connections did he have with Carlos? What were the implications of Genoud's past and present activities as a Nazi, and his relationship with international Palestinian terrorism?

These questions we have often answered in the pages of *Executive Intelligence Review* in recent years, bringing forward new documentation and evidence of Genoud's political involvement in terrorism. As we exposed his network more and more deeply, Genoud's standard reply has been, "It is not worth suing *EIR* and *New Solidarity*." Instead, after a few months, he decided to sue the other publications, with financial gain in mind. He has not sued in protest at being called a Nazi or a terrorist, but on three marginal points which, under a new Swiss press law, he is financially assured of winning.

- First, he argues that, contrary to what has been written, he was not arrested in 1964 in Algeria for financial embezzlement, but for political reasons; to say otherwise is an insult to his reputation as a banker.

- Second, he claims that though he may have been associated with German Military Intelligence (Abwehr) during the war, he was never formally a member as has been implied.

- Third, although he admits to having helped Bruno Breguet in his trials, he denies that he personally financed the defense.

The points are ridiculous, compared to what has been otherwise said about him for years. But the suit had its effect. Since the complaint was filed in June 1982, most publications have refrained from publishing anything more against him, in order not to interfere with a judicial process that the Swiss and Genoud's lawyer have deliberately made very slow. Genoud's name disappeared from many newspaper columns, giving him the obscurity he prefers for his very secret operations.

The fact that the trial will finally occur stems more from

a political decision than a judicial one. The defendant's lawyers had been pushing for it for some time. Genoud had decided to play for time. Then in the spring, in apparent coordination with Jacques Verges, the lawyer of the Nazi "Butcher of Lyon," Klaus Barbie, Genoud changed tactics and lawyers; he decided to go for the trial and to win it. The long-standing, low-key family friend, Maître Cruchon, was replaced by the star, Maître Bonnant. Genoud, who has now admitted that he chose Verges for Barbie, obviously wants to establish a parallel between his own trial in Geneva and Barbie's upcoming trial in early 1986. Though fighting on the three absurd points cited above, he obviously wants to use a financial victory as a whitewash for Nazism.

While refusing to allow this to be drawn directly into the court case, Genoud is now ready to admit that he has been, and is a Nazi, and had befriended Hitler's associate, the Grand Mufti of Jerusalem. He has also admitted that he met with PFLP boss George Habash as well as terrorist Wadi Haddad, but claims that such meetings do not mean he is involved in terrorism. More recently, he also admitted that it was he who chose Nazi war-criminal Eichmann's lawyer, Maître Servatius, but insists that in Eichmann's and Breguet's cases, he has never been financially involved. Indeed, his 1980 and most recent 1984 tax declarations report a yearly income of 23,000 and 13,000 Swiss francs. Of these, 6,000 francs came in 1984 from his copyrights for Goebbels's work! François Genoud is legally so poor that there are no explanations for his two houses or his international travels.

However, the trial may not take the turn desired by Genoud and Maître Bonnant. Far from focusing on the mere legal issues which seem so fascinating to Swiss justice, the debate is expected to reach a bit higher. Genoud himself may contribute to it as he is expected to bring Islamic fundamentalist Ahmed Ben Bella, his decades-long protégé, as witness to testify that he had been arrested in Algiers for political and not financial reasons.

The defendants are also expected to bring forward surprise witnesses and new evidence. They may not have much chance of winning the trial on legal grounds; they have to win it politically. Superseding mere details, this trial has to become the trial of National Socialism and its survival over the last 40 years; it will have to be the trial of the role played by Nazism in international terrorism and drugs, and its shady connections with Soviet intelligence. Already in the weeks prior to the trial, international media are expecting to focus on Genoud's case. As we will expose in forthcoming articles, the focus will also reveal the important role played by François Genoud today on behalf of the Iranian Islamic Republic of Ayatollah Khomeini. After all, it is no coincidence that Genoud's daughter just married an Iranian in Lausanne, or that Khomeini's son-in-law, Sadegh Tabatabai, Iran's top arms merchant, just bought a house a few meters from Genoud's, in Pully.

British establishment steps up war on SDI

by Laurent Murawiec

At the San Francisco meeting of NATO parliamentarians on Oct. 11, former British Foreign Secretary Lord Carrington, secretary-general of NATO's civilian bureaucracy, demanded of President Reagan that "the SDI [Strategic Defense Initiative] must be placed on the negotiation table at Geneva." Considering that the U.S. President has tirelessly repeated that his space defense program is not a "bargaining chip," it was a bold step for the Briton to take—and one perfectly coherent with the tireless tirades issuing from Soviet officials on the same subject.

Carrington, an architect of the "New Yalta" accord to cede global hegemony to the Soviet Union, is perhaps emboldened by the rate at which events around the world are bringing "New Yalta" to a realization.

In the same vein, Lord Carrington's successor at the Foreign Office, Geoffrey Howe, raised a few eyebrows at the Conservative Party's annual conference held in Blackpool, England during the week of Oct. 7, when he hinted that the British "independent nuclear deterrent" might after all be negotiable, as the Soviets insist, once "deep cuts in offensive weapons" have been agreed upon by the two superpowers—while Defense Minister Michael Heseltine aired a resounding "no" to the same Soviet demand. Howe also welcomed the latest Soviet propaganda offer of 50% cuts in missiles: "They need to be examined carefully on their merits. . . ."

At the same time, intensive talks continue between London and Washington concerning what role Britain may play in the SDI, and agreement on a memorandum of understanding is expected within weeks, which would make Britain the first NATO country to reach such an accord. Light needs to be shed on Great Britain's real position on the matter.

Professor R. V. Jones, wartime chief of British scientific intelligence, who worked with Winston Churchill's science adviser Henry Tizard, has taken it upon himself to do so in his recently published booklet, *New Light on Star Wars*, issued by the Center for Policy Studies (CPS) in London. Jones, currently of the Center for Defense Studies of Aberdeen University in Scotland, was originally put in charge of drafting the paper by a high-powered CPS study-group convened by one of the center's founders, Sir Alfred Sherman,

who played an essential role in securing the ascent of Margaret Thatcher to Tory leadership in 1975, and to the prime ministership in 1979. Jones's verdict was impatiently expected in the British policy establishment; the professor during the war had won the military-scientific "battle of the beams" against his German counterparts in the Luftwaffe.

The result "proved highly embarrassing for the CPS," one of its governors commented. But it "represents fairly the consensus view in Whitehall and the Foreign Office," one of the British government's chief scientists said. Jones rejects the SDI out of hand, basing himself explicitly and entirely on the arsenal of objections culled by the anti-SDI, pro-Soviet Union of Concerned Scientists, an offshoot of the Pugwash movement, the principal East-West back channel for strategic affairs.

Without once challenging the soundness of the oft-repeated arguments one can read in both the Soviet and U.S. Eastern Establishment press against the SDI, Jones insists that "American technological enthusiasm has not always been well-founded." To him, the "SDI is of an entirely different order of difficulty from anything so far within human achievement." In direct contradiction to scientific evidence, he adds that "none of these schemes appears practicable for many years. . . . the same is true of all forms of lasers, including x-rays and particle beams." In fact, an SDI would not be possible, according to the Oracle, until the year 2050!

A Soviet plot?

But the Delphic priest has divined: The SDI is really a Soviet scheme to divert American defense spending! He writes:

"If as it seems the President was led to over-enthusiasm in his original statement by a pressure group, and the SDI does not offer prospect of a believable defense until long into the future, at best, then why are the Russians so apprehensive about it?" The answer: "The Russians are not really apprehensive at all, but by appearing to be so they may raise American enthusiasm for and confidence in SDI, so that much of the trillion dollars spent in its pursuit will be diverted away from projects which would contribute more substantially to American military potential." Additionally, the Russians might fear that the United States will launch a first strike behind the SDI shield.

It comes as no surprise that Jones addresses warm acknowledgments to Richard Garwin, the prominent American anti-SDI figure and spokesman for the Union of Concerned Scientists, whom Jones counts as "a personal friend of mine," along with Lt.-Gen. (ret.) Danny Graham of "High Frontier."

Since offense will always surpass defense in cost-efficiency, he asserts, and since the scientific-technological benefits will not make much of a difference (!), Jones concludes that the SDI is impossible, dangerous, and undesirable. He combines that with the fantastic assertion that "a ban on all anti-satellite weapons would benefit the Americans more than the Russians because of the greater dependence of the former

on satellites."

In sum, technological progress should be stopped—a standpoint fully coherent with the state of industrial decay in Britain, as a result of the government's deliberate policy of encouraging a "post-industrial" service society.

Jones's piece proved so embarrassing that the chairman of the Center for Policy Studies, Lord Hugh Thomas, included in the brochure a dissenting preface supporting the SDI. Pointing out that the United States did observe the letter of the ABM Treaty of 1972, while "all the evidence is that the Russians continued with their defensive research, including into laser defense," he reminds that the West is still militarily inferior to the Soviet Union—both points ignored by Jones. Further, Thomas observes that "the switch from offensive to defensive arrangements in the nuclear age has a moral significance that we Europeans have perhaps not always recognized. . . . This moral purpose is uppermost in the mind of President Reagan, Mr. Weinberger and their colleagues." Further, "The Soviet Union . . . has never accepted . . . the doctrine of mutually assured destruction. On the contrary, there have been many Soviet pronouncements suggesting that their buildup of nuclear weapons is intended less to maintain a balance than to secure an overwhelming strength from which . . . to bully neighbors and opponents into surrender."

Space defense will make a first strike virtually impossible, Lord Thomas writes, and "I do not take the economic arguments against SDI very seriously. The sums concerned . . . are likely to be compensated for a hundred times over by even minor technological consequences." In conclusion: "The West has with perfect justification since 1945 sought to defend itself by technological superiority rather than with huge conventional armaments. We should surely continue to do so."

Thomas's plea does by no means, however, represent a common viewpoint among the British policy elite. On the contrary, the only public voice repeatedly raising the fight for the SDI, and European participation in it, is that of the *Times*, whose Oct. 4 editorial was sharply at odds with Whitehall opinion: "Without strategic defense, we will continue to suffer from the nuclear instability caused by having no defenses, only retaliatory forces. Mr. Gorbachov is in a different position, since he has 20 years of research into strategic defense behind him." The West should display "a continuing and unambiguous determination to persist with strategic defense."

But the official policy, and the wide-ranging array of "underground" policymaking channels centered in London, are now geared toward exacting just the opposite. Lord Carrington's San Francisco statement is the first salvo in the hostile barrage that will now start, as part of the extraordinary pressure being put on President Reagan before the Geneva summit.

Mrs. Thatcher's well-known comment about Gorbachov—"I like this man—we can do business together"—is more obviously true now than ever.

Craxi sacrificed to 'New Yalta'

The longest government of the postwar period has collapsed in the wake of the Achille Lauro affair.

On October 17, at 12:30 p.m., Italian Premier Bettino Craxi submitted his resignation to President Francesco Cossiga, after a short cabinet meeting and an address before the parliament concerning his government's foreign policy and, of course, its behavior in the hijacking of the Italian oceanliner *Achille Lauro* earlier this month: releasing the accused mastermind, Abu Abbas.

The sudden crisis of Craxi's government was provoked by the decision of the Republican Party (PRI) to leave the five-party government coalition. Republican Ministers Giovanni Spadolini (Defense) and Bruno "Doge of Venice" Visentini (Finance) handed their resignations to the President a day earlier. Premier Craxi had a two-hour morning meeting with Spadolini on the *Achille Lauro* affair. Immediately afterward, the Republican executive committee met. Spadolini then read a party statement saying: "We can no longer support the government on foreign policy."

Craxi is not the only one now suffering, of course. A change in the political face of the entire Mediterranean area has occurred with incredible rapidity. In a very few days, between the Oct. 1 Israeli air raid on PLO headquarters in Tunis, and the *Achille Lauro* hijacking, the United States, through the U.S. State Department, has perhaps irretrievably compromised its relationships with Tunisia, Egypt, and Italy, its leading allies in the region.

Tunisian Premier M'zali met with

Premier Craxi on Oct. 16. They told the press, "The perspective for peace in the Middle East has disappeared." Soviet influence in the Middle East is now growing by leaps and bounds, not least through the special relationship secretly arranged between Jerusalem and Moscow as part of the global "New Yalta" in which the U.S. State Department is implicated.

Spadolini and Visentini were not alone. "New Yalta" politician Giulio Andreotti, Italy's Christian Democratic foreign minister, was very much a part of the clearly pre-planned Craxi fall.

Andreotti and his ministry covered up the fact of the killing of the American Leon Klinghoffer, hostage aboard the ship, long enough to permit the release of the four hijackers later intercepted by American jetfighters aboard an Egyptian Boeing 737. Andreotti also must be held accountable for Abbas's unhindered flight from Italian soil. When the first rumors of the murder of the American hostage were reported, Andreotti stated: "It is not confirmed. I think it is a war of nerves by the terrorists." A source at the foreign ministry told an *EIR* correspondent the same story.

Andreotti then joined with Secretary of State Shultz at the Brussels NATO meeting on Oct. 15, to sharpen the resulting "crisis in relations." Shultz emerged from their 30-minute meeting to declare: "We disagree, we have not composed our differences." Shultz then described Italian behavior in allowing the departure of Abu Ab-

bas and Rome's refusal to extradite the four terrorists as "incomprehensible." Andreotti commented; "We have our reasons for acting the way we did."

Immediately after the Abu Abbas incident, Spadolini disassociated himself from the government. Craxi was through.

Spontaneous, or a conspiracy?

In early September, Henry Kissinger visited Florence, for no apparent reason. Spadolini lives in Florence. The visit occurred immediately after Kissinger's meeting in Venice with the most prominent members of the Aspen Institute in Italy, a meeting on San Giorgio Maggiore island in Venice, in the Benedictine Monastery there, home of Visentini's own Cini Foundation. The discussion concerned the meaning of "New Yalta" for the Mediterranean.

Did that meeting take the decision to seize the next opportunity to topple the one government in Europe firmly in favor of the U.S. Strategic Defense Initiative?

When Craxi addressed the parliament on the *Achille Lauro* affair, Communist leader Giorgio Napolitano praised Craxi, trying to seduce him into a Socialist-Communist "alternative" government, with or without direct Communist Party involvement. Andreotti's Christian Democracy, however, forced his resignation, and is now considering a takeover of the premiership with Communist support.

A number of solutions are possible: a four-party government without Spadolini's Republicans, or without Craxi's Socialists—or even new elections in the spring, a dangerous option because Italy could be left ungovernable in the meantime.

Any "solution" now available, however, may make Italy's commitment to the SDI, even the Western alliance itself, much weaker.

New moves in an old game

Beneath the more spectacular issues of lifting martial law and the bomb, a separatist game gains momentum in Pakistan.

Nothing, or very little, it seems, changes in the northwestern sector of the Indian subcontinent, the historic arena of British and Russian imperial contests, known as the "Great Game."

If it is difficult to find a rationale for Pakistan's bomb project—it makes no sense from any standpoint of national self-interest—it is just as difficult to find reason in that country's solicitude toward the "Khalistan separatist" operations against India, the more so since there is accumulating evidence that Pakistan itself is being prepared for sacrifice on the same altar of national disintegration.

In the latest developments, the cry has gone up for "provincial autonomy"—the banner of the separatist forces—from within the Pakistani state of Punjab, heretofore the dominant base of the central government. Liberation movements in the other states, Baluchistan, Sindh, and the Northwest Frontier Province, have been established in reaction to "Punjabi domination" of the government.

It is a former Pakistan People's Party (PPP) chief minister of Punjab, Haneef Ramay, who has brought the disintegration game full circle. "We Punjabis shed our blood for the creation and defense of Pakistan," Ramay states in his recently released book, *The Case for Punjab*. "In this connection, we went to such a length, that we lost our identity, ceased to be Punjabis, and accepted Urdu [the national language] as our mother tongue. We are destroying our own culture. On the other hand, people of other provinces hate us. They accuse us of exploiting

their resources, and ruining their cultures and languages. We must reconsider our policies, and the demand for complete internal autonomy for all provinces should be supported."

A fundamentalist socialist—from the beginning of his political career, he sought to use religion to bring about socialism—and close associate of the late President Zulfikar ali Bhutto, Ramay was a founding member of the PPP and served as both finance minister and chief minister of Punjab province during Bhutto's first administration. Ramay's latest move has the backing of another PPP founding member, the ultra-leftist former Pakistani finance minister, Dr. Mubashir Hasan.

Sections of the Pakistani press have sharply attacked Ramay and his call to "forge links with the people of Indian Punjab" in a reincarnation of the empire of Maharajah Ranjid Singh, the 18th-century ruler of undivided Punjab. Ramay is reported to be full of praise for Jarnail Singh Bhindranwale, the late terrorist Sant of Khalistan.

"Ramay is no different from Attaullah Mengal and Khair Baksh Marri," the Baluchi separatists "who vehemently opposed the creation of Pakistan, but now claim to be its defenders," the chief editor of the Urdu daily *Nawa-e-Waqt* charged at the ceremony launching Ramay's book. Today, Mengal and Marri operate the Baluchi separatist campaign from self-exile in London and Kabul, respectively.

Mengal figures prominently in the formation of a so-called Sindhi-Bal-

uch-Pushtoon front, announced April 18 in London, to fight for the "liberation" of these ethnic minorities from "Punjabi domination." The separatist front was crafted in part by a Soviet-tied group among the self-exiled PPP bosses, reflecting a factional move against the leadership of Benazir Bhutto. The London move was coordinated with a shift to support of "provincial autonomy" by the erstwhile PPP leadership still inside Pakistan, predominantly linked to old Comintern networks.

Ramay is simply broadening the base for this great game. There are plenty of indications that the British and Russians are joining forces for this particular round.

As the report goes, Attaulla Mengal's son is to wed the daughter of Khair Baksh Marri in New Delhi before the year is out. Uniting the London and Kabul sections of the Baluch tribe will no doubt contribute to operational efficiency. Reportedly, guests from London, Pakistan, and Afghanistan will be joined by guests from the Soviet Union, and Baluch leaders from Pakistan will stay on after the ceremony for a strategy session.

Six months ago, formation of the Sindhi-Baluch-Pushtoon front followed close on the heels of Soviet party head Gorbachov's threats to Gen. Zia ul Haq over Afghanistan. The latest developments coincide with an outburst by Soviet Deputy Foreign Minister Mikhail Kapitsa, in which he openly brandished the separatist stick against Pakistan.

"Your country is at war with the Soviet Union," Kapitsa told the editor of the daily *The Muslim*. "You do not understand the big problem you are in. The three million Afghan refugees in Pakistan are Pathans [the ethnic group of Northwest Frontier Province]. Have you forgotten Abdul Ghaffar and Pushtoonistan?"

Anatomy of a set-up

President Reagan will arrive at the U.N. to find himself much weaker than he was less than a month earlier.

In the weeks prior to U.S. President Ronald Reagan's address to the United Nations' 40th Anniversary Commemoration, the U.S. State Department, with liberal help from the international banking community and the Israeli Mossad, has effectively sabotaged the position and standing of America throughout the world.

The President is walking into a probable debacle on every front—from international debt to relations with allies in the Middle East, to his efforts to push forward with the Strategic Defense Initiative (SDI).

The U.N. celebration, which culminates Oct. 21-24, will host upwards of 50 heads of state, including Reagan, Indian Prime Minister Rajiv Gandhi, most of the major European leaders, King Hassan of Morocco, and, most probably, Fidel Castro. On Monday, Oct. 21, President Reagan's wife, Nancy, hosted a First Ladies Summit on Drug Abuse. Tuesday, Oct. 22, saw a meeting of the Non-Aligned Movement, convened by Rajiv Gandhi, and Wednesday, Oct. 23, sees President Reagan's pre-Gorbachov summit with European heads of state.

Amid this glare of international attention, the President and his country have been set-up to appear as the heavies. And the President, under the guidance of Secretary of State George Shultz, is evidently stupid enough to walk right in to the set-up.

It would be one thing if the President were to use his appearance to attack the supranational pretensions of one-world government, embodied in

the United Nations bureaucracy itself, and call instead for a new, international order based on respect for national sovereignty, security, and technological progress. But, despite his well-known antipathy to the U.N. as an institution, all indications are that the President will use the U.N. forum to reaffirm the U.S. commitment to the singularly most evil (if that were possible) U.N. institution—the International Monetary Fund (IMF).

The U.S. delegation at the U.N. has not missed an opportunity to defend ever more adamantly the IMF and its policies, policies which are crimes against humanity.

Kyle Scott, U.S. delegation to the U.N.'s Second Committee on Economics and Finance, reached new levels of stupidity in an Oct. 16 rebuttal to a Byelorussian assault on the United States and IMF. Scott regretted that Byelorussia was not a member of either the IMF or the World Bank, since those two organizations had been at the forefront of "economic development activities" since the founding of the U.N. Byelorussia's views might be taken more seriously, Scott opined, if it shouldered the "responsibilities inherent in full participation in those institutions." Scott then reiterated Treasury Secretary Baker's "snake oil" recipe for the debt crisis.

The Soviet delegation at the U.N. is not so stupid, and the almost hysterical cleaving of the United States to the genocidal IMF has given them a propaganda windfall. The Byelorussian speech which prompted Scott's reply stated that no new, just solution

to the debt problem could be found within the framework of the "Western-controlled international monetary system." These polemics will undoubtedly escalate with the likely appearance of Fidel Castro during the commemoration week.

The United States is viewed, by Third World delegations, as the ring-leader of the "Gang of Four"—America, the United Kingdom, West Germany, and Japan—which has blocked every effort toward reform Kingdom, West Germany, and Japan—which has blocked every effort toward reform of the world financial system.

U.S. isolation on the issue of international debt is only matched by its isolation in the Middle East. Following the debacles involving Tunisia, Egypt, and the Palestinians, the United States has continued its Mossad-orchestrated rampage against its own allies in the region—all the while leaving Soviet allies ever stronger. The U.N. withdrew consideration of a resolution which would have invited the PLO's Yasser Arafat to speak at the commemorative session. The United States simply threatened to boycott the ceremonies if Arafat were invited. On the weekend before the commemoration, it was questionable whether Jordan's King Hussein and Egypt's embattled Hosni Mubarak will even return to the U.N. for the commemoration, so enraged are they at the U.S. position.

The U.S. behavior in the seajacking affair has also sabotaged President Reagan's one valuable initiative during the U.N. anniversary week. Reagan's invitation to European heads of state for a U.N. summit meeting, for the purpose of firming up support for SDI prior to the Reagan-Gorbachov meeting. But with the *Achille Lauro* affair, The Italian government of Bettino Craxi, the strongest supporter of SDI in Europe, has collapsed.

International Intelligence

Belgian election returns disappoint socialists

The Belgian center-right coalition came out reinforced from the Oct. 13 general elections. Some observers had feared a socialist victory. The Christian-Democrat/Liberal coalition's success guarantees the deployment of the 48 cruise-missiles (16 now in place, 32 to be deployed by 1987), which was strongly opposed by the Flemish Socialist Party.

The governmental coalition gained 2 new seats and won 115 seats in the 212-seat chamber of deputies. The balance within the coalition shifted, with a gain of 8 new seats for the Christian-Democrats (68 seats) and a loss of 6 seats for the Liberals (46 seats). The Walloon (French-speaking) Socialist Party, which is not opposed to the missiles deployment, remained stable at 35 seats, but the Flemish Socialist Party won 6 new seats.

The biggest losses were suffered by "linguistic" parties and the Communist Party, which is now, for the first time since World War Two, not in parliament.

These elections represent a personal victory for Prime Minister Wildried Martens, who declared that he would not lead the country unless the composition of his coalition government remained the same.

Dominican Republic leader supports García

Opposition to the IMF is not a communist conspiracy, wrote former Dominican Republic vice-presidential candidate Rafael Albuquerque in *Hoy* on Oct. 11, in support of Peru's President Alan García.

"In the opposition crusade" against the IMF, stated Albuquerque, "are enrolled leaders like Lyndon H. LaRouche, the North American liberal [sic] who has proposed a moratorium on the existing debt to raise a collective negotiation among creditors and debtors countries."

Albuquerque said that U.S. Treasury

Secretary James Baker's debt proposals at the IMF meeting in Seoul, Korea reflect the preoccupation of governing circles in the North with the growing opposition to the IMF by the debtor countries, especially that headed by García.

Dominican releases book on Castro, religion

The Brazilian Dominican Frei Betto has just released the book *Fidel and Religion*, the product of 23 hours of personal discussion with Cuban President Fidel Castro on the topic of religion.

In these discussions, Castro calls for greater cooperation between the Communist Party and the Catholic Church. He defends the Jesuit-spawned "Theology of Liberation," and admits that the Society of Jesus "unquestionably influenced my training."

He adds: "The Jesuits had much responsibility for the Cuban Revolution."

Castro nostalgically recalls that, in the classroom, his Jesuit teachers showed a "spirit of risk, sacrifice and effort. . . . They tried to stimulate, they didn't turn the student into a faggot."

Andean Pact forms new health agreements

The Andean Pact will become self-sufficient in fighting transmissible diseases, it was agreed at a meeting in mid-October of the Pact's health sector in Cucuta, Colombia.

Health officials decided that Venezuela would provide infrastructure and medicines to combat lamanisis; Colombia, yellow fever; and Peru, rabies. Peru and Ecuador agreed on a joint program to combat endemic malaria and yellow fever along their common border.

Dr. Luis Miguel León García, chief of the epidemiology unit of the health region, said this would allow fighting of disease, "without resorting to importing medicines from outside the region."

British begin attack on Egypt's Mubarak

The London *Observer* began a political campaign against Egypt's President Hosni Mubarak on Oct. 13, as it gloated that he apparently did not know what his own secret services were doing, while the Americans did. The *Observer* says that Mubarak didn't know where the four terrorists were who hijacked the Italian cruise ship *Achille Lauro*, but the CIA had been informed by agents "even within the Egyptian cabinet."

The *Observer* ran a similar expose a few years ago—against the Shah of Iran.

French paper prints EIR Greenpeace story

France-Soir has become the first French daily to cover *EIR* charges against the Greenpeace radical-ecologist group.

In a feature on Oct. 15, the widely circulated French daily writes: "According to *Executive Intelligence Review*, an intelligence organ close to the Reagan administration, Greenpeace, in reality, is financed three times more than its budget declares. . . . *EIR* says that private petroleum companies have interests, by such means, in stalling the development of nuclear energy. They are quoting, notably, a billionaire, kind of an American Doumeng [France's "red billionaire"], a great friend of Lenin, who is close to the present Gromyko clan. This man is leading a powerful petroleum lobby."

After this reference to Armand Hammer, *France-Soir* quotes a Greenpeace leader denying *EIR* charges, and then quotes "French experts" revealing the ties of Greenpeace leader David McTaggart's wife Tina, to the Palme Commission, to Soviet General Milshtein (identified as a member of the Soviet military intelligence, GRU), and to Georgii Arbatov, head of the U.S.A.-Canada Institute in Moscow. *France-Soir* identifies Arbatov as one of the leaders of the "International Peace and Research As-

sociation, based in Moscow since 1964, which is supporting, at different levels, most of the anti-nuclear and pacifist movements." Support from the East, says *France-Soir*, has given Greenpeace a "strangely privileged position" among the Western "ecologist" movements, which other ecology groups increasingly resent.

U.S. carrier had orders to fire at Egyptians

The U.S.S. *Saratoga* had standing orders to direct its fighter pilots to shoot down the Egyptian plane carrying the terrorists who had hijacked the *Achille Lauro*, if the Egyptian pilot did not obey U.S. Air Force orders to land in Italy. Intelligence sources told *EIR* that if the Egyptian plane took evasive action, the standing orders were to shoot down the plane, and then to put out the cover story that the plane crashed due to the avasive action.

There are reports circulating in the Middle East that the United States did fire warning shots.

The existence of such orders were confirmed at a press conference held by the Egyptian pilot at which he disclosed the contents of the communications between the U.S. fighters and the Egyptian plane. In those communications, a U.S. Air Force pilot clearly warned the Egyptian pilot that he would be shot down if he did not comply with U.S. orders.

German economy continues collapse

The accelerated pauperization of West German labor is indicated in the latest employment and social statistics. Since January 1985, approximately 220,000 jobless workers (plus families)—10% of the total jobless—have been dropped from the unemployment roles and have applied for welfare.

Welfare offices in the regions with the highest unemployment rates, like the Saar

and Ruhr, report an increase of welfare cases by 10% to 15% since February/March of 1985.

As of now, only 35% of all jobless workers receive unemployment payments.

Recent public opinion polls show that between 65% and 70% of the West German population doesn't believe in the "recovery" which is claimed by the Bonn government. Sources report of a severe loss of voter confidence in the Kohl government's ability to deal with the unemployment problem.

As a further indication of the situation, 4,000 police of the Police Trade Union GdP demonstrated in Mainz on Oct. 9 to protest the "unbearable conditions" in the police service. "While the pressure increases, the pay decreases." They distributed leaflets calling the police service the least-respected public service. The policemen, who marched in uniform, booed the interior minister of the state of Rhineland-Palatinate. when he greeted them with the words, "I am one of you," so loudly that he had to stop his speech.

What's in store for Siles Zuazo?

Are Kissinger's friends preparing to give former Bolivian President Hernán Siles Zuazo the "Bhutto treatment?" The former minister of information in Siles Zuazo's government, now a congressional deputy, Mario Rueda, charged on Oct. 14 that a member of their party arrested by the military a week before, was being "subjected to psychological pressures to force her to 'confess' that 'close ties existed' between Siles Zuazo and 'certain guerrilla movements on the continent.'"

The charges came as the drug mafia consolidates its political control over the country with the signing, scheduled for Oct. 17, of a formal pact of government between President Paz Estenssoro's party, and the party of Gen. Hugo Banzer. Banzer's tenure as President up through 1981 saw the conditions created for Bolivia's transformation into a drug economy, officially inaugurated with that year's coup of the "Cocaine Colonels."

Briefly

● **THE U.S.S.R.** is negotiating with the Indonesian government to provide aid for the construction of three hospitals, a step which marks the first Soviet entry into building projects there since a Communist-backed coup attempt 20 years ago. Indonesian Health Minister Suwarjono said the form of the aid had yet to be arranged, but it was definitely "planned." "Reliable Soviet sources" in Jakarta, according to the London *Times*, confirmed that the "preliminary" talks were under way.

● **POPE JOHN PAUL II** said, "May God bless the Peruvian people and its government," at the Vatican on Oct. 10 in response to greetings from Alan García brought him by the head of the Peruvian Chamber of Deputies' foreign relations commission. President García will visit Rome in November.

● **MEXICO'S** economic crisis has caused a change in patterns of food consumption, according to Alfonso Cebrenros Murillo of Mexico's National Food Coordination Program. In a press conference in mid-October, Cebrenros reported that in 1985, Mexicans consumed 30% less meat and 22% more beans. Cebrenros reported that 33 million Mexicans suffer from malnutrition.

● **YASSER ARAFAT** was quoted on Oct. 14 in France's *Libération* denouncing PLF leader Abu Abbas, accused of being the mastermind of the *Achille Lauro* hijacking. According to a European diplomat, Arafat said that the hijacking was a "plot engineered by Abu Abbas against me." *Libération* then quoted PLO officials saying that Abu Abbas had been kept within the Executive Committee as a "counter-weight" to the radicals in Damascus but he always "created problems."

Kissinger orders Thailand's former premier eliminated

by Linda de Hoyos

General Kriangsak Chamonon, a parliamentarian and former prime minister of Thailand now in jail on charges of treason for his alleged role in the aborted coup attempt of Sept. 9, has become the next name on Henry A. Kissinger's list of national and international leaders targeted for "elimination." An order for Kriangsak's judicial murder was handed down by Kissinger during a luncheon in New York City in early October. Kissinger, along with David Rockefeller and other luminaries of the Eastern financial and policy establishment, greeted Thailand's Prime Minister Prem Tinsulamond, according to sources in New York and in Bangkok, and in the course of the luncheon, Kissinger stated to Prem: "Kriangsak is dangerous and should be eliminated."

Such words from Kissinger are not to be taken lightly. He has issued similar threats to national leaders, threats which were made good. Italian authorities have attempted to question the former U.S. secretary of state regarding his threats to former Italian Premier Aldo Moro, after which the Italian leader was kidnaped and murdered by the terrorist Red Brigades in 1978. And it is well known that Kissinger's words to Pakistani President Zulfikar Ali Bhutto in 1977—"I will make a terrible example of you"—were the signal for Bhutto's overthrow and subsequent judicial murder.

For Thailand, as for all the U.S. Asian allies, national security rests upon economic growth and internal stability. Since the devaluation of the Thai baht last November, Thailand's economy has gone on the skids. Thailand has been put into the same double-bind as the Philippines, with the same threat to U.S. and ASEAN security interests.

The Kissinger targeting of Kriangsak is the signal for a major assault on the Thai military as an institution. Although its role in politics has diminished over the last decade, the Thai military is the core nationalist institution in the country,

setting the reality parameters for policy. The devaluation, which effectively cut the military budget by an equivalent 17%, and the downward slide of the economy poses a challenge which the military is compelled to answer.

Kissinger-Chase plans for the looting of Thailand and withdrawal of U.S. strategic defense from the region, requires that the U.S.-tied Thai military be discredited and destroyed.

Beginning Oct. 16, General Kriangsak and three other retired and active senior military officers face trial proceedings for their alleged role in the Sept. 9 coup bid. The coup attempt was carried out by Col. Manoon Rappakorn (ret.), the leader of the Young Turk faction that led a similarly failed coup against Prem in 1981. Rappakorn and his brother, Wing Commander Manas, were permitted to flee the country. Kriangsak maintains that he was forced by the Young Turk leaders to come to their command headquarters on the morning of Sept. 9, and from there made every attempt to negotiate an end to the coup attempt as soon as possible.

Insistence on full punishment for the alleged coup perpetrators was led by Vice-Premier Bhichai Rattakul, who travels in Socialist International circles and has aspirations of becoming prime minister himself.

Diplomatic observers in Bangkok are inclined to believe Kriangsak's version of events; he was the first prime minister of Thailand to resign—rather than be forced out by a military show of strength. "A coup is just not his profile," said one well-informed diplomat.

According to sources at the special branch of the police charged with investigating the coup, there exists no evidence with which to bring General Kriangsak to trial. However, the case has been turned over to the Crime Suppression Commission, composed of police and military officers hand-

picked by Prem and Bhichai.

No matter what Kriangsak's role, the handling of his case by the Prem government has already broken precedent. In the 15 coups or coup attempts that have taken place in Thailand since the country became a constitutional monarchy in 1932, never has a leader of the military been brought before a civilian court. Rarely has a military leader been jailed for his alleged role in a coup attempt. In the case of Kriangsak, he has not only been jailed, but his repeated requests for bail have been denied.

There is a precision in Kissinger's targeting of Kriangsak. The former prime minister is regarded in Washington and Bangkok as the potential rallying figure for a counterattack on the World Bank-IMF technocrats who have been imposing the austerity plan on Thailand.

Like President Ferdinand Marcos of the Philippines, as prime minister of Thailand from 1978-80, Kriangsak brought into office with him a list of 14 projects designed to bring about the industrialization of the country. These included a natural-gas project to be completed by mid-1981; the conversion of the Sattahip naval port into a commercial deep-sea port; a rail link to this port; the improvement of the Don Muang airport; development of lignite mining in Lampang Province for electricity generation in the north; irrigation projects for the underdeveloped north; the development of zinc smelting and mining projects; and of a sponge-iron project as the basis for building a heavy-industry sector.

These projects, and others on the table, have been ruled out of order by the technocrats of the National Economic and Social Development Board, who have been elevated in status and power under the Prem administration.

Kriangsak also came into power precisely at the point that the United States, playing out Henry Kissinger's China-card policy during the Carter administration, was rapidly withdrawing from the region. Kriangsak's foreign policy was an attempt to forge an independent course for Thailand amid the manipulations of Moscow, Peking, and Washington. Under Kriangsak, Thailand re-established relations and trade with Laos and opened the possibility for direct talks with the Vietnamese. Kriangsak continued this outlook as a parliamentarian, leading a delegation to Hanoi for preliminary discussions in 1983.

But most dangerous to Kissinger has been Kriangsak's insistence that the solution to the Indochina conflict must be regional cooperation in the development of the Mekong River Delta—a great infrastructural project that would finally set Cambodia back on its feet. It is this project, promised by the 1973 Paris Treaty, which has been vetoed by Kissinger.

As an officer who fought in the Korean War and later the Vietnam War, Kriangsak regards himself as a loyal ally and friend of the Americans. Kissinger's treatment of him and of Thailand is one indication of the degree to which Washington's policy is being shaped by considerations dictated by the Anglo-Soviet "New Yalta" deal against the United States.

Prem's program is a World Bank hoax

by Sophie Tanapura and Linda de Hoyos

On Oct. 17, Dr. Virapongsa Ramangkura, economic adviser to the prime minister's office, declared after an eight-hour meeting of the Thai government's cabinet committee, that he has given up on his attempts to halt a plan to support the price of rice. After eight hours of bitter argument, he said, he had been overruled and was forced to abide by the majority.

Virapongsa, one of the key spokesman for the pro-IMF technocrats in the finance ministry, the prime minister's office, and the National Economic and Social Development Board (NESDB), has been fighting to permit the price of rice to be controlled by "market forces," with the expected slide in prices, already at their lowest after the devaluation of last year. He has also been demanding that the rice export premium and stockholding requirement, measures designed to protect the farmer, be eliminated.

As *EIR* has reported, Article 67 of the Thai constitution states that it is a duty of the government to uphold the price of rice, to ensure the survival of the country's agriculture.

That Dr. Virapongsa, along with Finance Minister Sommai Hoonratkul, should have attempted to scrap the protective mechanisms for Thailand's rice farmers, is a barometer of how ferocious the technocratic attack on the Thai economy and national sovereignty has become. There is no support for such policies inside the country; diplomatic sources in Bangkok report their fears that if the economy continues to spiral downward at the hands of Virapongsa et al., there will be a full-scale revolt of the farmers, trade unions, and students against the government.

Dr. Virapongsa is one of a troupe of technocrats ensconced at the prime minister's office, the NESDB, and the finance ministry, trained at Wharton or Harvard, who are, as one Chase Manhattan analyst puts it, "the IMF men." Convincing Prime Minister Prem that Thailand's economic performance must please the international financial community, these technocrats have succeeded in bringing a total halt to the economic growth of the country.

In his Sept. 23 speech on the eve of his departure for New York to address the United Nations General Assembly, Prem showed that the technocrats had already convinced him of *their* concept of national sovereignty: It is better to cut your own throat than let others do it for you.

Prem declared, "The lingering economic problem which has been worrying us during the past 20 years is that of the trade deficit," and "We have now reached the point at which the problem cannot be left any longer"—even though the

IMF-imposed baht devaluation of November 1984 was to take care of this problem. The new solution, Prem indicated, involves two sets of measures.

The first calls for "reduction of national expenditure that is neither necessary nor urgent. . . . This might be done through the cancellation or postponement of major investment projects that require large amounts of funds, that involve a high proportion of imports, and that are not urgently necessary for the country." This also means "retrenchment" of on-going projects.

The second set involves measures allegedly designed to raise national income: restructuring of the tax system; monetary and other measures to encourage export; accelerating rural development "in order to mitigate *problems caused by the reduction of agricultural product prices*"; promotion of *small and medium-scale* industries in provincial areas in which *labor is high while machine and energy input are low*"; and promotion of tourism.

With that, and a "good luck to all," the Thai prime minister went to New York, where another trap was waiting for him.

Prem walks right in

Bringing a high-level business delegation with him from Bangkok, Prem held meetings with investment bankers and other U.S. business executives, but his main hosts were Henry Kissinger and David Rockefeller of Chase Manhattan Bank, an arrangement apparently made by U.S. Ambassador to Thailand William Brown.

Prem also went with the intention of placing before American business the disaster that would be caused to the Thai economy if the Jenkins Textile Protection Act, now before Congress, were to be passed. The Jenkins bill would significantly decrease Thai textile exports to the United States. According to a study conducted by the University of Southern California, the Jenkins bill would result in a decrease of 55% in the Thai textile industry; for Indonesia, the figure is 80%.

According to sources, Prem was given assurances by Kissinger et al., that President Ronald Reagan would veto the Jenkins bill, but that Thailand must stick to its current economic austerity plans. However, as one Chase economist explained, the IMF-World Bank program is not expected to bring about Thailand's economic recovery. The objective of Kissinger and Rockefeller's assurances to Prem is to maintain *political control* over the economy.

In addition, protectionist measures from the United States have come crashing down on Thailand in the last month. On Oct. 2, the United States announced that it was imposing a "countervailing duty" on circular welded carbon steel pipes and tubes from Thailand, on the grounds that grants provided to Thai firms from the government were damaging U.S. industry! The IMF program for Thailand therefore calls for encouragement of exports, while the major consumer country, the United States, is geared to penalize the country for the use of export subsidies.

On Oct. 16, the U.S. Commerce Department announced that it was set to embargo all exports of Thai textiles and apparel to the United States by Oct. 26 because Thailand has allegedly failed to comply with the U.S. demand that it cut back as much as 40% its textile export quota to the United States. The embargo is to continue for two months.

Technocrat program in action

What possible inducement could be mustered therefore to justify the continuation of the IMF-World Bank program on Thailand now? Farmers' income for 1985 is expected to decrease by 3% because of the drop in export prices of rice alone. The devaluation has also, as expected, increased the debt load. It increased the debt of the Metropolitan Electricity Agency by 1,200 million baht, for example.

Dr. Virapongsa is one of a troupe of technocrats at the prime minister's office, the NESDB, and the finance ministry, who are "the IMF men." Convincing the prime minister that Thailand must first please foreign creditors, they have halted growth.

In the investment sector, within the first five months of 1985, the baht devaluation, high taxes, and inflexible interest rates have caused a 42% drop in the value of government-supported projects in Thailand. The number of privately funded new projects also decreased by 11%. The Board of Investment in September scrapped another seven projects, bringing the total of killed projects to 26. Among the last seven projects killed were plans for constructing merchant ships. In the same sweep of the knife, the Investment Board killed five joint ventures for industrial production.

Under the guidance of the finance ministry, furthermore, the external debts committee shelved the Electricity Generating Authority of Thailand's multibillion-baht plans to expand and upgrade two power plants. According to Finance Minister Sommai, the country's power-generating capacity already exceeds demand—under conditions of economic retraction.

New Industry Minister Chirayu Isarangkura explained that the government policy is to restrain any projects that are large, capital-intensive with long-term returns, requiring imports and financing. Details of which further projects are to be axed will be worked out by the finance ministry and the National Economic and Social Development Board, he said. He further urged that the public and private sector be "aware of the government's debt and financial position."

The World Bank-IMF program takes Thailand in precisely the wrong direction; it precludes Thailand's following the model of Japan and South Korea, where government direction and backing successfully industrialized these countries. For Thailand to "take off" economically requires precisely the kinds of projects the IMF-World Bank program—run on the inside by the "IMF boys"—has nixed. Kissinger's personal obsession in the case of Thailand is known to be, at least since January of this year, the stopping of the Kra Canal project, which would develop the neglected south of the country, now being studied by a parliamentary committee and being pushed by the communications ministry.

The result of the IMF-World Bank program will not simply maintain Thailand at a point of stagnation; it will cause the collapse of the physical economy. The World Bank et al. argue that this is necessary for reasons of financial debt and a budget deficit, which in Thailand's case are minimal anyway. This also is a hoax. The same veto of industrial projects was the message the World Bank brought to Thailand in 1959—when neither of the problems cited now existed.

In 1959, the World Bank titled *A Public Development Program for Thailand* (report of a mission organized by the International Bank for Reconstruction and Development at the request of the government of Thailand) indicated that Thailand would best forget any prospects of industrialization. The report states, "Thailand lacks the basic fuel and metal resources needed for large-scale heavy industry" and that "iron ore deposits exist which may prove suitable for export, though domestic processing probably would not be economical."

The World Bank demanded the same axing of industrial projects as it is demanding today: "In the industrial field it is noted that the record of government industrial ventures, including nominally private ventures sponsored by the government, has been for the most part poor. Further government ventures into industrial operation are considered inadvisable, and a review of existing government industries is proposed to distinguish between those for which continued operation may be justified and those which should be discontinued."

The objective of this program was to preclude industrialization, as the World Bank mission indicated: "Thanks to a flourishing agriculture, Thailand has neither unemployment nor the foreign exchange difficulties that in some countries create heavy pressure for industrialization."

In the section on future policy, "There is clearly little case for a 'forced draft' program of industrialization based on government investment and operations in industry. This may mean that for some time to come ambitious schemes for starting iron and steel mills, fertilizer plants, and other heavy industries will have to be shelved. The Mission believes that the government should not only refrain from seeking to increase its industrial participation, but should try to disengage itself from its present commitments. . . . We believe that certain of the existing ventures would be recommended for immediate closure and sale, even at scrap value."

Interviews

'No improvement for Thai economy'

An interview with a Thailand specialist at the Washington-based Kissinger Associates, Inc.

Q: I know Dr. Kissinger is meeting with Prime Minister Prem as are the boys from Chase Manhattan Bank. I was hoping you were preparing a nice briefing paper for Dr. Kissinger for the meeting?

A: I have been dealing mostly with the after-effects of the coup attempt. . . . I think that Prem is going to stick to the economic policy. I guess you should say Sommai [Hoonratkul, Finance Minister] is going to stick to the economic policy. . . .

I guess the best explanation is that Colonel Manoon wanted to have another go at things. He felt he would get widespread support in the military because of some people who were passed over in September promotions, and from people who are disappointed with Prem's sort of indecisive leadership, and from people who have been hurt from the economic policies in general, including labor and small business groups. And probably more importantly, people who were hurt by the government's crackdown on high-interest-rate money-market chit funds which had a lot of military involvement.

Q: The railworkers union joined the coup and it is rumored to receive Soviet money.

A: Directly from the Soviets? You never know, anything is possible. Again, that is irrelevant. The trade unions in Thailand are fragmented and many of them are infiltrated by the military. I am sure there could probably be outside support. Obviously, the trade unions, given this kind of austerity program, are going to oppose current economic policies. There is no doubt about it. They are the ones hurt, just like the small businessmen because of the tight credit. There is a basis for opposition to Prem's economic policy. But remember that they put through a devaluation in November. They have held to it. It has been a year almost.

Q: They went with the devaluation because they were told it would expand their exports. But it didn't happen.

A: Well, there are all sorts of reasons why your exports would not show an immediate response to devaluation. And you would have to agree that a 10-month period is too short

a period in which to judge the impact of a devaluation. Right away, the value of your goods drops in dollar terms or baht terms, so your exports are going to go down in value, just because of the devaluation. That is why they did it. It is a standard IMF austerity program.

Q: Isn't Finance Minister Sommai Hoonratkul the critical person?

A: Sommai is very good. The key element is that Sommai has the support of Prem and the royal palace. He is not subject to political constraints or influences because he is not a member of any political party. He is the quintessential technocrat of the Thai bureaucracy. The Thai bureaucracy still has an enormous amount of control over economic policy. Political pressure has rarely influenced Thai economic policy in the past. If you were to assert that it might make a difference now, you would probably be attributing more or too much to what appears to be an evolution toward democratic processes in Thailand. You would be suggesting that political parties have more power than they actually have. People I have talked to do not feel that Sommai is going to be inclined to change his economic policies because of the coup.

Q: Are you saying that the political pressure against the IMF program is of no consequence?

A: I'm not saying it doesn't matter. I am saying that there will be political pressure and that it might be a force that would lead Prem to back away a little bit.

Q: Your analysis is premised on the projection that the austerity program will result in something better. How long do you think they will accept swallowing the bitter pill? Especially in the context of the threat posed by the Jenkins bill which could pass Congress.

A: I think your point is well taken. It is certainly unclear whether you are going to see a dramatic turn-around in the Thai economy in the near future. Obviously, there will be people who say that things are not working. I agree with you that there will not be any dramatic indicators of improvement in Thailand in the near future. . . . If the Jenkins bill were passed in its present form and if a veto was overridden, which is a big "if," I think it would have profound implications for the Thai economy and political stability. There is no doubt about it.

First of all, Thailand is a tiny player in the picture of trade policy in the United States. The pressures from Thailand would barely make a blip. Prem and Sommai are not simply doing this economic policy to please the United States. They do please the international financial community and everyone supportive of the international financial community. But they are pursuing the policy because it is good for Thailand. They are not going to say, "Look, we are going to give these policies up or compromise on these policies unless you give us assurances that the bill will not pass." There is no stick to hold over the United States.

Q: Do you think that the Prem government is pretty stable?

A: Anything could happen. Coups have not disappeared in Thailand. . . .

Prem is generally regarded as a weak figure. There is no one particularly happy with him except for the palace. That is because there is no alternative that is particularly appealing either. My general impression is that there are no obvious politicians either. There are no politicians that would command support in the military and the palace, which is necessary. None of them have the stature of Prem except for Kukrit, and people like that would only be transitional figures.

Thailand is a tiny player in the picture of trade policy in the United States. The pressures from Thailand would barely make a blip. They are not going to say, "Look, we are going to give these IMF policies up unless you give us assurances that the bill against importing Thai goods will not pass." There is no stick to hold over the United States.

The other basis of support for Prem is that people favor a general reduction in the role of the military in Thai politics. A continuation of the trend to a more professional military is supported. They are obviously spenders. Of course they are going to want to increase the military budget. . . . There have been many excuses for the military to flex its muscle more. I am optimistic they will not be more prominent in the future. . . .

You should be aware that there are people at Chase who don't think things are going to go well in Thailand, and would sort of like to see a disengagement from Thailand or view the situation with much more pessimism than others do.

An interview with a Chase Manhattan area economist for Thailand.

Q: What do you think is Thailand's immediate political future?

A: There may be some cabinet changes. We have rumors of this. Cabinet changes that may attempt to respond to perhaps some of the economic concerns, that were supposedly one of the motivations for the coup. In particular, there seems to be a rumor that the finance minister may be out. It is only a rumor.

Q: Isn't Sommai, [National Economic and Social Development Board consultant] Virapongsa, Dr. Snoh [of the NESDB] . . . aren't they the backbone of. . .

A: Oh! Yes, they are rather the IMF, I mean they are very much for fiscal austerity, conservatism and all that. They would have the support of the IMF and they do have an IMF program currently.

Q: But it is Sommai and Dr. Snoh who are keeping Prem in because they please the international banking community. . . .

A: Yes, but on the other hand, Prem is certainly under a lot of criticism. There is a lot of questioning and criticism of the government because of the slowdown in the economy this year. Growth is still going to be positive relative to other countries. For Thailand, it is a disaster, you know. He seems to be under a lot of pressure. There seems to be an awful lot of pressure. There seems to be a lot of criticism.

Q: Who would be likely replacements?

A: I don't know. Previous coup attempts, at least the 1981 attempt, they took a very forgiving attitude toward everyone. This time they seem to be perhaps ready to deal rather harshly with the direct perpetrators, which might be a deterrent and stabilizing factor for the future. It is not going to leave those people around to pull a repeat.

Q: There are some people saying they would like to disengage from Thailand . . . somewhat parallel to the Philippines case.

A: Thailand presently has the stamp of approval of the IMF, although those things do not always last. A lot of things have been going against them. They have been churning out a tremendous volume of commodity exports. The problem is that the prices have been so dismal. Manufactured exports have responded to the devaluation. Imports have been depressed this year. The other thing is that we have observed and sort of said, "politics is politics but the economy goes on in Thailand."

They have never been able to address the sticky issues. The sticky issues of the bus fares, the oil prices, the domestic oil prices, and admittedly they are getting to the point particularly under this IMF program where they will have to. That is going to be very difficult for them and perhaps recent developments will make it more difficult for them.

An interview with a Chase Manhattan investment analyst.

Q: I'm looking for your overview assessment on Thailand.

A: We have a political and economic analysis. We believe that for the Young Turks in the military backed by the general that attempted the last coup, and probable backing by the old Prime Minister Kriangsak, the consensus is that the economic rationale was an excuse more than a real discontent. It was more an excuse of this faction of the military to try to take

over Thailand. Apparently, they were a lot weaker than they were trying to publicize themselves.

Q: Is the consensus that the baht devaluation did not work?

A: No, I think it helped because without it the spending would have been worse. The government spending would have been exacerbated. In the last four or five years, the debt has been enormous as compared to 10 or 20 years earlier. The devaluation helped because it put a brake on the fast-paced spending. So we may not see the selling of goods as much as the government said would happen, but it certainly helped with the spend-thrift approach of the last couple of years. . . . The problem was not so much a function of the currency as that of the commodity market this year. Commodity prices took a nosedive. But I think the spending side is the more problematic.

Q: What about attacks on the IMF by Kukrit?

A: That is why his party is called Social Action Party. He is old so he will not be there too long, but his party is the biggest party in Thailand. It has always been the majority party. I think that there is a danger in politics, that the politicians take advantage of broadcasting, "This social action, this nationalistic program, etc." Most of the people are going to say that is true. However, the more educated people think that Prem is a very good choice. Aside from him, all the other people are much more radical. . . .

Even though they say the Young Turks have leftist tendencies, inside the leftist group there are right-wingers who are for much more government control, more military presence. You know the traditional role of the military to dominate politics. Whereas Prem is more the moderate figure. You have the civilian party like Kukrit's who will never be in power without the military. They are very popular and advocate more of the Keynesian type, you know spend, spend, spend. On both sides you have problems. On the Kukrit side, you have all these Keynesian government projects—money for the rural areas, etc. On the other side, you have the military spending money on F-16s, on all the latest equipment. Both of these are very dangerous for the country. . . .

Q: Was this policy developed by the National Economic and Social Development Board?

A: That board is more of a figurehead. I think it was more the IMF. . . . The point I am trying to make is that there is a danger that if the Jenkins bill goes through and the economy worsens and Prem cannot hold on to the government and either one of the other two factions comes in, that may worsen the ties with the U.S. . . . I know that Social Action would be more nationalistic. I think that could be a problem because the economy would deteriorate and more of a chance for a resurrection of communist or leftist or Soviet influence. So I think to have the economy of a close U.S. ally like Thailand worsen, I think that would contribute to the worsening of the relationship with the U.S. in the long-run.

Abrupt shift for the worse is State Department's doing

by Kathleen Klenetsky

On Oct. 6, National Security Adviser Robert McFarlane made two important disclosures in an interview on NBC-TV's "Meet the Press." McFarlane confidently predicted major breakthroughs within the next month in the deadlocked Mideast peace negotiations.

He also disclosed, for the first time, that the Reagan administration had adopted a new interpretation of the 1972 ABM Treaty. Under this reading—the only correct reading, as *EIR* has repeatedly insisted—the United States would be free to conduct research, testing, and development of advanced defensive technologies based on "other physical principles," as permitted by the Treaty's "Agreed Statement D." McFarlane's disclosure, based on a new Pentagon study of the ABM Treaty, signaled that the self-imposed fetters which had precluded the United States from pursuing some of the most promising avenues for strategic defense, would be removed.

Although it never became clear what McFarlane was pointing to on the Mideast front, his statements on the ABM Treaty suggested that a saner view had begun to prevail in the administration's policy councils, and that finally, perhaps, the United States would begin to operate in its own national interests, as opposed to the interests of its oligarchical elite and the elite's private, dirty deals with Moscow.

But less than two weeks later, the United States stood poised on the edge of catastrophe—thanks to President Reagan's susceptibility to the "pragmatic" blandishments of Secretary of State George Shultz and other Trilateral Commission agents in the administration.

Strategic rout in the Mideast

What has actually transpired since McFarlane's television appearance?

Israel's manipulation of Reagan administration policy

around the *Achille Lauro* hijack, mediated through Shultz et al., has all but destroyed U.S. relations with Egypt and other moderate states and caused the collapse of one of the European governments most supportive of the Strategic Defense Initiative, Craxi's government in Italy.

Although Secretary of Defense Caspar Weinberger strenuously objected to the American intercept of the Egyptian plane carrying the *Achille Lauro* hijackers, arguing that such an affront to Egyptian sovereignty would wreck America's influence in the Mideast, his counsel was overruled by Shultz, Assistant Secretary of State Richard Murphy, and other State Department figures.

On the basis of disinformation supplied by the Israeli Mossad—whose behavior has been guided by Tel Aviv's ongoing negotiations with Moscow (see story, p. 41)—the Shultz gang succeeded in convincing Reagan the PLO was complicit in the hijacking. So strong an influence does this corrupt bunch wield over Reagan that they were able to get him to renege on the statement he made early on Oct. 10, to the effect that if the PLO had the organization to bring the hijackers to justice, that would be fine with him. After a personal intervention by Richard Murphy, Reagan later that day did a complete turnaround, announcing, "I shouldn't have said that."

By profiling Reagan's Rambo-like tendencies, his desire to show that the United States would no longer be a sitting duck for every half-baked terrorist that came along, these enemies of the United States secured his acquiescence in an operation which has done more to turn the Mediterranean into a Russian lake than any other single event of the past decade.

Thanks to this glorious anti-terrorist action of Oct. 10, Tunisia, Egypt, and Jordan—America's closest allies in the region—are threatened with destabilization by Soviet-backed

forces. The corrupt factions within Israel are closer to an accommodation with Moscow than ever before. And Secretary of Defense Weinberger, the sanest voice within the administration on strategic policy, has been undercut to the point where his enemies are now suggesting he accept his fate, and resign.

In the Pacific

In the Pacific, too, the State Department's countercoup is making itself felt with a vengeance. As *EIR* has reported, the State Department has been spearheading a move to overthrow Philippines President Ferdinand Marcos, with the intention of handing the Pacific over to the Soviets. Days after the *Achille Lauro* fiasco, it was disclosed in mid-October that President Reagan had deployed Sen. Paul Laxalt (R-Nev.), his close friend and former campaign manager, to the Philippines, to deliver a personal letter to Marcos.

To those who remember the events leading up the overthrow of the Shah of Iran and its consequences, Reagan's initiative is frighteningly familiar.

According to a number of sources, the letter contained an ultimatum: If President Marcos does not "reform" the military and obey the conditionalities set by the International Monetary Fund, the letter reportedly reads, then the United States will be forced to withdraw its support for the Philippines and remove its crucial strategic bases from the islands.

Reportedly the "bluntest presidential message ever sent to a friend," the letter was based on an assessment from the Central Intelligence Agency and the Defense Intelligence Agency which claims that the Philippines is headed for "catastrophe" under the Marcos government. The contention is that the Marcos administration is incapable of fighting back against the New People's Army (NPA) and that within two to five years the country will be taken over by this Soviet-backed insurgency unless Marcos is removed. According to reports, the United States is also seeking alternative sites for the bases.

This is the straight State Department line—and it is total buncombe. Reliable reports from Manila indicate that the Philippines army has in fact made considerable progress in the past month in countering the NPA. The NPA still enjoys considerable protection and support from the oppositional forces that the U.S. State Department wishes to have replace President Marcos.

Secondly, the NPA will continue to exist and even grow to the extent that the Philippines economy collapses. That collapse is the direct result of policies imposed on the country by the International Monetary Fund—policies which Marcos is now fighting. This, and not the NPA, is the big reason for the State Department's displeasure with the Marcos government.

Marcos and his spokesmen told Laxalt that the United States appears not to know anything about what is going on in the Philippines. If Reagan persists in following George Shultz's orders to withdraw support from Marcos, the United

States will lose another key ally to Soviet influence.

With Shultz now in the ascendancy, the linchpin of American strategic policy has been thrown into jeopardy: the SDI. *EIR* was happy to report two issues ago that the administration had opened a strong, pre-summit offensive for the SDI. Principal flanks of this offensive included a campaign to publicize the fact that the Soviets' strategic defense program far outstrips that of the United States, and a move to broaden the reading of the ABM Treaty.

The latter move, an extremely significant step in removing obstacles to the progress of the American strategic defense program, was first publicly revealed by McFarlane on "Meet the Press," and was confirmed as official policy by a senior administration official a few days later. But as events of the subsequent two weeks have shown, what's official Reagan policy one day, becomes an orphan the next.

Five days after McFarlane's declaration, Shultz, who has bitterly fought against the SDI since it first became Reagan policy, had managed to convince the President to cut the rug out from under the pro-SDI faction. At what has been described as an "emotionally charged, knock-down, drag-out" meeting on Friday, Oct. 11, where Weinberger, McFarlane, and Shultz battled it out, Reagan decided to "compromise" after the Secretary of State threatened to resign if he didn't get his way.

Shultz unveiled that "compromise" at the NATO Parliamentarians' meeting in San Francisco Oct. 14, telling the legislators that Reagan has decided to revert to the "restrictive interpretation" of the Treaty. According to Shultz, the compromise which Reagan embraced means that while a "broader interpretation [of the ABM Treaty] is fully justified," this is "a moot point" because the SDI program has been, and will continue to be, "conducted in accordance with a restrictive interpretation of the treaty's obligations."

Shultz, who flew to Brussels the next day to deliver the same message to a NATO Foreign Ministers' meeting, also praised Soviet leader Mikhail Gorbachov's recent "50% solution"—correctly decried by Secretary of Defense Caspar Weinberger and others as a fraud—as a "step forward" and the basis for "real progress" at Geneva.

At a press conference after the meeting, Shultz gloated that the allies had responded with "universal happiness" to his announcement. But according to sources, Shultz's State Department had actually asked key anti-SDI figures within allied governments to send official messages to the White House expressing displeasure with the McFarlane interpretation of the treaty.

That became public on Oct. 17, when Sen. Jesse Helms (R-N.C.) charged on the floor of the Senate that there is evidence that Rozanne Ridgway, assistant secretary of state for European Affairs, and her predecessor, Richard Burt, now U.S. ambassador to West Germany, had "instigated our allies to strike a blow at our defense," by having them demand that the U.S. stick to the restrictive interpretation of the ABM Treaty.

James Baker: worse than the Gramm bill?

The Gramm-Rudman-Hollings amendment calling for a balanced budget for the United States by 1991 has passed the Senate by an overwhelming 74-25 vote. It has now gone to committee, since the House had already passed the extension of the debt ceiling to which it was attached. The House-Senate conference consisting of 57 members began its consultation the week of Oct. 14.

Considerable opposition has formed from the Democratic House conferees. Speaker Tip O'Neill has designated three areas for attacking the proposal: It exempts all debt service; it exempts Social Security; and it exempts previously negotiated contracts. This hardly leaves much to cut but social services and the discretionary portions of the military budget.

On this point O'Neill and Treasury secretary James Baker agree. In a nationally televised interview, Baker said that the budget could be balanced without raising taxes, "but not if you exempt half the budget." Baker went on to list budget cuts that could be made voluntarily by Congress immediately, including revenue-sharing, which is the main source of federal monies given to the states. In short, Baker agrees with the thrust of the budget-balancing proposal, but finds it too restrictive in its exemptions.

Well he might, since budget-balancing is a code term for the application of International Monetary Fund austerities to the U.S. national sector, and no one has been more dedicated to achieving this than Baker. It would be impolitic for the international banking fraternity to demand openly such measures against the United States as they demand regularly and

openly against the Third World. So, the same goals are introduced by more subtle means, and Jim Baker has distinguished himself in the eyes of his backers for being a lot slicker than his predecessor, Don Regan, in slipping in the necessary austerity measures. It would not be an exaggeration to call him "the best little Secretary of the Treasury the IMF ever had."

From the day Baker was appointed to Treasury he had his eye on the presidency. He decided that his constituency was the Trilateral Commission, and that what would please these gentlemen the most would be to force the U.S. economy through the IMF wringer, just as if it were a Third World country. The part of the budget that would be the most devastated would be defense. Among his first proclamations at the Senate hearings reviewing his appointment was that he would seek a greater role for the IMF in monitoring U.S. economic policy.

Baker may not have authored the Gramm proposal, but he is tied to the same circles who have done so, the Hoover Institute, and the American Enterprise Institute. And he is not expressing any opposition to it, in contrast to Secretary Weinberger, who has warned that the mandated cuts under the Gramm proposal would lead to a national security crisis. One Budget Committee aide ventured the view that the amendment would require perhaps \$25 billion in defense cuts for fiscal 1987. Since the amendment as drawn would exempt military contracts, these cuts would almost entirely come from reductions of as much as 250,000 in personnel.

Baker's political "genius" is that if the amendment passes he will have Congress do the dirty work for him. Now that opposition is beginning to develop toward it, even within the administration, if it is defeated he will come out untouched, and his advoca-

cy of voluntary budget cuts will have to be adopted by a chastened Congress.

What is overlooked in this "heads I win, tails you lose" choice, is that an alternative to the entire austerity package has been clearly outlined by presidential candidate Lyndon LaRouche in his National Emergency Defense Act. Instead of looking for ever new ways to cut the industrial and agricultural production capabilities of the country, LaRouche proposes to use the federal government's credit-generating capabilities to drive forward a new industrial revolution spun off from the applications of plasma physics and related energy-dense processes.

Baker is vigilant to see that no productivity-oriented solutions emerge as policy. He instead is promising a new speculative binge. As one market analyst recently wrote (*Grant's Rate Observer*), "a rift is widening between the administration and the Fed. The World Bank's balance sheet will be mobilized to support more commercial lending by commercial banks to insolvent governments. The dollar it is promised will be devalued. Credit risk will be shifted to the public sector from the private." By this script Baker would emerge as "the top financial genius in the Republican Party," accept the nomination in 1988, and go on to win—that is, if the Trilateral Commission were a sufficient constituency to elect a President.

But even Fed chairman Volcker has warned that driving down the dollar risks having it plunge precipitously. Commercial banks have responded negatively to Baker's initiative, and the austerity levels involved in a balanced budget would make the current depression irreversible. Baker may be gambling for the presidency, but he risks joining Andrew Mellon as the worst Treasury Secretary the U.S. ever had.

Kissinger Watch

by M.T. Upharsin



Henry declares war on Japan

If one day, it should come to pass, that the mutually beneficial American-Japanese relations that Douglas MacArthur established have been smashed, don't spend wasteful hours wondering how it happened. Just recall what we here report.

On Oct. 8, the latest from Henry Kissinger appeared in the international press. We caught it in the *Jerusalem Post*, a *Los Angeles Times*-syndicated article, entitled "Economic Collision Course." His imperial majesty threatened Japan with "retaliation," if it continued its current economic course, and proceeded to blame U.S. "deindustrialization" on Japan!

The nitty-gritty of Kissinger's declaration of war on Japan is this: "Japan cannot go on hiding behind its opaque decision-making process. The strategy of wearing America down will sooner or later make retaliation inevitable. . . . No nation will permit another to deindustrialize it without seeking to arrest the process. . . . It would be far preferable to tackle the issue frontally, to seek to

alter the Japanese consensus. Such an approach would oblige Japan to put its consensus system into the service of an agreed objective instead of using it as a roadblock in individual negotiations."

The agreed objective, however, must not be "in the military field"—i.e., Japan's eagerness to contribute to the U.S. Strategic Defense Initiative. Where then? "There is one area where Japanese contribution could be crucially helpful to the cause of peace: the growth of developing countries, especially the high debt areas of Latin America and some African countries such as Nigeria. All indications are that the U.S. will abandon the existing system of dealing with international debt through austerity and commit itself to the growth of the developing countries. There is indeed no other choice. But in a period of large budgetary deficits America does not have the resources to undertake such a project alone. Japan could serve both the world and its national interest by supporting generously multilateral institutions devoted to global economic growth. In establishing the limit of an acceptable trade imbalance, the U.S. should give heavy weight to a Japanese contribution to global economic development substantially exceeding its present efforts." This would be a "collaborative enterprise in great projects," counterposed to "political confrontation."

The real game

Moving aside all the sweet talk and crude thefts from the writings of LaRouche (who else has brought the expression "great projects" into the political vernacular?), what Kissinger proposes is very simple: Unless Japan "helps" the U.S. bolster the International Monetary Fund and like "multilateral institutions," the United States will declare trade war on Japan!

There is, of course, a lot of blackmail involved here. The more the Kissingerians at the U.S. State Department undermine stability in the Philippines, Thailand, and elsewhere, the more Japanese security, access to raw materials, and so on is threatened. Ironically, to the extent that the IMF is the chief culprit in these destabilizations, Kissinger is demanding that the Japanese commit national political and economic hara-kiri.

The Japanese, very astute in their own right, would never be so stupid.

During 1985, Kissinger, in his capacity as advisor to American Express bank, has traveled to Japan, demanding that the Japanese open up their currency markets for international speculative purposes. The pressure, from numerous international banking circles linked to Kissinger, is to make Toyko into one of three or four international money markets, along with, perhaps, New York, and London, in the context of a giant financial shake-out that would leave only a handful of banks in command of markets.

One such super-cartelization proposal is being circulated by the London chief of First Boston International, John Hennessey, who wants to see London, New York, and Tokyo, as three "fast-money" markets, working 24 hours a day each, and servicing, at most 10 or so banks.

A similar proposal has come from former Amex chief Edmond Safra, of the Aleppo banking family, who has extensive interests in Brazil.

Most recently, coinciding with a meeting in Venice with Kissinger and others, Banco Nazionale di Lavoro chief Nerio Nesi gave an interview to the Italian magazine *Capital*, declaring that "10 or 20 banks" would survive in the future world banking.

Expect much havoc to be wreaked by these madmen, but, also, recall that the Japanese response has not yet been heard. . . .

Palace Guard wrecks defense capacity

*An uncanny parallel from the annals of 1811, to today's James Baker III.
Beginning of a series by Anton Chaitkin.*

Providence has delivered into our hands the following remarkable document, which speaks as strongly to us in our present danger as it did to the United States 174 years ago. The parallels are breathtaking.

The country had then been subjected to years of aggression by a hostile foreign power—Great Britain. We were attacked directly by the enemy, by British warships, as well as by the enemy's surrogate terrorist partners in North Africa—the Barbary pirates, armed and supplied by the British. Our citizens had been kidnapped and held as hostages, impressed into the British Navy, and made slaves in the pirate states.

Though the U.S. military had responded heroically when given a chance, in the counterattack against the Barbary pirates, our armed forces had been denied the funding that would have allowed us to keep the peace and protect our interests by standing up to the aggressive imperial enemy. The United States treasury secretary at the time, Albert Gallatin, was a Swiss nobleman who had been hostile to the very idea of the American republic, and had immigrated here backed by European nobility with the purpose of crippling or destroying us.

Gallatin, treasury secretary to both Thomas Jefferson and James Madison, and his allies within their administrations, used the pretext of balancing the budget and paying debts as a means of scrapping the naval and other defense forces of that day. Today, the "palace guard" around President Ronald Reagan uses budgetary arguments for blocking the full development of the President's Strategic Defense Initiative. Today's Treasury Secretary James Baker III and his Trilateral Commission allies commit the United States to backing the Swiss-dominated International Monetary Fund, as the International Monetary Fund's outrageous usury and extortion on the debt-strapped southern nations force them to abandon hopes of imitating our American system of industrial development.

This piece, the story of an eclipse in ancient Egypt, was printed Sept. 3, 1811, in the Philadelphia newspaper of William Duane, the *Aurora*. It was a warning to President Madison—represented by the Egyptian Pharaoh Amenophis—to

kick the traitors out of the administration and prepare for defense against Britain. The warning was unheeded, and the next year, 1812, the United States went to war totally unprepared. A British invading force burned Washington D.C. to the ground—but the United States was able to fight back to a stalemate. In the age of the nuclear missile, we do not have the luxury of that kind of mistake today.

The hand of Providence in our reception of this document will be seen, in the name of the allegorical occupation for the chief culprit.

There [was] a terrible darkness on the land of Egypt . . . it was admirable to behold many places totally dark; when in the very next adjoining, they were totally light. To [understand] this was only in the power of philosophy . . . I ventured boldly into the capital palace of Amenophis; though every way to approach it was involved in darkness.

After I had entered into the *inner-chamber* in private, I saw some apartments irradiated with surprising splendor, and others hid in mysterious obscurity.—How highly agitated was I, to see *chiefs*, and a few *chief ministers* and *secretaries* enjoying a perfect light, while the great *head of our nation* was busied (as it appeared) in almost inconceivable obscurity . . . unconscious of the gathering clouds and darkness that surrounded him, and would ere long prove his certain ruin. . . .

I did the duty of a faithful monitor and subject; I informed this *great man*, whose ease and security was lulling him into a dose [doze], that some unfriendly *minister*, who had sinister views, kept him in the dark to answer his abominable designs of wickedness, while he enjoyed all the knowledge and happiness of light. But ah! unhappy, credulous and partial man! he answered, "it is told me the people are on my side, and they have no more light than I have; nay even that I enjoy more than they; whom would I believe but my servants? Am I not their master? Dare they deceive and mock me? Begone thou weak and *jealous philosopher* speak not against my servants. I will not hear anything that can be said against them . . . to accuse them is accusing my judgement, which

made them what they are.”

I then repaired to the apartment of the *Chief Baker* (or premier) and demanded some explanation on affairs of the utmost importance; I was admitted into his hall of audience, and found him accompanied with many chief rulers [of the cabinet, etc] . . . all was light, all was joy, all was triumph; they seemed well pleased that the darkness, which prevailed in so many places in the land, could not be traced out; and it was some cause of merriment to them, to see the people groping in the darkness. . . .

I addressed myself [to the chief *Baker*] . . . “I am a petitioner from the people . . . I come to desire . . . that you would bring the head of our nation out of this darkness. . . .”

“A very pretty request,” truly cried the *Chief Baker*, “ha, ha, as you are a wise man, and versed in the *Arcana of Nature and Philosophy*; but were you in the least acquainted with the mysteries of state juggling, you would not mention so ridiculous a thing. You seem to be surprised at this; but sir, the moment I should let the nation know the complex and secret springs of action and how they must be ruled and bring them to the light, I should be dismissed, perhaps hanged, how could I vindicate myself in keeping them in the state of perplexities, which have disturbed a nation’s peace, and almost brought them to the brink of ruin . . . they know not what I do.”

“We ministers, (at will and pleasure,) plan, digest and

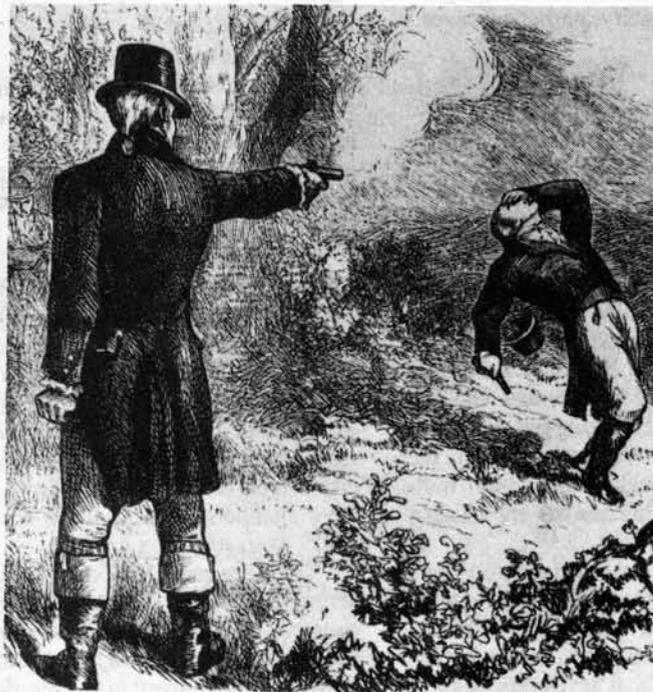
execute, everything beforehand: the *Head* of the nation will not much worry his brain about them or us. In short let him eat, drink and be merry; have his tournaments and levees; he has nothing to do but approve our decrees, and give us support; and he and the nation may as well be in the dark, as in the light.”

I was, I confess, astonished at the *Ingratitude* and *Wickedness* of this *Minister*: who was *fortuitously imposed* into the nation, by some *Ismaelitic* caravan, and who by the arts, hypocrisy, and contrivance, had arrived to great consequence . . . among the other *Beys* of the nation and considered its premier. This man being of a deep, dark and plotting mind, had heretofore made himself necessary to the *Predecessor of Amenophis* [i.e., the previous President, Thomas Jefferson]: though abhorred by the people, he was seemingly a friend to the nation, though in fact their enemy, and was always devising ways and means to fill his master’s and the nation’s coffers; and when done, would let no one finger it but himself and his minions. . . .

[The ruler retained the chief baker and his cohorts; thus] they helped poor *Amenophis* into the *Red Sea*, a *sea of blood!* in which, by the righteous retributions of God’s providence, he perished, and his whole host.

[Signed] *Historiographer* [Dated at] New Geneva
[the home town Gallatin created in Pennsylvania]
July 3, 1811

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Farm credit bail-out action postponed

The House and Senate subcommittee hearings on the crisis in farm credit scheduled to begin Oct. 15 were postponed, for the third time, until later in the month. The reason given is to allow time for the release of the Farm Credit System's third-quarter report, and proposals by the FCS of what kind of federal bail-out is required. The FCS holds up to \$80 billion, or almost one-third, of the total national \$213 billion agriculture debt. Whole sections of the FCS system are going under in the farmbelt, because of the collapse of farm income, the debt, and world food trade decline.

Governor Terry Branstad of Iowa—where the crisis is particularly severe—came to Washington, D.C. on Oct. 17 to appeal to President Reagan for congressional farm-relief action, in addition to the new five-year farm bill now being enacted. Branstad had declared a state moratorium on farm foreclosures earlier in the month, to try to prevent the mass dispossession of Iowa farm families.

Branstad, a Reagan fundraiser, asked the President not to campaign on his behalf in Iowa next year because of the hatred in the state over the inaction of the White House on the farm question. He reported to Reagan on the rate of farmer suicides.

Both the administration and Congress have been avoiding emergency measures to secure the national food supply and stabilize the farm sector. Instead, they are pursuing policies on behalf of food cartel interests, that will lower price supports and farm incomes in the name of making U.S. farm exports "more competitive" on the world markets.

Congress has heard testimony of

advocates for this view. On Oct. 8, a House subcommittee heard a request by Continental Co., one of the five largest world grain-cartel companies, that the Soviet Union should receive discount grain, subsidized by U.S. taxpayers, or else the Soviets will turn to Western Europe for their grain (which the same cartel companies broker).

On Oct. 16, a House banking subcommittee heard testimony from Export-Import Bank President William Draper, who called for congressional approval of a \$300 million credit fund to help "exporters" (meaning the grain-cartel companies). The money would be given by the U.S. government to cartel company client nations, which would then give the money to Continental, Cargill, or one of the other exporters. The U.S. farmer would continue to receive the low prices from the cartels that are now destroying the U.S. food capacity, perhaps forever.

Budget-balancing act becomes more perilous

The Gramm-Rudman-Hollings so-called budget-balancing amendment to the Senate version of the debt-ceiling extension sailed through the Senate by a 75-24 margin—but then ran into big trouble. Not only are House Democrats, led by Speaker Tip O'Neill (D-Mass.), taking pot shots at it, but there are even sounds from the Republican cloak room which indicate that Republicans too are taking a second look at it.

So report columnists Evans and Novak: "... heavy doubts have infiltrated the West Wing and the House Republican cloakroom. Silent dissenters are hoping that the Democrats will

somehow derail the deficit-reduction juggernaut, signifying that the political budget game has gone full circle."

The bill is now in the Senate-House conference, where at last count 57 lawmakers would have a crack at it. But the main reason that the rug may pulled out from under Phil Gramm and his cronies is that the Reaganites are only now waking up to warnings from Secretary of Defense Caspar Weinberger that the bill would devastate the defense budget for fiscal 1987, perhaps to the tune of \$25 billion. For the moment, the bet is that the amendment will pass in some altered version, because heavy defense cuts sit very well with Senate majority leader Bob Dole (R-Kans.).

Action against AIDS now under way?

Republican Congressman William Dannemeyer of California is now in the process of drafting legislation for immediate introduction into Congress to deal with the AIDS crisis, his staff reports.

Dannemeyer's legislation would 1) make it a felony for a person in an AIDS high-risk group to donate blood; 2) allow health workers to wear protective garments when treating AIDS patients; 3) prohibit people with AIDS from practicing in health-care professions; 4) deny federal funding to any city which refuses to shut down its "gay" bathhouses; 5) bar students with AIDS from attending school.

The only previous congressional action of any note on the AIDS issue occurred when Rep. Robert Dornan of California offered and successfully passed an amendment to the appropri-

ations bill which provided that the surgeon general of the United States could use funds appropriated under the bill "for closing or quarantining as a public health hazard any bathhouse or massage parlor which in his judgment pursuant to law can be determined to facilitate the transmission or spread of the AIDS epidemic.

Dornan's measure was attacked in debate by leading members of the congressional homosexual and AIDS lobby, notably Ted Weiss (D) of New York and Henry Waxman (D) of California, who urged that the surgeon general rely on the judgement of local health officials. The amendment passed overwhelmingly, when even AIDS lobby Democrats voted for it, arguing that "it did not really change anything."

Voting against the bill were Congressmen William Clay (D-Mo.), John Conyers (D-Mich.), Ron Dellums (D-Calif.), Stewart McKinney (R-Conn.), Edward Roybal (D-Calif.), Mervyn Dymally (D-Calif.), William Green (R-N.Y.), and George Crockett (D-Mich.).

A second amendment by Representative Dannemeyer, to correct the scandal of health workers being prohibited from taking precautions against contracting AIDS from patients, was defeated without a vote, and will be taken up again when the Dannemeyer AIDS package comes before the Congress.

Lord appointment is still on hold

As of this writing Winston Lord, ambassador-designate to the People's Republic of China, is still waiting to have the "designate" removed. Sen. Jesse Helms (R-N.C.), that *bête-noir*

of the foreign-policy establishment, has led a conservative rebellion against the appointment.

Helms has sent a letter to the White House protesting Lord's attitude on funding for China's forced-abortion policy. But behind Helms's opposition is the conservatives' outrage that the Reagan administration, following State Department advice, chose to appoint Lord, who was the director of the Council on Foreign Relations and was once chief assistant to Secretary of State Henry Kissinger, to the post.

In an effort to remove the Senate block, President Reagan has now replied to Senator Helms, calling Lord, "extraordinarily well-qualified" for the appointment. These remarks not only echo White House pronouncements during the fight over the appointment of Richard Burt as ambassador to West Germany, but eerily recall former Secretary of State Dean Acheson's remarks concerning the "Old China Hand" Gang.

As to the abortion issue, Sen. Robert Dole, the Senate majority leader, said that Reagan had told him that the White House and not the ambassador in Peking would determine how much American aid China would get for its social programs.

The Congress Is Not Always Awful Department

Here is long-awaited proof that the Congress is not always doing stupid or awful things, which would offend the moral instincts of the American people.

Charles P. Wylie (R-Ohio) recently wrote to a constituent the following letter, which the latter thoughtfully passed on to this column:

"This is to acknowledge receipt of

your letter of July 17 expressing support for my amendment to delete funding for free distribution of *Playboy* in Braille.

"I appreciate knowing your support for my position on this issue. Fortunately, a majority of House members shared our views."

Fascell appeased by turn on ABM Treaty

House Armed Services Committee chairman Dante Fascell (D-Fla.) was one of the first members of Congress to publicly assail National Security Adviser Robert McFarlane's Oct. 6 announcement that the United States has adopted a more liberal reading of the ABM Treaty, which would allow research, testing, and development of defense technologies based on "new physical principles."

In a statement Oct. 9, Fascell denounced the Reagan administration's new interpretation as "incredible," a "fundamental decision" with "serious and far-reaching implications" that "jeopardizes arms control as embodied in the ABM Treaty" and "would legitimize" the Soviets' own strategic defense program.

Fascell announced that he wanted Secretary of State George Shultz to appear before his committee to answer questions on why the policy had been changed, and proceeded to set up hearings for Oct. 22.

But now that Shultz has managed to convince President Reagan, at least temporarily, to revert to a "conservative interpretation," Fascell is all smiles. He praised Shultz to the skies on Oct. 17 for having successfully beaten back McFarlane's challenge to an arms-control treaty which the Soviets have repeatedly violated.

National News

Indict Bank of New England on drug-money

A federal grand jury on Oct. 15 indicted the Bank of New England, two head tellers, an officer, and a customer on charges of illegally concealing cash transactions totaling more than \$800,000.

The charges involved a scheme to hide the transfers from the IRS, failure to file reports on the cash transactions, and perjury, in the case of the branch manager and one head teller.

U.S. Attorney William Weld and IRS District Director John Johnson said the 43-count indictment lists 36 transactions totaling \$817,000 between May 1983 and July 1984. James V. McDonough, 51, is the customer charged; he and seven others were indicted in April for running an illegal gambling operation.

More than a half-dozen banks have now been indicted and/or fined by the federal government for involvement in money-laundering believed related to the international drug trade.

DoJ refuses to act on Weld complaint

The Justice Department has found "no merit" in allegations that U.S. Attorney for Massachusetts William Weld has violated the Ethics-in-Government Act by covering up the Bank of Boston money-laundering scandal and then launching a grand jury investigation of those who for years had opposed the Boston drug-money banks, namely organizations associated with Lyndon LaRouche, *EIR* founder.

Attorneys for Campaigner Publications were notified that the Justice Department had considered the conflict-of-interest complaint, and, "after investigation, found no merit to the allegations."

However, the fight is not over yet, as attorneys for Campaigner filed a mandamus

action in federal court in September to force Attorney-General Meese to remove Weld from the investigation of the LaRouche Campaign and Campaigner Publications in Boston; that action is still pending in federal district court in Washington.

Ex-Head Start director: Quarantine AIDS victims

Pediatrician Robert Mendelsohn, former director of Project Head Start, wrote an article for the Oct. 13 *Chicago Sun-Times* recommending a quarantine approach to AIDS victims.

Saying that he is concerned about researchers constantly changing their story on who can get AIDS, Mendelsohn wrote: "It's time for medical leaders to forego political pressures from civil libertarians and gay advocates, and call for a quarantine. We have an epidemic on our hands. . . ."

"I think food handlers and other people who deal with the public will be next," he said. San Diego and Hartford school boards ban AIDS children; Cook County, Illinois does not.

Right-wing coalition pushes for Novak

A "New Right" coalition, led by suspected KGB asset Paul Weyrich, is promoting sociologist Michael Novak to become the Reagan administration's new secretary of health and human services (HHS).

A leader of the radical movement within the Catholic Church in the 1960s, Novak has since relocated to the "conservative" Benedictine-oriented American Enterprise Institute, where he has been involved in promoting the solidarist idea that small, private groups (such as the Guardian Angels) do a better job of providing services than government institutions (the police, for example).

Recently, Novak wrote a syndicated column praising the latest draft of the U.S.

Catholic Bishops' pastoral letter on the economy, which calls for drastic cuts in U.S. military spending.

The Moonie-controlled *Washington Times* has joined the efforts to promote Novak. "HHS Needs Michael Novak," was the headline of the *Times*'s editorial, of Oct. 15, and the article argued that the HHS must change, "and not just in minor ways." The United States "must entirely rethink its approach to poverty. . . . HHS needs a conservative with the heart of a revolutionary. . . ."

Bishop Paul Moore: Sue the Pentagon!

Episcopal Bishop Paul Moore, head of New York Gov. Mario Cuomo's AIDS advisory committee, became quite upset Oct. 16 during a telephone interview on the AIDS issue, and finally hung up.

Moore had said that the Pentagon should be sued over its AIDS screening program, insisted it was "paranoid" to think the Soviets would encourage the spread of AIDS to the West, and defended his committee's decision in mid-October not to close gay bathhouses, because gays "have fought so hard for their rights, and are only barely getting some respect now."

He further claimed that AIDS is spread only through contaminated needles and sex. When it was pointed out to him that medical experts had proof AIDS is transmitted in other ways, Moore started screaming: "I don't care what they say! I have my own experts! I don't like the way this interview is going!" and slammed down the phone.

Helms attacks Burt for letter campaign

Senator Jesse Helms (R-N.C.) has accused U.S. Ambassador to Bonn Richard Burt and his successor at the State Department, Rozanne Ridgway, of orchestrating a campaign

Briefly

of letters from West European governments to the White House, objecting to Robert McFarlane's Oct. 6 announcement that the United States had adopted a much broader reading of the ABM Treaty.

Helms said on the Senate floor on Oct. 17 that there are some who "believe they [Burt and Ridgway] instigated our allies to strike a blow at our defense. Once again, we have succumbed to the appeasement policies of our so-called allies."

He charged that unidentified people have been "able to sneak around and neutralize" the development of the SDI.

"It is clear the bureaucracy itself is jeopardizing this program."

Gelb plays a familiar role

New York Times reporter Leslie Gelb claims that the "gap is narrowing" between the United States and the Soviet Union on SDI and related issues.

As evidence, the former State Department operative brings up two developments:

First, he cites his Oct. 12 interview with Soviet General Staff chief Marshal Sergei F. Akhromeyev, in which Akhromeyev said that the Soviets are prepared to permit basic laboratory research and testing on SDI.

Second, there is George Shultz's successful attack of the broad interpretation of the ABM Treaty advocated by National Security Advisor Robert McFarlane.

These developments mean that "pressures are mounting to ensure that the summit meeting is not a failure," writes Gelb.

Pentagon counterattacks against Nunn-Goldwater

On Oct. 17, the Pentagon attacked the report issued by Sens. Sam Nunn (D-Ga.) and Barry Goldwater (R-Ariz.) for overhauling the military.

The 600-page report, which has been

highly praised by the *New York Times*, is the kickoff of a major campaign aimed at streamlining the military, imposing greater unity on the services, and increasing the role of Congress in military affairs.

Defense Secretary Caspar Weinberger strongly opposes the thrust of the report.

"Based on our experience of nearly five years, we see no need for the type of drastic, fundamental changes . . . recommended by the [congressional] staff study," said DOD spokesman Robert Sims.

Under the current administration, "The decision-making machinery is running smoothly, and our civilian and military leadership meshes as [it has] rarely in the past."

Sims also disclosed that Defense Secretary Weinberger has appointed a Pentagon "task force," headed by Gen. Chapman Cox, to analyze the report.

Did U.N. 'aristocrat' die of AIDS?

One day following an Oct. 17 *EIR* seminar at the United Nations entitled, "The IMF and the AIDS Epidemic," the *New York Post* carried a banner headline, "U.N. Big Here Dies of AIDS."

The noon briefing at the U.N. that day was dominated by questions on the death of Emilio de Olivares, described by the *Post* as "a well-liked aristocrat who was the chief spokesman for U.N. Secretary-General Javier Pérez de Cuellar."

The U.N. spokesman refused to answer any questions on the death or the reported 30 other cases of AIDS in the international organization, prompting one reporter to ask, "But this is an epidemic, people are fearful, why don't you say anything?" The U.N. spokesman replied, "We are all going to die someday."

Emilio de Olivares, according to reports, had told friends that he was suffering from "Bulgarian pneumonia," contracted when he visited Bulgaria recently. No one in the West yet discovered by *EIR* had heard of this particular disease before.

● **WALLACE D. MUHAMMAD**, the son of the late Elijah Muhammad, has issued a claim to leadership of Black Muslims in the United States, attacked Louis Farrakhan, and says he will go on a nationwide speaking tour in 1986. He deplors the racial-hatred message of Farrakhan. His father, he said, repudiated the "hate-whitey" side of his message just before his death.

● **DR. THOMAS KRINGS**, the Methodist minister called by some California's "Abortion Czar," is allegedly a supporter of China's "one-child-only" law. Krings is the former director of the Sacramento office of Planned Parenthood, and is currently executive director of the Los Angeles regional Family Planning Council. A source has revealed that Krings "has made seven trips to China" and "is very proud of it." China's population-control program features infanticide and forced abortion.

● **UP TO 100,000** patients die each year from infections acquired in American hospitals, according to the Centers for Disease Control. About 2 million out of 14 million Americans hospitalized each year acquire infections in the hospital (14%).

● **WILLIAM SIMON**, former treasury secretary and a partner in Kissinger Associates, is a frontrunner for the Republican nomination for governor of New York, according to published reports. Simon recently endorsed Ed Koch for mayor of New York, against the Republican candidate, Diane McGrath, who has demanded the closing of gay bathhouses there to prevent AIDS.

● **NORTH JERSEY** police are so afraid of catching AIDS during routine police work that they are equipping cruisers with "AIDS Kits" and are buying leather and rubber gloves to avoid contact with suspects.

Editorial

Stopping the 'New Yalta'

Events reported in this issue demonstrate how rapidly the Western oligarchy and that of the East are consolidating a "New Yalta" redivision of the world. This "New Yalta" agreement, as the original Yalta ceded half of Europe to a Russian Empire, will establish a global Russian Empire. The Kremlin is to rule all of Europe, the Middle East, and the Pacific west of Hawaii. In exchange, the United States will be given free rein over a Western hemisphere ruled by the international bankers, strewn with the wreckage of what were once sovereign nation-states, turned into havens of narco-terrorism.

To fulfill this deal, the State Department is murderously destabilizing U.S. allies in those regions—not to overlook southern Africa—and acting to sabotage the President's Strategic Defense Initiative.

Undoubtedly, readers have noted that *EIR* is not merely a news magazine carrying intelligence reports of exceptional quality, but is itself central to "active measures" political-intelligence operations, to halt and reverse the "New Yalta" process before Western civilization perishes. We are most effective: Wherever there is motion in the direction of good in the world today, it is because Lyndon LaRouche and *EIR* are the efficient cause. Inevitably, therefore, we carry operations-derived intelligence not available even to the President or his CIA chief.

Without us, a "New Yalta" would already have been implemented.

- In West Germany, with initiators including Helga Zepp-LaRouche, prominent personalities have combined to form "Patriots for Germany." Their paid advertisement in the nation's leading press declared their pride and determination to save German freedom and classical culture from those who would "decouple" from the United States and enter into "security partnership" (sic) with Moscow. The action has so profoundly shaken the German political landscape that even "New Yalta" forces mobilized against SDI and the Western Alli-

ance there have not dared counterattack. "Patriots for Germany" is now a center of resistance in Europe, able to link up with similar resistance abroad.

- The new President of Panama, in office after the government of a former World Bank vice-president was toppled, announced his willingness to host a meeting of the continent's heads of state to finally deal forcefully with international usury. Argentina's Peronist leader, Juan Labaké, who toured the continent after a private meeting with LaRouche, is in Panama to consolidate support for a program of continental integration like LaRouche's Operation Juárez.

- In the Middle East, a "Black October" orchestrated by the State Department and the Mossad has seen every U.S. ally alienated and undermined. The Egyptian jet intercept, following Israel's terror-bombing of Tunisia, has left the United States engaged in a "war on terrorism" against its own allies, leaving untouched the actual Soviet-allied Libyan, Iranian, Syrian, and if it need be shown, Israeli, perpetrators of terrorism. If there is a potential for any government in the region keeping pro-American policy-options in place, it resides in such acts as the Tunisian daily *Al-Amal's* publication of a front-page interview with LaRouche analyzing the State Department's treacherous "New Yalta" plan of disengagement to permit Soviet rule.

- In the Philippines, President Ferdinand Marcos has given the State Department and an unwitting Sen. Paul Laxalt a sharp scolding for their destabilization activities, with Marcos declaring, in effect, he is not the Shah of Iran and will not be so treated. The situation there began to be turned around by *EIR's* publication of a cover story (Aug. 16, 1985) which almost forced Ambassador Steven Bosworth to go underground.

Many are learning that their only hope of survival, the survival of entire nations, is to "play the LaRouche card," and many throughout the world are also gaining the courage to do precisely that. We will not betray their hope through lack of political determination. The stakes are high. We intend to win.

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