

# EIR

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# EIR

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- IV. The biology of AIDS
- V. Flow cytometer and other laser technology potential for combatting AIDS
- VI. The relevance of optical biophysics for fighting AIDS: designing a Biological Strategic Defense Initiative (BSDI)
- VII. How Kissinger and Pugwash destroyed America's biodefense against AIDS and other deadly diseases
- VIII. The Soviet command and control of WHO's AIDS Policy
- IX. Why the Reagan administration has tolerated the CDC cover-up of the AIDS pandemic
- X. The necessary public health program to fight AIDS

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# EIR

## Quarterly Economic Report

# The GRAMM-RUDMAN DISASTER

President Reagan's signing of the Gramm-Rudman amendment, which compels the federal government to reduce spending by about a quarter-trillion dollars over the next five years, completes the national bankruptcy of the United States. But even without Gramm-Rudman, living standards in 1986 will plunge 15-30% from the levels of the late 1960s.

### Contents

- I. Depression deflation, bankruptcy, and the Gramm-Rudman act  
The decline in the productive economy  
The geometry of technology  
The absurdity of GNP analysis  
The available solutions
- II. The world financial system at a breaking point  
An orgy of speculation  
The farm debt crisis  
The non-issue of the budget deficit  
Commodity prices and Third World debt  
Peru and the debtors' resistance  
A crash of the dollar?  
Money-laundering in 1985
- III. The world will starve without an emergency production mobilization  
The world staples shortages  
Attack on U.S. export potential  
Downgrading of world food production  
Mobilizing for more and better food  
The 99th Congress's farm shut-down
- IV. Ceramics and the ceramic heat engine for the automobile of the future  
The car of the future  
Russians lead West in ceramics  
Ceramics take man beyond the Iron Age

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# EIR

## From the Editor

The cover shows an alarming combination. On the left, our photographer Carlos Wesley caught the brother and sister of Panamanian terrorist Hugo Spadafora last October in their cultish protest in Panama City over Spadafora's unsolved murder. At exactly the same time, the Gnostic fraternity of Panama put out newspaper ads announcing they would form a "mental chain" until "justice" was done in the Spadafora case—meaning the overthrow of the Panamanian Defense Forces by the drug-terror mob Spadafora worked for.

The terms used by the Panamanian Gnostics were exactly those *EIR* had come across earlier, in the narco-terrorist underworld of Colombia: an underworld run by the Gnostics, with their hatred of the Judeo-Christian tradition, and their bizarre sexual rituals. These Gnostics, and old Nazi Arnulfo Arias, are what the once-patriotic Sen. Jesse Helms has now embraced.

Weird; but no more than Helms's embrace of Israeli cultist and hooligan Ariel Sharon, whom Helms had earlier denounced for butchery in Lebanon. The right-hand photo was circulated by Helms's office! On page 22, *EIR* contributing editor Lyndon LaRouche takes on the question of why Helms has "gone haywire.."

*EIR* is also moving to oppose the State Department's operations to hand over Europe, Asia, and Africa to the Soviet Union (see map, page 36-37). Some highlights:

In **Panama**, *EIR*'s book *Narcostráfico, SA*, which exposes the Gnostics, the drug-runners, and their international banking sponsors, is being serialized by the daily *La República*.

In **France**, co-thinkers of *EIR*'s Lyndon LaRouche are running in 20 departments in the March 16 legislative elections, and taking the point in a national backlash against the Trilateral Commission (page 47).

In **West Germany**, the looming catastrophe of the Kohl government has brought to the fore the alternative offered by Patriots for Germany. *EIR* has supported this group's initiatives to save Germany and the Alliance since its founding last October (pages 43-46).

In the **United States**, *EIR* contributing editor Webster Tarpley, internationally known for exposing Soviet moves toward world domination by 1988, is running for Senate from New York (page 67).

*Nora Hamerman*

# EIR Contents

## Interviews

### 10 Clarence Davis

A Democratic state legislator from Baltimore's 45th Legislative District describes his new bill to stop drug-money-laundering.

## Departments

### 54 Middle East Report

Oil war aims at economic chokepoints.

### 55 New Delhi

Punjab festering anew.

### 72 Editorial

Debtors' dangerous cowardice.

## Strategic Studies

### 32 The State Department coup against President Marcos

### 33 Chronology of the Philippines coup

### 36 The U.S. State Department's gifts to the Soviet Navy: the global chokepoints

## Economics

### 4 The usurers prepare a 'social explosion' in Mexico

The huge decline in oil prices has reduced Mexico's agreements with its creditors to mere scraps of paper.

### 6 Currency Rates

### 7 Soviets push AIDS spread in Europe

### 8 European farm crisis turns food production over to the cartels

### 12 Business Briefs

## Science & Technology

### 14 Hydrodynamics: the key to space age materials?

Robert Gallagher reports on the development of new materials that can withstand extreme heat and radiation, necessary for construction of the spacecraft of the future.

**Correction:** Due to an editorial error, the subtitle in the Medicine column by Dr. Ned Rosinsky in the Feb. 28 issue (Vol. 13, No. 9) asserts that "precise detection and treatment of tumors using laser light are already saving 100,000 lives a year in the United States." In fact, as the article clearly states, this technology will potentially save that number of lives.

## Feature



The brother and sister of terrorist Hugo Spadafora (left) handcuffed themselves to a pole in Panama City in October 1985, in a protest against the government. In league with such bizarre protesters is Sen. Jesse Helms, shown (right) during a summer 1985 visit with Ariel Sharon (far right), Israeli agent of the Soviet-sponsored "Trust."

### 22 Why does Helms think Nazis will 'democratize' Panama?

By Lyndon H. LaRouche, Jr. Has the former stalwart patriot, Sen. Jesse Helms, gone haywire?

### 25 Moscow targets Sen. Jesse Helms

### 27 Arnulfo Arias: Nazi, terrorist, murderer

### 28 Unveil State Dept. coup plot in Panama

### 29 Qaddafi's Spadafora

### 30 The military's role in securing democracy

A speech by Gen. Manuel Antonio Noriega, commander of Panama's defense forces.

## International

### 40 The grand coronation of 'Czar Mikhail' Gorbachov

The 27th Congress of the Soviet Communist Party shows the consolidation of Gorbachov's war-economy build-up.

**Documentation:** Excerpts from Gorbachov's speech to the Party Congress.

### 43 The anatomy of the impending overthrow of the Kohl government

### 45 'Patriots for Germany' emerges as only hope for Christian Democrats

### 47 European Labor Party: 'Combative' candidates turn France on head

### 48 French Socialists join hands with international terrorism

### 50 Battle over Nazi euthanasia policies erupts in Western Europe

The Dutch Medical Association says young children should be allowed to choose their own death! But opposition to the "death lobby" has surfaced in several countries.

### 53 Egypt's Mubarak target of upheaval

### 56 International Intelligence

## National

### 58 LaRouche warns of strategic disaster after Philippines

The treatment accorded President Marcos by his "friends" in Washington, shows that the United States desperately needs a new quality of leadership.

### 61 EIR Task Force issues war plan against AIDS

### 62 Does NASA director Graham oppose the Shuttle program?

### 63 The Shuttle disaster: What went wrong?

Investigate the White House chain of command which led to the appointment of William Graham.

### 64 The Gramm-Rudman travesty goes to the Supreme Court

### 67 Webster Tarpley: a challenge to D'Amato

The New York senatorial race is in for some surprises this year.

### 68 Congressional Closeup

### 70 National News

## The usurers prepare a 'social explosion' in Mexico

by Mark Sonnenblick

Mexico's creditors squeaked through the debt crisis of 1982, but the crisis is now back with a vengeance. At that time, Mexico resumed interest payments by pumping more oil and by austerity which has reduced real wages in the country by close to 50%, and its agriculture budget by 75%. Today, those options are no longer available.

Mexico's average price per barrel of oil exported has slipped from the \$25 last year to under \$15, causing a loss of more than \$6 billion in foreign exchange revenues and similar gaps in the government budget. Mexico's sales volume has plummeted so far that it ceased trying to hold even the \$15 price, and announced it would bounce along with the spot market.

The house of cards built up by the 1983 and 1985 general debt reschedulings has collapsed forever; no matter how draconian the austerity, Mexico will not be able to pay the \$11.5 billion in debt service due this year. The game will be played by new rules. Mexican creditors and Mexican nationalists are engaged in hour-by-hour combat over whose new rules will prevail.

From the City of London's perspective, "the hope is to isolate Mexico," the *Financial Times* comments. Mexico's labor movement and other nationalists are pushing their government to join with Peru in making a sovereign decision to limit its debt payments. Brazil and Argentina would immediately follow suit, and the \$370 billion pile of Ibero-American debt would cease "performing," as the bankers quaintly put it.

### Kissinger delivers threat

Henry Kissinger delivered an ultimatum to President Miguel de la Madrid during a two-hour working session in the presidential study Feb. 17. No Mexican or foreign press has published what happened during that encounter. *EIR*,

however, has learned that Kissinger threatened that if Mexico declared a moratorium or acted in concert with Peru, he would see to it that its assets abroad were seized, its U.S. borders sealed, and a domestic social explosion unleashed.

The Mexican government was courteous enough to publish the next day a partial transcript of a briefing which a Citibank official had given to 10 Mexican journalists, on the understanding the source would not be revealed. Citibank stated, "The foreign banks have lost their confidence in Mexico." He demanded that Mexico further cut public spending and further devalue its peso, and that private companies turn their creditors into owners. Citibank argued Mexico could pay its debts without any of the \$9 billion in new loans it is asking, if only it would "sell its oil reserve, which is estimated to be 72 billion barrels, which, at, say, \$7 a barrel, in two weeks it would have no debts left." A good banker could arrange for Mexico's patrimony to be transferred to foreign owners in two weeks, he stated.

In his economic address to the nation, de la Madrid repeatedly promised he would not do anything "unilateral," despite the gravity of the situation. Thus, he unilaterally disarmed himself of the "debt bomb" weapon which would give him immense power to change that situation. But he also swore that he would not give up Mexico's oil or any other strategic sector.

Upon Mexico's underground mineral wealth depends its development prospects. For that reason, state ownership of oil is sanctified in its Constitution.

Mexico's labor movement immediately rallied around the President. It put ads in major papers urging workers and all citizens to give him their "total support," despite the suffering caused by his IMF austerity program.

"The creditors have more than been repaid for the loans they gave; their demands are morally and economically des-

picable," Mexican labor leader Emilio M. Gonzalez proclaimed at the 50th anniversary conference of the Confederation of Mexican Workers (CTM). Gonzalez, also governor of the state of Nayarit, said, "Not all of Mexico's foreign debt is clean, and a good part of it is due to the iniquitous manipulations of the international banks, threats and pressures from representatives of the creditors' governments, to usury and to the limitless ambition of minorities."

"As Mexicans," he told 30,000 delegates representing the CTM's 4.5 million members, "we would be irresponsible to history and would be shirking our revolutionary duty if we were to persist in the intention to pay at all costs, including the risk of the survival of our people and the independence of our nation." He called the situation "intolerable," and pledged support to the President's promise not to give away the country. "Nobody is obliged to do the impossible."

Although he accepted gradually deepening today's severe austerity, de la Madrid announced in his Feb. 21 speech, "Now, it is our creditors' turn to make at least an equivalent effort to the sacrifices made by the people of Mexico." That was widely taken to mean that Mexico would ask creditors to cut interest rates to 6% and to defer some payments. The *Wall Street Journal* commented, "Mexico's new policy differs only in spirit from the one Peruvian president Alan García unilaterally announced last July. . . . Nigeria, too, has taken a similar step. But by attempting to negotiate with creditors, Mr. de la Madrid is putting a prettier face on the default. . . [and] sketched a negotiating strategy that is likely to prove the most bitterly contested yet in the three and a half years that banks have been dealing with financially troubled debtor nations."

Mexican Finance Minister Jesus Silva Herzog arrived in Washington Feb. 24 to politely ask for lower interest rates as part of a \$9 billion bailout package. Top Mexican sources told *EIR* that he got precisely nothing during two days with Treasury Secretary James Baker III, Fed chief Paul Volcker, the IMF's Jacques de Larosière, and the World Bank's A. W. Clausen. A Treasury spokesman confirmed, "Our attitude is still the same as last week: that the U.S. will demand structural changes in Mexico's economy as a condition for aid."

"Structural changes" is a euphemism for measures which would let foreign creditors foreclose on the real physical assets of Mexico, at bankruptcy prices. Their specifics can be heard from Reagan administration officials willing to talk "off the record":

- ending protection for domestic industry;
- forcing Mexico's bankrupt private sector industries to hand over equity control to creditors;
- permitting foreigners to hold 100% ownership of companies inside Mexico;
- denationalizing the banking system;
- scrapping or denationalizing the industries built up over years by the state sector;

- making heftier devaluations so that each dollar of debt can snap up a larger amount of peso-denominated equity;

- imposing massive layoffs and reducing real wages further, thus freeing more locally consumed goods for export and reducing imports of food and other items.

## Juárez declared a moratorium

De la Madrid has made one concession after another to Washington on many of the above demands, as Secretary of State George Shultz is the first to admit. But, de la Madrid will not, *cannot*, give away his country. The *Financial Times* of Feb. 24 predicted, "If President de la Madrid were now to be rebuffed by the international financial community, he risks being overwhelmed by a wave of Mexican nationalism."

As his emissaries were being rebuffed in Washington, Feb. 25, the Mexican President called in all the foreign ambassadors to Mexico and instructed them: "Just as the Mexico of Juárez did not yield in the face of what seemed like an unbeatable force, which combined the power of intervention with that of internal groups which opposed full consolidation of the Mexican state; and just as the Mexico of Cardenas did not let itself be fooled by illusions, and on the contrary, upheld the essential interests of the nation, today we confront the difficulties of the moment as they are: challenges which are serious, but transitory, no greater than others the country has known how to overcome.

"In deciding," the president of the Republic declared, "we will not lose historic vision, since our ardor for preserving sovereignty and self-determination is our supreme value."

This is a dramatic shift for him. Only several months ago, he argued that the great Benito Juárez's 1860s debt moratorium was proven a mistake by the Hapsburg invasion which it provoked.

Professor Jorge Castaneda argues cogently in *Foreign Affairs*, the organ of the New York Council on Foreign Relations, that if de la Madrid tried his hardest to impose the indicated "structural reforms," it would cause a "social explosion" in the country. The press has been filled with commentators claiming that, for that reason, the United States would "rescue Mexico." All that can be concluded from the administration's hostile conduct toward Mexico is that its *intentions* are to explode Mexico, just as Mr. Kissinger threatened.

## U.S. Treasury arms Mexican insurgents

"Is the U.S. Preparing another Philippines?" read the banner headline on the Mexico City daily *Ovaciones* Feb. 26. It reports the charges made by Francisco Rodriguez Perez, a congressman from the ruling Revolutionary Institutional Party (PRI) from Chihuahua, that "support for the opposition to the PRI by the U.S. government has ceased to be hidden, and Chihuahua, the largest state, has served as a kind of test tube in which even armaments have been given to the

PANistas." PANistas are members of the National Action Party (PAN) a Nazi-Communist, anti-American party, therefore backed by the U.S. State Department, and the subject of a recent book by the Mexican Labor Party, *The PAN, Moscow's Terrorists in Mexico*.

The State and Treasury Departments are aiding and abetting the Nazi-Communist forces seeking to destabilize the Mexican government, create chaos, and make whole states into free zones for narcotics traffickers and terrorism. They are doing this Philippines-style, by preparing vote-fraud accusations on behalf of the PAN, and by helping their mafia allies arm themselves for post-election guerrilla warfare in the U.S. border states.

In Brownsville, Texas, a U.S. Treasury agent, Chris W. Heart, implied that his bosses are complicit in a burgeoning of heavy arms traffic heading toward bandit armies in Mexico. "I sat down to look at the case files a year after the [1982] peso devaluation and two different patterns emerged. Before, people bought many revolvers, .45, 9 mm, .25, and .22 caliber. These arms were used by businessmen, the federales, police, and even some delinquents across the river. But now, people are buying AR15, AKS, MAC 11, Uzis, paramilitary arms which cost \$250 to \$1,200 apiece. From the intelligence data I have, many of these arms end up in the hands of small private armies made up of 60 to 70 men."

Heart said that after he reported this shift to combat quality weaponry, Treasury cut back his staff by 40%. One can only conclude that the "structural reformers" at the State Department have cut a window through which the private armies of narcotics-traffic and insurgency in Mexico obtain their fire-power.

Some PAN leaders are frank about their intentions. Marijuana magnate Manuel J. Clouthier was quoted in the Mexico City daily *La Jornada* Feb. 19: "I don't know whether for better or worse, this country is going to change. . . ." He reported on a visit two years ago to the Philippines. "Things are going to happen, and it is inevitable that they will also happen in Mexico, damn sure." Clouthier is the probable candidate of the PAN for the governorship of Sinaloa, a narcotics-producing zone.

The State Department report on "human rights" in Mexico, released Feb. 13, complains, "Most of the opposition parties' opportunities have been blocked by the electoral force and the organizing power of the PRI, by maneuvers to divide the opposition, extensive public influence, and, according to the claims of the opposition, by electoral fraud."

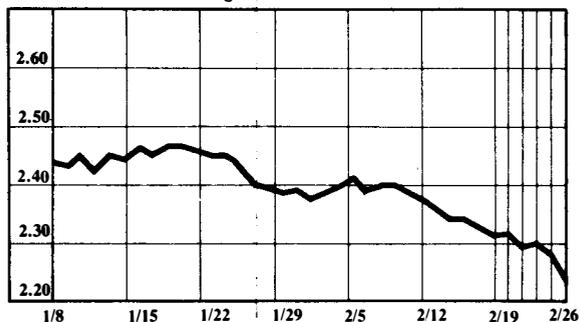
Senator Jesse Helms (R-N.C.) plans to use his Senate Foreign Relations subcommittee to feed Mexico's destabilization. Hearings are to begin in April.

*The Financial Times* of Feb. 19 says of Helms' endeavor: "Such hearings could be expected to echo conservative judgments that not only is Mexico's economy a statist breeding ground for corruption, but that the time is overdue for it to start reforming its political structures and move firmly in the direction of embracing true (capitalist) democracy."

# Currency Rates

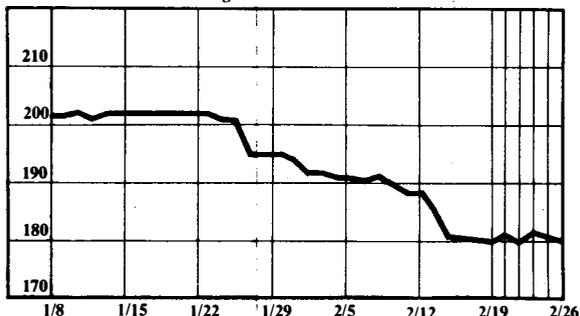
## The dollar in deutschemarks

New York late afternoon fixing



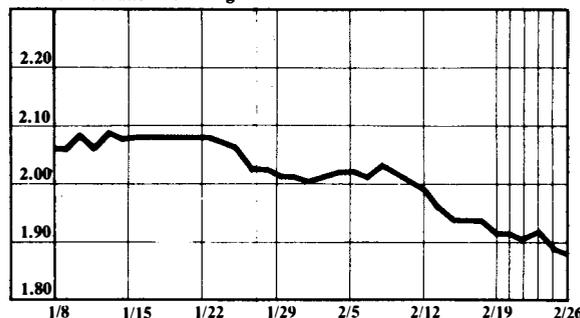
## The dollar in yen

New York late afternoon fixing



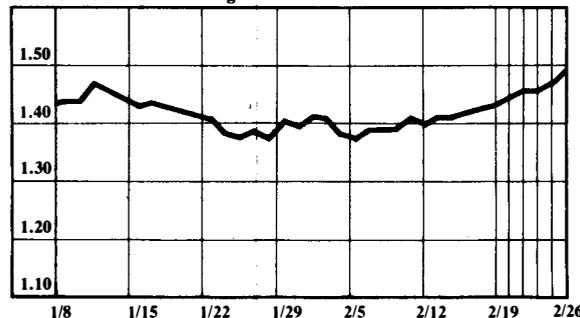
## The dollar in Swiss francs

New York late afternoon fixing



## The British pound in dollars

New York late afternoon fixing



# Soviets push AIDS spread in Europe

by Mark Burdman

According to inside sources in Geneva, an evaluation is now circulating among the officialdom dealing with AIDS at the World Health Organization, that *EIR* has been "foolish" and "unfair" in asserting that the WHO's AIDS work is under the control of the Soviet Union.

In the same breath, however, one official told a journalist that the big conference on AIDS in Europe, scheduled for Dr. Velimirovich's Institute of Social Medicine in Gratz, Austria April 7-9, is being coordinated by one Dr. Bytchenko, head of AIDS work at the European Region headquarters of the WHO in Copenhagen. He is . . . a Russian.

"Foolish?" "Unfair?" The assistant director-general for communicable diseases of the WHO in Geneva, the AIDS "czar" at the policy-command level, is a Russian, Sergei Litvinov. His assistant, in charge of all virology work at WHO in Geneva, is Yuri Ghendon, a Russian. He recently replaced Dr. Bektimirov, a Russian.

With Bytchenko in Copenhagen, the Soviets have command of AIDS work and information flow on the entire continent—and beyond. The European region covers *all* of Europe, East and West, and extends into Turkey, Morocco, and Israel.

The Israeli angle is of interest. Israel joined the European Region only about one year ago, shifting over from the Mediterranean Region. In February of this year, the director-general of the WHO's Copenhagen office, Dr. Asvaal, made a trip to Israel, meeting with Prime Minister Shimon Peres, Vice-Premier Yitzhak Shamir, and Health Minister Mordechai Gur, and made a special appeal to the Israelis to put significant efforts into AIDS work.

A positive development? Maybe. If one considers what's going on between Russians and Israelis these days, maybe not. If Israel is functioning as a Soviet asset on the strategic level, why not in this area, too?

In West Germany, where one would expect the most intensive work on AIDS research, the WHO mafia is directing just the opposite. Honest researchers complain that funds are woefully inadequate, that leading pharmaceutical companies are ignoring vital areas of research, and that leading research facilities such as the Max Planck Institute, have been phasing out those facilities that would be vital to AIDS work. On top of this, the government and political parties are, for

various reasons, complicit in a coverup of the extent of the danger.

Similar problems might be pinpointed in other key European countries.

Dr. Bytchenko claims to "know personally very well" and to "respect very much" Munich's Dr. Fritz Deinhardt, the head of the AIDS Collaborating Center in West Germany. Bytchenko, Deinhardt, and Soviet officials in WHO's Press and Information Department are known to insist that the Western media, especially in the United States and Germany, are "exaggerating" the AIDS danger.

An Israeli-linked source who recently spoke to Bytchenko, reports that the latter personally maintains the view that AIDS is "extremely dangerous," but "the danger should not be exaggerated very much." He supports the WHO-Geneva's clampdown on any discussion on AIDS's probable transmissibility by insects and other means, "to keep the populations quiet, and to avoid psychosis." Meanwhile, AIDS spreads, unreported.

Of course, the "Russian race" has no immunity from AIDS, and it will surely spread to that holy soil if left unchecked in Europe. But, the Soviet attitude is very simple, and should be a cause for reflection for those who complain that *Meldepflicht* (compulsory registration of victims) or quarantine are "Nazi" and "fascist." As one political veteran told us recently, "The Soviets have their own developed method of quarantine. It's called shooting people."

If current trends continue unchecked, there will be no Danes, no Swedes, no Germans, no Spaniards, etc., by some time early in the next century. Whether this disappearance is managed by Russian forces or not, even old European families who normally entertain global deals with the Russians, are capable of reading Edgar Allan Poe's *Masque of the Red Death*, and drawing certain conclusions from it.

There are some hopeful signs:

- Munich city-fathers have told *Der Spiegel* magazine that they don't want to become "the AIDS metropole of Europe," and demands for *Meldepflicht* and other measures have been raised.

- The chief medical adviser to the British Health Ministry, Dr. Donald Acheson, told a conference on AIDS, of the Newcastle Haemophilic Society in mid-February that AIDS had become "the biggest health problem of this century."

- The government of Sweden has enacted a regulation, usable in cases of epidemics, requiring abstention of AIDS victims from spreading the disease, at pain of imprisonment for three months. This is seen as intermediate, toward stronger measures to deal with AIDS.

Denmark has the worst AIDS situation in Europe; rioting there over certain AIDS-related incidents in 1985 may just be the harbinger of things to come across Europe, as the moment approaches for the critical decision: Will there be an AIDS "awakening," forcing governments and health authorities to act?

# European farm crisis turns food production over to the cartels

by William Engdahl

In February, European Community Agriculture Commissioner Frans Andriessen published his proposals for a new EC farm price support program, and over the coming months, the agriculture ministers of the 12 EC member countries will battle over a package of austerity measures which, according to the analysis of the central organization of European farmers, will mean effective average price reductions to farmers of 12-15% for grain alone.

The austerity measures, and another big step in cartelization of food production by big multinational firms and banks which will absorb those sectors and firms which will not survive.

The Commissioner's proposals include a controversial "co-responsibility levy," or tax, on grain production, and price freezes for most products. Other measures are designed to dump "surplus" EC food stocks.

One result of the economic crisis gripping European agriculture in the last several years, has been that farmers have attempted to "produce out" of their cost squeeze. They have used fertilizer more intensively, often damaging future soil yields for more immediate yields. They have produced more in order to sell into guaranteed EC storage.

As a result, EC stockpiles of meat, grain, and dairy products today are at record levels. For the production year just ended, EC stocks of grain in intervention stores increased 300%. Beef in store with the EC has increased 300,000 tons to a record 800,000 tons. Only through a draconian dairy production quota imposed in March 1984, has EC milk and butter storage stabilized. The total value of EC stores had grown to an estimated \$7.6 billion by January of this year.

Storage costs for the surplus stock reached almost \$3 billion last year alone, and have led to shocking corruption scandals. For example, giveaways of surplus stocks to the Soviet Union have occurred, via intermediaries such as France's "Red Billionaire," Jean Baptiste Doumeng, the man who for 20 years has been an intimate of Mikhail Gorbachov, and has parlayed his "Russian connection" into an exclusive franchise for French-U.S.S.R. agriculture trade. The sheer size of the surplus has allowed types like Doumeng to continue this legalized theft almost without protest.

Andriessen has now proposed a \$3 billion fund over the

next three years to assist in dumping the EC food surplus onto world markets. This will only aggravate a U.S.-EC trade war, which escalated last summer under the "export enhancement" scheme of the U.S. Department of Agriculture. In that version, government-held Commodity Credit Corporation food stocks are given for free to private cartel food exporters, such as Cargill, which then offer these at discount prices, in an attempt to beat out European and other competition.

Former U.S. Agriculture Secretary John Block signaled a new phase when, in December 1984, he and former Cargill executive Daniel Amstutz, agriculture undersecretary, told a London gathering that the U.S. was launching a "free market" program to force the removal of EC export subsidies.

This general strategy was designed by . . . the Soviet KGB, to put Europe and the United States at each other's throats. As *EIR* has detailed, the program was invented by a Vienna-based think tank, IIASA, which President Reagan has accused of being a front for the Soviet Union. The objective is to allow multinational banks and grain cartel trading companies to destroy national farm production policy, centralize all strategic phases of food production, processing, and distribution, and for the first time, place the world's food production under supranational control.

## Enter EC austerity

European farmers have been forced to absorb staggering income losses in recent years, because of the squeeze of soaring equipment and input costs, and the shrinking of export possibilities and income.

According to the Committee of Agricultural Organizations in the European Community, COPA, despite the EC farm subsidies and price supports, net farm income in West Germany in 1985 fell by 23.4% over the previous year. Following the 1974 oil price shock, aggravated severely in 1979 by the double impact of a second "oil shock" and the Volcker interest rate shock, purchasing power of net income per farmer had plunged 33% in the decade from 1974 to 1984.

According to one north German trading source, under the present EC austerity regime of dairy quotas and contracting export markets, farmers in some cases are losing an average of 500 to 600 deutschemarks per head for young bulls under

18 months put up for slaughter. Should they choose to mature the beef rather than sell at such a price, they face prospects of only greater losses as future prices set in Brussels promise to be lower yet.

German farmers point to record postwar unemployment as one reason they are forced to take whatever terms they are offered. In the early 1970s, young farmers could find industrial and other jobs in an expanding industrial economy. With record postwar unemployment in Germany officially at 2.4 million, more than 10% of the total labor force, such jobs simply do not exist today.

The leader of a French farm organization recently told *EIR*, "We see the entire process of the last several years bringing European farmers increasingly under the control of multinational cartel companies, which have no interest or loyalty to national interests or needs."

Especially since the 1970s, a disproportionate dependence on the margin of export sales of food to the East has developed. The cartel companies that have moved in to capitalize on farmers' distress are, as a rule, very closely tied to the Soviet bloc.

### **Multinationals and banks take over**

The dominant force in the food industry in the Federal Republic, as with petroleum, is an Anglo-Dutch firm, Unilever. With annual sales last year over 10 billion deutsche marks (\$3.3 billion), the Hamburg-based Deutsche Unilever has grown to become larger than the number-two (Oetker) and number-three (Swiss-Nestlé) firms combined.

Today, Deutsche Unilever, which is very guarded in speaking about its business, owns the largest frozen foods and ice cream producer, Langnese-Iglo; the largest commercial fish distributor, Nordsee; and a variety of subsidiaries across the food industry, such as Union Deutsche Lebensmittelwerke, the Schafft Fleischwerke meat company, Novia Lebensmittel, Norda Herringshandel, and others.

According to farm sources in the north German area, Unilever recently stopped buying vegetables from regional farm producers, because they could get produce more cheaply from a subsidiary in another country. That decision alone idled some 1,100 hectares of land, and imposed hardship on local farmers.

The giant multinational company is run through Unilever PLC of London and Rotterdam. It is one of the world's largest corporations, with operations in every corner of the globe. In 1984, it was estimated to be Europe's fifth largest and the world's 30th-largest industrial company, with sales of some \$15 billion. With such enormous economic power, the giant Anglo-Dutch company can dominate entire sections of German agriculture under conditions of the worsening farm crisis.

The chairman of Unilever is Sir Kenneth Durham, whose view of spreading global malnutrition and starvation is cyn-

ical, to say the least. In a March 1985 interview, he stated, "Just think of the amount of gut there is out there for metabolizing food. It's huge!"

The most powerful force in the German farm credit area is the huge Deutsche Genossenschaft Bank (DG Bank). With reported assets in 1984 of some \$15 billion, the bank is almost half the size of the Dresdner Bank, the nation's second-largest private bank. As the central bank of some 3,800 cooperative banks across Germany, DG Bank today controls all milling, from feed mills to the baking flour industry. DEUKA, of Duesseldorf, the largest feed mill in Germany, which runs 1 million tons of feed a year, is owned by DG Bank. The bank also owns 50% of AGAP, and thus holds a major share of the feed and meal industry. DG Bank also dominates the baking industry via VKL, mated 20% of the industry, which buys wheat from the farms.

DEUKA, AGAP, and VKL control 55% of the domestic wheat market from farm to mill. According to sources familiar with the industry, farmers who sell to these DG Bank companies are forced to sell for less than they could were they able to sell to private traders. The DG Bank in recent years has virtually pushed the private traders out of the market, making farmers captives of the huge bank.

DG Bank is reportedly now trying to go into the milk market, taking advantage of the distress caused to farmers by the imposition of EC dairy quotas. Following the March 1984 milk production quota penalties, farmers were forced to slaughter tens of thousands of the world's best dairy herds.

When, in November 1985, the regional Bayerische Raiffeisen Zentralbank got into trouble, DG Bank moved in and took that institution over, making it the leading cooperative bank in the country.

The chairman of the Frankfurt-based DG Bank, is Helmut Guthardt. He is chairman of the board of London and Continental Bankers, Ltd. This puts the head of DG Bank at the head of a London bank owned jointly by Caisse Nationale de Crédit Agricole, reported to be the world's largest bank, Rabobank Nederland, and similar cooperative-linked agriculture banks as far away as Canada. Assets in 1984 were about DM1.8 billion. Rabobank in the Netherlands is the controlling bank of Dutch agriculture, and recently moved in to buy U.S. farmland, taking advantage of collapsing land values. Rabobank in Holland, with assets of some \$40 billion, controls 90% of all farm credit there.

One leading member of an independent French farmer organization told this writer: "The big cartels which control trade, export, feed grain, milling, and distribution, as well as credit, are allowing the crisis to develop. As huge sections of farming collapse into bankruptcy or worse, under falling prices, they can then, at a certain point, step in and gain iron control over EC food production. At that point, they will be in a position to raise food prices. The farmer and consumer will then be powerless to control the food supply."

# A bill to stop dope-pushers and drug-money-launders

*Clarence Davis is a Democratic state legislator from Baltimore's 45th Legislative District. He was first elected in 1983. He is a member of the executive committee of American Legion Post 294 and was formerly VFW regional coordinator. He is a member of the National Association of Black Veterans, and a member of the Board of Directors of the Association of Black Veterans, and a member of the Board of Directors of the Baltimore NAACP.*

**EIR:** You've just introduced a bill, No. 1353, titled "An Act Concerning Money-Laundering." Can you tell us something about the bill and where it stands in the legislature?

**Davis:** Right now it's awaiting hearing before the Judiciary Committee. The bill is designed to eliminate dope-money-laundering. It would hold an institution and its officers, directors, and employees, who knowingly participate, accountable. It would place a fine of not more than \$250,000 or twice the value of the monetary instrument itself. For subsequent offenses, financial institutions would be subject to a fine of not more than \$1 million.

**EIR:** In the preamble to the bill, you declare that a state of emergency exists within the U.S. banking system as a result of laundering of drug profits.

**Davis:** Yes, it does. In just some of the recent events, if you check the *Baltimore Sun* for Jan. 31, the headline on page 13b states, "Second Largest New England Bank Accused of Helping Bookie Hide Withdrawals."

**EIR:** Which bank was that?

**Davis:** This is the Bank of New England. That's different than the Bank of Boston. So that's just another bank that's added to the list. The article goes on and states the transactions that occurred there, the interconnections between the various personalities.

Then if you follow up and look at the *Baltimore Sun* of Feb. 13, you'll see a heading, "Democracy in South America is Linked to War Against Drugs." Here, statements were attributed to Elliott Abrams, the head of the State Depart-

ment's Latin American Bureau. This is what he told a Baltimore audience. So, everyone is aware of the problem.

**EIR:** There has also been something of an emergency problem in the financial institutions of Maryland in the past year.

**Davis:** Yes, we have a serious problem, what we call the savings and loan crisis.

**EIR:** Do you think there is any relationship between the large amount of drug use in Baltimore and Maryland, and the financial crisis facing the banks of Maryland?

**Davis:** I don't have any facts on that, but certainly, many of my associates are speculating that much of what is taking place could possibly be attributed to the drug industry.

**EIR:** In the bill's second "whereas" clause, you note that the U.S. Department of Justice, currently under the direction of Attorney-General Edwin Meese, has "consistently refrained from prosecuting chief executive officers and other directing officials of some of America's largest banks."

**Davis:** Yes, he has. But not only that; he has attempted to water down the legislation proposed by the President's Commission on Organized Crime.

**EIR:** Why do you think this is happening?

**Davis:** It would appear that there may be some relationship between the friends of the federal government and the dope trade. One of the reasons it's necessary to attack this problem at the local level, is the failure of the Reagan administration, and particularly Mr. Meese, to actively pursue the recommendations of the President's Commission. This problem could be dealt with best by federal legislation. But when we went to visit Washington a couple of months ago, the person who's the chairman of the subcommittee that would deal with this legislation in the Senate was Paul Laxalt, and he's from Las Vegas. And he's reputed to have relationships with organized crime. When we went to visit the House, we met with Congressman Hughes from southern New Jersey, which includes Atlantic City. It would appear that the people from

those particular areas that are reputed to be organized crime areas, are not the impartial type of people we would want to head those committees.

**EIR:** But they've placed themselves in the positions where they control which bills get passed, and which don't.

**Davis:** In particular, the legislation dealing with money-laundering and organized crime.

**EIR:** What do you see as the prospect for passing this legislation?

**Davis:** I think we have a good chance. I think the problem is so profound that people are groping for answers. This problem potentially could destroy America and the entire Western Hemisphere and democracy as we know it.

**EIR:** A dossier on the Ibero-American drug crisis has been prepared by the National Democratic Policy Committee, with which you've worked to draft this bill, at the request of Rep. Charles Rangel of the House Select Committee on Narcotics.

**Davis:** I intend to highlight this material in my testimony on the bill, when it comes up for a hearing. Also in that testimony, I'm going to highlight the Casino Case, which is referred to in the President's Commission on Organized Crime report on money-laundering (page 10). This is the Baltimore drug-trafficking case. That's my district. That particular individual bought mopeds and color-coded sweat suits for kids, so that if you had this colored sweat suit, your area to deliver



drugs was over here, and so on and so forth. That's how intricate the drug-trafficking is.

**EIR:** Approximately how much money in drugs goes through your district in any one year?

**Davis:** It's in the millions in my district. When you go through the paper every day, you look at the business page, and everywhere you look, the banks are getting caught up in money-laundering. And then you turn to another page and you see people like Abrams, a head of the State Department, saying that democracy in South America is linked to the war against drugs. Then you ask what are we doing about it. The one thing that we at the local level can do, is to make every effort to destroy the import of drugs to our state, and to apprehend and prosecute to the fullest those persons who are caught up in the traffic.

**EIR:** For that reason, you've introduced House Bill No. 641, "An Act Concerning Controlled Dangerous Substances"?

**Davis:** Yes, and I have another piece of legislation in too, that would prohibit the court from considering alcohol or substance abuse as a contributing or mitigating factor in the commission of a crime. This would mean that a person who commits a burglary or other crime because of his drug habit, would have to do five years, or whatever the crime called for. They could not place that person in a halfway house. Just because one has a drug problem, is no excuse for breaking into my home, or anyone else's home in my district, or anywhere in the country. We want to take that away.

But a second part of that legislation would mandate that the state create a facility to put these people in. Because you don't want to put them with the regular population. And since we have at least one, maybe two of our mental institutions closing in the next couple of years, those facilities would be excellent for such an institution to house these people in for the duration of their sentence. If they have a five-year sentence, I can guarantee you that they'll be off of drugs within that five years.

**EIR:** House Bill 1353 also says that money derived from illegal laundering of drugs will be forfeited to the state for use by the state to finance such projects. Should both bills pass, one would finance the other.

**Davis:** Precisely. That's the plan.

**EIR:** Do you have much support in the legislature for this bill?

**Davis:** It's a little hard to tell, until I present the testimony. Then I can begin to count votes. The most difficult thing is to get it out of committee. I can say this, that the chairman of the Judiciary Committee and I have talked. He's concerned about the legislation and he's going to give it every opportunity to get out of his committee.

# Business Briefs

## **The Markets**

### **Collapse hits Sweden's Stock Exchange**

The Swedish Stock Exchange collapsed Feb. 27 by 5% in total share values, in the second-largest fall in recent history. The collapse was triggered when the government was pressured by trade union opposition into doubling a tax on stock transactions, in order to penalize massive paper speculation.

The collapse hit the stock of Sweden's Volvo Corporation especially severely, recording a 10% share loss amid increasing reports of problems for the company head, Pehr Gyllenhammer. In the last three years, Gyllenhammer has leveraged Volvo into the largest industrial holding company in Scandinavia. Two weeks before, his fortunes began a sharp reversal when Fermenta, a drug and bio-engineering company which Gyllenhammer had bought a 20% share in in January, collapsed on the revelation that its head, Refaat el-Sayed, had fraudulently represented his academic degree.

## **Peru**

### **Alan García tells the IMF to get lost**

Peruvian President Alan García announced at a press conference in Lima Feb. 27 that his government would not permit the International Monetary Fund to send a mission to his country. The press conference coincided with a meeting of Peru's creditors' committee in New York.

García said, "We have nothing to hide, but neither will we accept vice-regal missions of intervention in Peru. If they want to know how the state is run, they should ask the state, and we will tell them. But we will not allow any financial institution, no matter how powerful, to intrude, telling Peru where to go, what to do, what policy to follow."

"We have stated definitively that the International Monetary Fund is an institution to which we belong historically, but whose characteristics we do not share. At regular

intervals, missions come which study the central bank vaults, speak with industrialists and ministers, and scrutinize and poke their noses into all the state secrets, as well as all the accounting books."

But, he concluded, Peru "has stopped being a colony" and will no longer accept "any kind of intervention or treatment that curtails the economic sovereignty" of the nation.

## **The Recovery**

### **Administration misses Gramm-Rudman target**

President Reagan's Fiscal Year 1987 budget will miss the deficit target set by the Gramm-Rudman bill by \$15.7 billion and is off even more for later years, according to an estimate released on Feb. 26 by the Congressional Budget Office.

The CBO projected that much of the difference is due to defense spending. It said it had relied on "historical spending rates" to project its defense figures, while the administration "believes that historical spending patterns will not apply in the future."

Reagan's budget showed a \$143.6 billion deficit, just below the Gramm-Rudman requirement of \$144 billion. The CBO estimates the budget deficit for FY 87 at \$159.7 billion.

## **Labor**

### **AFL-CIO welcomes post-industrial society**

The AFL-CIO's Committee on the Evolution of Work announced sweeping changes on Feb. 21, reflecting the takeover of the labor federation by kooks and sociologists who believe that the age of the industrial worker has passed.

Known informally as the Committee on the Future, the panel's chairman, AFL-CIO Secretary-Treasurer Tom Donahue, announced approval of "associate memberships," especially for service employees who "do not find labor's traditional, blue-collar

industrial approach relevant"; the increasing use of the "corporate campaign"; the appointment of permanent "mediators and umpires" to rule on organizing battles between unions competing to organize the same workers; and the establishment of a new office called "cost-comprehensive organizing strategies and tactics."

AFL-CIO President Lane Kirkland described the changes as reflecting the changing "trends in the composition of the workforce."

## **Banking**

### **Austria's Androsch charged with perjury**

A leading Austrian banker and associate of Henry Kissinger, Hannes Androsch, is in serious trouble. Androsch, the head of Austria's largest private bank, Kreditanstalt, was charged on Feb. 20 by Austria's state prosecutor with having made false statements to a parliamentary commission. Androsch is already under investigation for alleged tax evasion.

According to the London *Guardian* of Feb. 21, the new investigation announced by the state prosecutor is a "serious blow to Dr. Androsch."

During his trips to Austria in recent years, Henry Kissinger has been wined and dined by Androsch, and has addressed private meetings of the bank. The repercussions of the scandal on Kissinger are not yet known, but some sources suggest that Androsch may in fact be Androgenous.

## **Gold**

### **Peru launches 'Operation Oro'**

The general manager of the Peruvian Central Bank, Hector Neyra, confirmed on Feb. 24 that Peru had withdrawn \$500 million in reserves from Swiss banks, bought 70 tons of gold, and brought it to the vaults of the

central bank in Peru.

Speaking of deposits in U.S. banks, Neyra declared, "We no longer have anything at all in gold and silver nor cash deposits. . . . They were withdrawn opportunistically."

The Peruvian magazine *Caretas* reported that Peru's gross reserves are \$2.7 billion and its net reserves \$1.5 billion. It claimed that a secret central bank report of September 1985 recommended pulling out all funds from U.S. banks and putting them in secret accounts in Switzerland and elsewhere.

The magazine expressed concern about reserves being concentrated in the Swiss Bank for International Settlements (BIS), where they are vulnerable to embargoes. "The BIS finally decided to tell Peru that the country should begin to reduce its deposits in that institution."

Peru also wanted to deposit the gold in the Andean Reserve Fund, but that was found also to be subject to embargoes.

### ***The Debt Bomb***

## **So. Africa's creditors reach agreement**

The London meeting on Feb. 20 between a group of 30 creditor banks and Fritz Leutwiler, the official mediator for the South African Reserve Bank, made what one London financial insider called a "stand-off agreement" to deal with South Africa's debt.

Leutwiler is the former head of the Bank for International Settlements and the Swiss National Bank. His proposal for a de facto one-year moratorium on all principal and interest payments on \$10 billion of South Africa's \$24 billion foreign debt, with a \$500 million "down payment" to be made beginning April, has not been formally agreed to by the banks, the negotiator for Britain's lead bank, Barclays, told *EIR* on Feb. 21. He would only state that the banks were "examining South Africa's entire situation, current account surpluses and such, to see if 5% [\$500 million] is the most South Africa can pay."

According to one well-placed London source, South Africa holds "a trump card—they can threaten formal default if the banks

push them. They already sent a warning two weeks ago when they withdrew all their SDR [Special Drawing Right] balances from the IMF. A default at this juncture could trigger a lot of other debtors to follow suit."

Meanwhile, two strikes were called in South Africa. Some 12,000 black miners walked off their jobs on Feb. 25 at the world's biggest gold mine, the Vaal Reefs mine. This was the second such major labor dispute in the country this year, coming after the Impala Platinum Mine fired more than 20,000 men on Jan. 7 following a strike over union recognition.

Another 2,000 men went on strike on Feb. 25 in unrelated disputes at two collieries about 50 miles northeast of Johannesburg.

### ***Austerity***

## **Brazil freezes wages on orders from IMF**

The government of Brazil announced shock wage-price controls on Feb. 28, ending 22 years of inflation indexing. The measures' similarity with Argentina's "Austral Plan" comes as no surprise, since both were designed by the same International Monetary Fund consultant, Francisco Lopes.

All wages will be frozen, after an initial adjustment for those who have not had a wage hike for a long time. There will be an automatic wage adjustment only when inflation reaches to 20%. The minimum wage is \$13.50 a week. The government has also introduced, for the first time, an unemployment insurance program paying between \$10 and \$20 per week. Price increases are strictly forbidden.

In a speech announcing the measures, President José Sarney said, "Today is the beginning of a life-and-death war against inflation." He quickly passed the microphone to Finance Minister Dilson Funaro, who has emerged as Brazil's new economic czar.

The "reform" will begin to dismantle the complex system of indexation in Brazil, while keeping interest rates high. Mortgage payments and rent will remain frozen for a year.

## ***Briefly***

● **EDMOND J. SAFRA** is leaving the Board of Directors of American Express. He will not stand for reelection at the annual meeting in April, citing increasing demands of other business and personal interests.

● **THE MEXICAN** government announced on Feb. 25 that it will put up for sale 15 state-owned industries which are losing money. Last year, it sold 20 industries to private buyers for a grand total of \$32 million; this year it expects \$40 million.

● **WEST GERMAN** export rates slowed toward the end of 1985, according to the February report of West Germany's central bank. In the case of exports to the United States, West Germany dropped from a rate of 19% increase over the first half of 1984, to only a 3% increase by the last half of 1985.

● **THE ARGENTINE** trade union confederation CGT issued an ultimatum to President Raúl Alfonsín on Feb. 24, warning that if the government does not agree on wage levels before the CGT plenary meeting on March 6, the CGT would take measures to force the issue.

● **PRIVATE HOSPITALS** in the United States are "dumping" patients when the money to pay for their treatment runs out, according to a study published by the *New England Journal of Medicine*. Numbers of patients have died in the process, particularly victims of gunshot wounds and strokes, whose conditions are unstable. Out of 467 patients in 42 private hospitals transferred to Chicago's Cook County Hospital, 87% were moved for financial reasons. Texas has enacted a new law to prevent "dumping."

● **IN INDIA**, a general strike against a rise in fuel prices was conducted on Feb. 26, in 15 out of 22 states. The strike was organized by anti-government forces.

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## Hydrodynamics: the key to space age materials?

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*Robert Gallagher reports on the development of new materials that can withstand extreme heat and radiation. The method dates back to Leonardo da Vinci!*

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In order to advance basic industrial processes and enter the age of plasma technologies, to colonize the Moon and Mars, we must develop new materials that can withstand higher energy flux densities than existing metals and ceramics. The next era in metals-refining technologies, may require materials that can withstand the flow of ionized metal ores and their constituent elements, over their surfaces at process temperatures up to 5,000°C. Existing industrial processes operate at maximum temperatures of about 1,600°C, such as in Basic Oxygen Process steel refining.

To make space travel a routine affair, we need lightweight structural materials that are as strong as aluminum or steel and yet can withstand the high energy flux densities of reentry from space into atmospheres at hypersonic speeds; we need "radiation proof" materials for shielding nuclear propulsion systems or protecting spacecraft from ultraviolet and gamma radiation, and insulators for spacecraft to investigate stars and "hot" planets.

To date, the drive for new materials has come from the National Aeronautics and Space Administration (NASA) and the military services. Development of the NASA Space Shuttle, which requires modern ceramics for reentry into the atmosphere, has pushed through the engineering of advanced materials. Without the programs sponsored by NASA and the Department of Defense (DoD), we would be unable to introduce the plasma technologies desperately needed to accelerate metals production and infrastructure development, into the world economy. Already the Shuttle ceramics program has yielded materials for the next-generation supersonic transport and for flexible rocket nozzles for the Strategic Defense Initiative program.

This article will review three ceramic materials devel-

oped by NASA and the DoD, from the standpoint of the fundamentally *hydrodynamic* nature of the properties of the crystals that lie at the basis of their success. When materials fail, it is because they cannot hold up under the specific conditions of the "turbulent" flow of gas, liquid, or solid over the material surface.

The problem of Space Shuttle reentry illustrates the general requirements for new materials. Reentry poses a problem for a spacecraft for two reasons:

1) The craft must fly from a region of space where there is no significant gaseous medium surrounding it, into the atmosphere, and make the transition from mere ballistic flight in orbit, to aerodynamic flight;

2) The craft must make this transition at high speeds. Shuttle reentry occurs at 27 times the speed of sound.

Were the spacecraft somehow able to reenter the atmosphere at 25 miles per hour, reentry would not expose the spaceship to hazards; in this hypothetical case, the vehicle would ease its way into the atmosphere, and its exterior could simply be composed of aluminum; unfortunately, this technique would require tremendous expenditure of fuel to slow the descent of the craft, fuel that would have to be carried aloft in launch from Earth, tremendously increasing the size of the launch vehicle and boosters, minimizing the payload, with the result that the method is impractical.

It is the necessary hypersonic speeds of reentry that make the transition from space flight to atmospheric flight so difficult, because the surface of the vehicle makes a rather sudden transition from a force-free orbit to immersion in supersonically streaming gas. By analogy, we might imagine the conditions that would confront a seaplane, were it to attempt an ocean landing at the speed of sound.



Vought Corp.'s Reinforced Carbon-Carbon, a gray material, protects the Space Shuttle's nosecap and leading edges of its wings.

Vought Corp.

Thus, the ability to withstand such abrupt changes in surface boundary conditions, is a requirement for space-age materials. Because the Shuttle reenters at supersonic speeds, shock fronts form along all of its leading surface edges, such as the forward edges of the wings and the nosecap. Because its speed is hypersonic (many times the speed of sound), the Shuttle ionizes the gases it passes through, and a sheath of ionized gas or plasma forms around the surfaces exposed to the highest energy flux densities. These surface areas are subjected to temperatures up to 1,540°C, and must withstand an energy flux of about 600,000 watts per square meter for several minutes.

A fundamental concept for understanding the action of a fluid upon a material surface, is that of "surface of discontinuity," developed by Leonardo da Vinci (1452-1519), and elaborated by German hydrodynamicist Ludwig Prandtl early in the 20th century (see box). For materials considerations, the "surface of discontinuity" is a boundary of stationary fluid around a body, whose integrity affects whether or not the flows that a surface is subjected to, can damage it. Prandtl, the man who developed the principles of aerodynamics that made supersonic flight possible, explained:

Right at the body . . . the fluid does not move relative to it. . . . Surrounding the surface of the solid body there is a thin layer where the velocity gradient generally becomes very large, so that even with very small values of the velocity the shear stresses assume values that cannot be neglected. (*Applied Hydro- and Aeromechanics*—emphasis added)

If the velocity of the streaming gas is hypersonic relative to the surface, as in the case of the Shuttle, "the shear

stresses," i.e., the energy flux delivered to the surface at the apex of the shock front, becomes enormous. The surface of discontinuity itself begins to rotate, until finally, the flow over it rips the fluid boundary layer off the surface, in some cases, carrying part of the solid surface with it. In subsonic flow, such "turbulence" appears in the back of a vehicle; in supersonic flow, it appears along its leading edge. Thus surface materials for hypersonic flight must be designed with hydrodynamic properties to remove this energy from these areas.

In this report, we focus on materials with properties that enable them to withstand three types of intense hydrodynamic action (i.e., energy flux density): thermal shock, intense flashlamp radiation, and hypersonic atmospheric reentry.

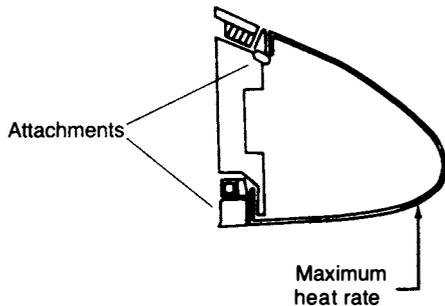
### Coherent organic ceramics

The material on the surfaces of the Space Shuttle that withstands the highest energy flux, is a carbon-graphite composite ceramic, called "Reinforced Carbon-Carbon," developed in the late 1950s by the Vought Corporation for the U.S. Air Force and which, on the Shuttle, is at most a half-inch thick.

The material has the property that it distributes energy from the hottest portions of its surface to the cooler portions, through coherent hydrodynamic action in the form of vibrations of its crystal lattice. Its heat conductivity is asymmetrical: The material transmits energy preferentially in the direction parallel to its surface, rather than inward toward the aluminum structure of the orbiter's wing, and thus acts as a waveguide, dissipating energy building up on the leading edge of the surface of the wings. The thermal conductivity

FIGURE 1

**Shuttle wing's edge designed to dissipate heat**



*The coherent transfer of heat over the exterior surface of a carbon-carbon composite panel on the Space Shuttle, dissipates energy from those areas subjected to the most intense heat of reentry, and at the same time enables temperatures to be low enough where metal attachments join the panel to the Shuttle, so that they do not melt.*

Source: D. M. Curry, J.W. Latchen, G. B. Whisenhunt, "Space Shuttle Orbiter Leading Edge Structural Subsystem Development," presented at AIAA 21st Aerospace Sciences Mtg., Reno, Nevada, Jan. 10-13, 1983, AIAA Paper No. 83-0483

along the surface of the panels is 57% greater than its conductivity perpendicular to or through them.

As a result of this property, it is possible to attach the panels to the orbiter with metal fasteners that will not melt, because they can be located far enough away from the hottest regions of the panels, so that the places they must attach to are cool enough (Figure 1). The temperature of the inside surface of the panels is always lower than that of the directly opposite outside surface.

Reinforced Carbon-Carbon (RCC) has the additional property characteristic of graphite that it actually becomes stronger at higher temperatures; conditions adverse to most room-temperature materials strengthen and raise the "energy of the system" of these panels on the Shuttle, so that it is actually stronger during reentry than when the Shuttle is on the ground. This organic material covers 410 square feet on the orbiter's exterior. Vought is now using RCC to fabricate prototype turbines for a supersonic turbojet transport. In *Modern Ceramic Engineering* (Dekker, New York, 1982), D. Richerson proposed the use of materials similar to RCC for lining industrial furnaces. In fact, many existing designs for plasma furnace, propose graphite as a refractory material.

Ceramic engineers are beginning to recognize in their empirical work, that hydrodynamic concepts, such as wave propagation, are useful for describing the physical principles underlying advanced materials. For example, thermal conductivity, the rate of increase in energy flux density through a material per degree of temperature, is a hydrodynamic property dependent on the vibrational characteristics of a material, and is critical to the functioning of Reinforced Car-

bon-Carbon on the Space Shuttle. Richerson uses hydrodynamic concepts in his discussion of it:

The [energy] carriers [in heat conduction] are electrons or phonons, where phonons can be thought of simply as quantized lattice vibrations. The amount of dissipation is a function of [wave] scattering effects and can be thought of in terms of attenuation distance for the lattice waves. . . . In ceramics the primary carriers of energy are phonons and radiation. . . . For crystalline ceramics . . . lattice vibrations are the primary mode of heat conduction.

Indeed, Leonardo recognized vibration as a fundamental hydrodynamic property, and used simple water waves as a straightforward example (see box).

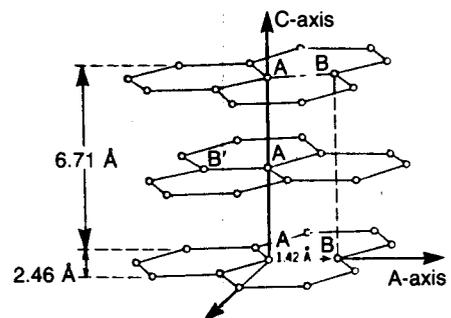
The property of asymmetric thermal conductivity, is a fundamental characteristic of graphite. Its crystal structure, shown in Figure 2, gives some picture of the basis of this asymmetry. Richerson writes:

Because of its layer structure, graphite is anisotropic [it exhibits preferred directions for thermal conductivity—ed.]. Within the layers the bonding is strong and periodic and does not result in severe scattering of thermally induced lattice vibrations, resulting in high thermal conductivity in this direction (8.4 W/cm<sup>2</sup>K). Only weak van der Waals bonding occurs between layers, and lattice vibrations are quickly attenuated, resulting in much lower thermal conductivity in this direction (2.5 W/cm<sup>2</sup>K).

Some pyrolytic graphites have a thermal conductivity in the A-crystal direction 100 times that in the C-direction (Figure 2).

FIGURE 2

**The asymmetry of graphite**



*This drawing of a graphite crystal lattice illustrates its asymmetry, the reason that energy is more rapidly transmitted in the plane parallel to the carbon rings (the "A-axis"), than perpendicular to them (the "C-axis").*

Source: J. E. Hove and W.C. Riley (eds.), *Ceramics for Advanced Technologies*, Wiley, New York, 1965

In other respects, graphite approximates an ideal material. It becomes stronger with increasing temperature, and is lighter compared to other refractory materials. It possesses a high strength to weight ratio.

The extremity of hydrodynamic conditions or magnehydrodynamic conditions—e.g., plasma conditions in the case of the Shuttle—that a material must withstand, are the appropriate definition of the temperature it tolerates. In all high-temperature environments, materials must withstand streamings across a solid-gas, solid-liquid, or solid-solid boundary layer.

### Materials as waveguides

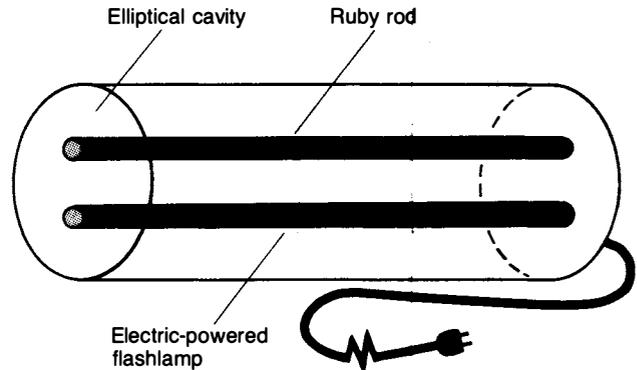
Materials *themselves* must also have appropriate hydrodynamic characteristics, as illustrated by the case of the Shuttle carbon-carbon composites. If the science of hydrodynamics applies to gases and liquids, then it must also certainly apply to solids, and be able to inform us in our search for new materials. Although a solid may perhaps be an extreme force-free configuration of matter, the classic example of a singer whose voice shatters glass, shows that solids are by no means free from hydrodynamic effects. Solids are only slow-moving liquids, or as Leonardo wrote, they are the “residuum” of fluids. The existence of mountain ranges (“wave crests”), testify that the movements of the continents is hydrodynamic as well. The vibrational waves of heat and sound flow through solids as they do through liquid and gas, and in fact, simple waves in solids display the same characteristics as simple water waves, in so far as they do not transport matter. These hydrodynamic characteristics of solids are fundamental to the production of coherent light by solid-state lasers. Leonardo recognized that light, heat, sound, and water waves were all cases of the same fundamental “hydrodynamic” phenomenon.

The development of solid-state lasing dealt with serious materials problems that required hydrodynamic solutions. A solid-state laser consists of a rod of ceramic material about 6 mm in diameter, with a small amount of the so-called dopant atoms, such as chromium, which emit coherent light when excited by a flashlamp (Figure 3 shows a schematic diagram of solid-state laser). It was necessary to engineer materials whose crystals would guide the flashlamp light output onto the dopant atoms, yet withstand an intensity of flashlamp radiation on the order of the energy flux density of a blast furnace in order to produce laser light at significant power levels. Materials without these characteristics fracture under the intense flashlamp radiation required. Solid-state laser materials also have to be transparent to the wavelength of light emitted by the dopant, so that the laser power would not thereby be diminished.

The first significant breakthrough in this area, was the development of synthetic ruby, a form of the aluminum-oxide mineral corundum which occurs in nature, doped with chromium. Ruby absorbs blue-green light very well and strongly couples to a xenon flashlamp, and is transparent to the wavelength at which chromium lases as a ruby dopant.

FIGURE 3

### Elliptical focusing in solid-state lasers



*In modern solid-state lasers, an elliptical cavity concentrates the output of an electric-powered flashlamp, located at one focus of the ellipse, upon the ceramic laser rod located at the other focus. The ends of the laser rod are finely machined so that one acts as a mirror, and the other as a semi-transparent mirror, through which the light beam generated passes.*

But it also has a high thermal conductivity with which to dissipate energy, and is transparent to a wide spectrum of the infrared—properties which increase its fracture-resistance.

All solid-state lasers developed since ruby are made out of crystalline ceramics. They are rated in terms of the maximum continuous power in watts that they can absorb per centimeter of length without fracturing. It is precisely this property that determines the maximum power output of a solid-state laser, and that determines that the power output of a continuously operating solid-state laser, is considerably lower than that of a pulsed one. When the energy flux density of the pumping exceeds this carrying capacity of the waveguide, the waveguide breaks down, and fractures.

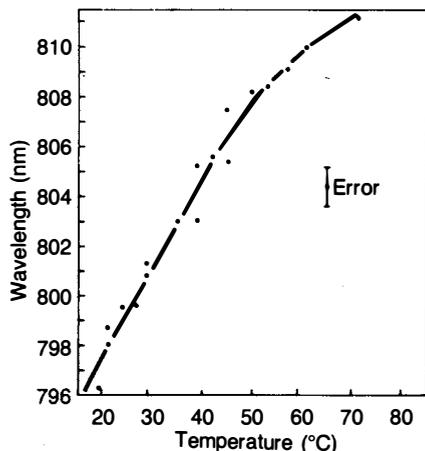
### Tunable waveguides

Solid-state lasers like ruby are useful for producing a specific wavelength of laser light, and have found many applications. However, many industrial and aerospace applications require laser sources that are tunable, lasers in which it is possible to continuously modify the emission wavelength by using some property of the lasing medium.

Laser chemistry requires tunable sources of coherent light, since the excitation of distinct chemical reactions requires distinct wavelengths of light. A tunable laser provides an excellent tool for studying the spectroscopy of matter, that is, the wavelengths that a substance absorbs and emits when excited by a light source. This application is the basis of designs for laser radars for the Strategic Defense Initiative program. A tunable laser system can determine, from the backscatter of different wavelengths of light off a target, just what the molecular composition of the atmosphere is along

FIGURE 4

### Emission wavelength of alexandrite varies with temperature



Alexandrite lasers show that heat is a form of electromagnetic action. The wavelength of light output by alexandrite solid-state lasers, can be varied by changing the alexandrite crystal temperature and hence its vibration, demonstrating that hydrodynamic effects are fundamental to the operation of the device.

Source: J. Walling, "Alexandrite Lasers," *Laser Focus*, Feb. 1982

the path to the target, providing important data for laser defense targeting systems.

Solid-state laser ceramics do have a property which yields tunable solid-state lasers from some materials, although not in ruby. In acting as a waveguide for flashlamp radiation in solid-state lasers, the ceramic crystal determines, in a way specific to each, the precise laser emission wavelength within a range determined by the dopant. This is because the energy transitions that produce coherent light involve not only the so-called electronic transitions of the dopant, but also involve, to some degree, the hydrodynamic, or vibrational characteristics of the crystal lattice. This is indicated by the fact that the same energy transition in chromium will produce different wavelengths of light, depending on the characteristics of the crystal in which it is imbedded. In ruby, the  ${}^2E$  energy transition of chromium produces laser light at 694 nanometers; in alexandrite, a compound of ruby and beryllium oxide, the same transition produces light at 680 nm. (One nm is one billionth of a meter.)

To produce tunable solid-state lasers, what was required was a closer coupling between these vibrations of the crystal and the emission of the dopant. In a class of solid-state lasers known as *vibronic*, tunable vibrations of the ceramic crystal lattice, permit continuous tuning of the laser emission wavelength over a broad range. A group of laser physicists at Allied Corp. wrote: "The stimulated emission of photons is intimately coupled to the emission of vibrational quanta (phonons) in a crystal lattice. In these 'vibronic' lasers, the

total energy of the lasing transition is fixed, but can be partitioned between photons and phonons in a continuous fashion." In the case of Allied's alexandrite laser, this property enabled development of a solid-state laser, continuously tunable over the range of 700-818 nm.

Confirming the close relationship between heat and coherent light, alexandrite's emission wavelength is tunable by varying the temperature of the crystal (Figure 4). The close coupling between light (photons) and heat or vibrational energy (phonons) in alexandrite, clearly demonstrates that light, heat, and sound are each forms of electromagnetic action.

In addition to displaying the vibrational hydrodynamic

## Leonardo da Vinci and the hydrodynamics of surfaces

The concept of "surface of discontinuity," conceived by Leonardo da Vinci and elaborated hundreds of years later by German hydrodynamicist Ludwig Prandtl (1875-1953), provides a valuable framework for investigating the action of flowing gases, fluids, or solids, over a material surface. The "surface of discontinuity" is a boundary of stationary fluid around a body, whose integrity affects whether or not the flows that a surface is subjected to, can damage it.

Leonardo and Prandtl both established that the formation, development, and characteristics of the "surface of discontinuity" between fluids, gases, and solids, are fundamental to determining the subsequent evolution of hydrodynamic action. Dino de Paoli provides a detailed account of their work in "Leonardo da Vinci and the True Method of Magnetohydrodynamics," in the January-February 1986 issue of *Fusion*.

Using water surface as an example, Leonardo discussed how the surface of discontinuity is distinct from both substances it separates:

The surface of a thing is not part of it. . . . It must needs be therefore that a mere surface is the common boundary of two things that are in contact: Thus the surface of water does not form part of the water, nor does it consequently form part of the atmosphere. . . . What then divides water from air? There should be a common boundary which is neither air nor water. . . . Therefore they are joined together and you cannot raise up or move air without the water. . . . Therefore a surface is the common boundary of two bodies which is noncontinuous and does not form part of either. (Arundel Collection, 159v)

properties of simple water waves that do not transport matter, waves akin to shock waves that *do* transport matter occur in solids in crack propagation or fracture. Although cracking appears to occur "instantaneously," it actually propagates through a material at a measurable rate. Since such waves are catastrophic for a machine part—for example, fracture of a ruby rod under high intensity flashlamp radiation—it is a priority to find a solution to such destructive shocks. The solutions discovered to date are hydrodynamic in nature.

One type of such destructive waves occurs when materials are subjected to "thermal shock," that is, cooling from high temperatures, resulting in the material passing through

one or more crystalline phase transformations which can each produce cracking. Strengthening materials against thermal shock, or against other uncontrolled effects of phase transformations, is the focus of much research, and is referred to as "transformation-toughening."

Ceramic refractory brick in iron and steel furnaces provides a good example of *poor* thermal shock resistance. The purpose of refractory brick is to reflect as much heat as possible back into the furnace, and at the same time to present a low enough temperature to the steel shell enclosing the brick walls, that the furnace is not destroyed. Obviously, the brick must be stable at high temperatures.

Prandtl applied this principle to the study of the flow of fluids over surfaces. He wrote:

Surrounding the surface of the solid body there is a thin layer where the velocity gradient generally becomes very large, so that even with very small values of the velocity the shear stresses assume values that cannot be neglected. (*Applied Hydro- and Aeromechanics*, Dover, New York, 1934)

These "shear stresses" are expressed in vortex formation:

any small internal friction changes the discontinuity in velocity into a gradual transition in a layer with rotation. In the domain in which this continuous change takes place we have a layer of vorticity formed out of vortex filaments. . . a surface of discontinuity may therefore be considered as a surface distribution of vortices, i.e., a vortex surface. (*Fundamentals of Hydro- and Aeromechanics*, Dover, New York, 1934)

The effect is that the surface of discontinuity itself begins to rotate, until finally, the flow over it literally *rips* the fluid boundary layer off the surface, in some cases, carrying part of the solid surface along with it. The figure shows a "vortex surface" in the movement of water around a cylinder, just before the boundary layer is torn off. The high frequency vortices that flow over surfaces subjected to high energy flux, illustrate why a wavelength can always be associated with a given energy flux density.

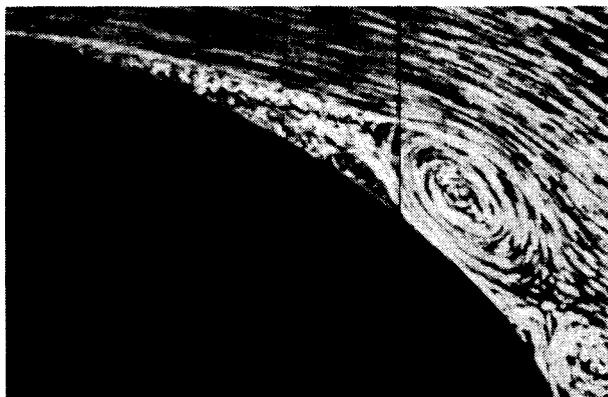
Leonardo also recognized that the principal means of hydrodynamic energy transfer is vibration, i.e., wave action that does not transport matter:

if you cast two little stones . . . in water, you will see two separate quantities of circles . . . which growing, come to encounter each other, one circle intersecting the other, always maintaining for cen-

ters the places struck by the stones. The reason is that although there is some evidence of movement, the water does not leave its location, because the opening made in it by the stones closes up again at once and this motion made by the sudden opening and closing produces a certain shaking, which can be called trembling rather than motion. . . . take heed of those straws which by their lightness stand on the water; notwithstanding the wave made under them by the coming of the circles, they do not leave their first locations. (Institut de France Ms. A 61r)

As the accompanying text documents, these are the hydrodynamic principles which underlie advanced industrial and aerospace materials.

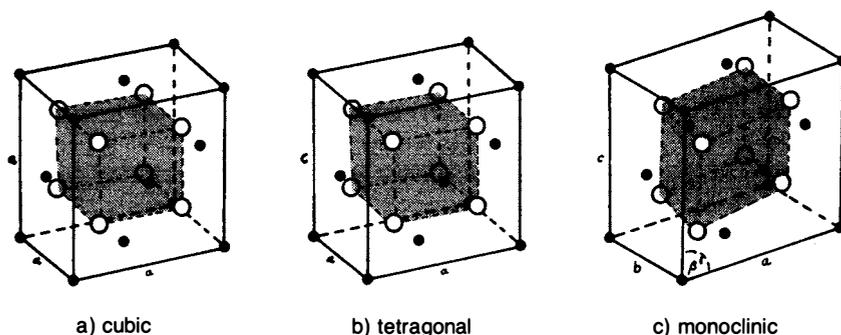
### Rotation of boundary layer about a cylinder



This photograph shows a moment in the evolution of the surface of discontinuity on a cylinder into a "vortex surface," as water follows around the cylinder, just before the boundary layer is torn off.

L. Prandtl and O. Tietjens

FIGURE 5  
Phase transformations in zirconia crystals



Solid zirconium oxide (zirconia) can exist in three crystal shapes: cubic (a rectangular solid where all sides are squares); tetragonal (a rectangular solid where two sides are squares); and monoclinic (a rectangular solid where no sides are squares). Energy can transform once crystal into another. Mixing (alloying) other metal oxides with zirconia, permit solids composed of the high-temperature cubic form to exist at room temperature.

These zirconia solids can be strengthened against fracture by making them a mixture of cubic and tetragonal crystals. In response to the propagation of a crack through the solid, the tetragonal crystals are transformed into monoclinic crystals. This transformation of the medium in which the crack propagates, halts it. In the diagrams, the small filled circles are Zr; the large open circles are oxygen.

Crystal phase name	Shape	Temperature range (°C)
<b>Zirconia</b>		
Cubic	Cube	2,370–2,680 <sup>1</sup>
Tetragonal	Rectangular solid	1,150–2,370
Monoclinic	Rectangular solid	R.T.–1,150

<sup>1</sup>Melting point

R.T. = room temperature.

Source: A. H. Heuer, "Fracture-tough ceramics: the use of martensitic-toughening in ZrO<sub>2</sub>-containing ceramics," in *Frontiers in Materials Technologies*, 1985

Basic Oxygen Process (BOP) steel furnaces are lined with two layers of brick to protect the furnace. Both layers are made from magnesium oxide impregnated with tar or pitch. But once the lining is burnt into the BOP furnace in start-up, it is stable *only* at high temperatures. If a furnace is shut down, in cooling the ceramic brick passes through a thermal-shock-induced phase transformation, and crumbles into fragments. To restart the furnace, it must be relined. The example shows why a primary concern of materials engineers, is to develop light, "transformation toughened" materials. To date, most work on transformation toughening in ceramics has investigated the properties of various zirconium oxide (zirconia) alloys.

The heating of a zirconia part to high temperatures, results in the formation of a symmetric cubic crystal lattice. As the material cools, it passes through two phase transitions to less symmetric tetragonal and monoclinic crystal forms (Figure 5), and cracks into pieces, or crumbles to powder due to the effects of thermal shock, before reaching room temperature. Two techniques are used to stabilize the high temperature cubic form of the material for use in a wide range of temperatures, and strengthen it against fracture.

### 'Transformation toughening'

1) Addition of a small percentage of a number of metal oxide solvents (such as magnesia, calcia, yttria, and other rare earth oxides), stabilizes the cubic form, so that it may be

used at room temperature. However, stabilized zirconia has poor fracture strength.

2) By decreasing the amount of metal oxide solvent added to zirconia, i.e., stabilizing it only partially, zirconia may be made into a metastable composition of predominantly cubic crystals and rectangular tetragonal crystals. The vibrational stress of a crack propagating in this ceramic alloy, induces a transformation wave of tetragonal crystals into monoclinic, that propagates with the crack, changing the character of the medium the crack is propagating in, and halting it. It is as if the transformation wave nullified the fracture wave. As a result, fracture does not occur, only microcracks. In this case of transformation toughening, a built-in phase transformation wave toughens the material against phase transformations that occur as a result of intense energy flux density. This alloy of cubic and tetragonal zirconia, has been called "partially stabilized zirconia" (PSZ). Ceramics engineers refer to the addition of the metal oxides solvents and/or the tetragonal zirconia crystals as "doping" the host cubic zirconia crystal.

Work at Cummins Engine Co. in Columbus, Indiana, has demonstrated the superior qualities of this transformation-toughened zirconia. Cummins is testing various materials, for use as insulators in the U.S. Army program to develop an adiabatic diesel engine. Cylinder liners made of fully stabilized zirconia developed multiple cracks during testing. Replacement liners made of PSZ survived extensive tests without cracking.

In another example of PSZ's superior qualities, metal dies for extrusion of brass rod usually require rework due to bore wear, after only 10 to 50 extrusions. Dies made from the partially stabilized zirconia have lasted, without rework, for over 6,000 extrusions of 1.9 cm-diameter bar, extruded from 30.5 cm-diameter billets at 900°C.

The tetragonal-to-monoclinic transformation is called "martensitic," after a similar stress-induced crystal transformation that occurs in the strongest carbon steels. A propagating crack pumps energy into the local crystal medium, which in turn undergoes this martensitic transformation, reordering the local medium so as to neutralize the crack. *Without the energy supplied by the propagating crack, the martensitic transformation wave of tetragonal to monoclinic zirconia, would not occur.* There is a "barrier" in the form of an amount of energy required to produce the transformation. A. H. Heuer of the American Ceramic Society has written:

The mechanism responsible for [PSZ's] superior properties . . . is the stress-induced martensitic transformation of these tetragonal particles to monoclinic symmetry in the stress field of a propagating crack. . . . A well developed transformation zone ('wake') [is found] around arrested cracks. . . . And elsewhere,

If [the stress] exceeds a critical value, the nucleation [transformation to a monoclinic structure] is barrierless. . . . Once nucleation occurs, growth velocities of martensitic interfaces can approach the speed of sound.

This ability to hydrodynamically neutralize shocks, is probably not a unique property of zirconia. The generalization of this form of transformation toughening to other ceramics, was recently discussed by Heuer:

Transformation toughening in ceramics . . . should not be confined to ZrO<sub>2</sub> containing ceramics—all that is required is an irreversible stress-induced transformation . . . ZrO<sub>2</sub> from its melting point at 2,680°C to approximately 2,360°C exists in a face centered cubic structure. . . . This structure type is quite common for a significant number of oxides, including HfO<sub>2</sub>, ThO<sub>2</sub>, many rare earth oxides, UO<sub>2</sub>, etc.

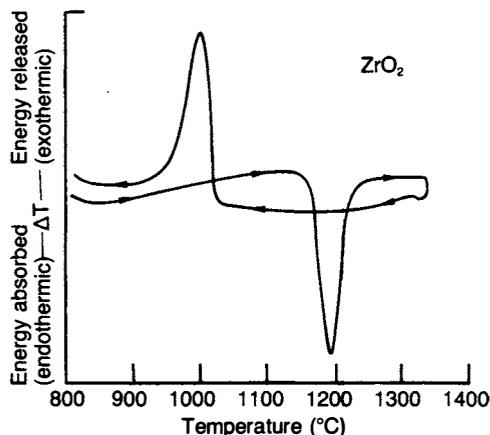
## Energy transformations

Although energy is required to produce the martensitic transformation, or to move from any crystal phase to another, once movement from a higher to a lower energy states occurs, energy stored in achieving the higher energy state is released. (Figure 6 shows the energy absorbed or released in one such phase change.)

As zirconia is cooled, it descends the ladder of energy levels, and it gives off energy in the form of heat and sound. D. R. Clarke measured the acoustic emission in cooling a solid pellet of pure, unstabilized zirconia from 1,400°C

FIGURE 6

## Solids possess energy levels



The graph shows energy absorption and emission in the tetragonal-monoclinic phase transformations of zirconia. Transformation of one crystal configuration of a solid substance into another, requires either the absorption or emission of a large amount of energy. Thus distinct crystal states correspond to distinct energy levels.

Source: D. R. Clarke, "Acoustic emission characterization of the tetragonal-monoclinic phase transformation in zirconia," in *Science and Technology of Zirconia II, Advances in Ceramics*, Vol. 12, American Ceramic Society, Columbus, Ohio, 1984

through the martensitic, tetragonal to monoclinic phase transformation.

As the pellets were cooled from the sintering temperature, no acoustic emission was detectable until 1,160°C [compare this with the phase transformation graph of Figure 6], when "burst" type of emissions . . . were observed. . . . The temperature at which the abrupt increase in emission occurred corresponded with the temperature of the tetragonal to monoclinic transformation.

This energy loss expresses itself as a degradation in the dynamic strength of the material, as a decline in the "energy of the system."

The distinct crystal phases of zirconia and other materials correspond to distinct energy levels or wavelengths, that serve as distinct degrees of freedom in the fabrication of ceramic products, and in the self-reorganization of a material under stress. The fact that only certain crystal phases are allowed by nature, reminds us of the fact that in the solar system there are only a finite number of force-free planetary orbits.

We have seen that, deliberately or not, modern materials science is dependent on hydrodynamic phenomena for its success. Perhaps a more deliberate application of these principles discovered by Leonardo da Vinci and elaborated by others, would lead to useful results.

## Why does Helms think Nazis will democratize Panama?

by Lyndon H. LaRouche, Jr.

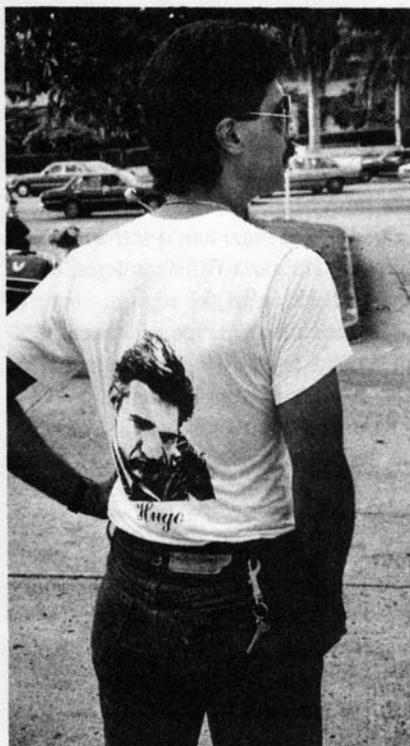
*The following release was issued internationally by NSIPS on Feb. 28, 1986 under the title, "Why does Jesse Helms believe hard-core Nazis mean 'democratization' in Panama?"*

The staff of Senator Jesse Helms is working for the early, probably bloody destabilization of Panama, in order to bring back to power the 1940 Nazi regime of **Arnulfo Arias Madrid**, under which rule the bodies of thirteen murdered Jewish families were dumped into a later discovered mass grave. Has the former stalwart patriot, Helms, gone haywire?

There is no room for argument, concerning former Panama President Arias's past or present Nazi pedigrees (see story, page 27). Long before Arias's nine-month tenure as the pro-Hitler President of that country, Arias's European travels brought him into the inner circles of the **Thule Society**, the Gnostic cult, that created the Nazi part, Adolf Hitler and several key Nazi leaders. In 1919 the Thule Society listed a member of the **Thurn und Taxis** family as its member. Arias was not merely some foolishly sentimental Hitler admirer; he was the Adolf Hitler of Panama. Now, as the leading figure of the Panama opposition, he does not advertise his anti-Semitism as loudly as he did back in 1940, nor does he still speckle his public addresses with fulsome praise for Hitler, but little else has changed. This is the Arias around whom Helms currently proposes to build the "democratization" of Panama!

Has Jesse Helms gone haywire, or, will it turn out that he is being blackmailed in some way?

Certainly, Helms has changed since the days he was fighting against Henry A. Kissinger and the Trilateral crowd. He is seen proudly with Israel's fascist hooligan, **Ariel Sharon**, and his staff proudly asserts that Helms is working closely with the very same liberals whom he used to oppose. The reason for this change? We don't know whether it's blackmail, wild opportunism, or what; we know that the change has been a profound one, and that Helms has done an about-face on several crucial issues since he abruptly dropped his commitment to oppose the



NSIPS/Carlos Wesley, Stuart Lewis

*If, five years ago, someone had proposed that the United States spark a civil war in Panama, among other operations to destabilize strategically vital allies, Senator Helms (top) would have correctly demanded an investigation of such treason. Now, his office is promoting exactly such catastrophic measures, including an alliance with supporters of assassinated terrorist Hugo Spadafora in Panama (one such supporter is shown with Spadafora T-shirt).*

confirmation of the ultra-liberal Thurn und Taxis crony, **Richard Burt**, as U.S. ambassador to Germany.

Helms's backing of a hard-core Nazi variety of "democrat," in Panama, is only the most recent in a series of developments.

At the end of 1984, *EIR* warned Senator Helms that he was being linked to the assassination of India's Prime Minister **Indira Gandhi**. We called to his attention, a letter issued over his signature to the narco-terrorist **Khalistan Liberation** organization, the sponsoring agency claiming credit for Mrs. Gandhi's assassination. We were told that the senator had not actually signed that letter, that someone in his staff had affixed the signature by the automatic-signing device in the office, without the senator's knowledge. We were assured that this problem would be corrected; it was not corrected.

The senator's link to support of international narco-terrorist forces had been made through an agent of Bulgarian and other Soviet fronts, one **Jon Speller**. Jon Speller and his father, Robert Speller, are products of the patronage of a figure intimately associated with Bolshevik official **Leon Trotsky** in the establishment of the Soviet super-intelligence operation known as "**The Trust**," **Commander Sergius Riis**. Speller is the leading lobbyist for the Khalistan narco-terrorist organization in the United States, and works closely with **Rabbi Morton Rosenthal** and other **Anti-Defamation League (ADL)** figures also collaborating intimately with these terrorists.

The links to Speller and Sharon's network, are the most visible of the contaminating elements involved in the recent

behavioral modification of Senator Helms. This is the same circle behind **Sharon's spy-network in the United States**, the network behind the two **Pollards**. Included in the Pollard network are **John Rees**-linked **Josef Bodansky**, the *Washington Times's* **Arnaud de Borchgrave**, and other peddlers of Soviet-sponsored disinformation. Like Helms's staff, **Major-General (ret.) George Keegan**, a crony of terrorist **Meir Kahane's** old partner, **Joseph Churba**, is a dupe of this same network. This is the orbit of frequent Moscow-traveler **Edgar Bronfman**, and Soviet agent **Armand Hammer**. Hammer was brought into Soviet intelligence through the same Soviet "Trust" organization as Jon Speller's patron, **Sergius Riis**. Not irrelevant is the case of **W. Averell Harriman**, a former member of Soviet "Trust B," a former intimate of Josef Stalin, as well as a Mussolini admirer and 1930s backer of **Adolf Hitler's Nazis**.

Key to Helms's disorientation are two leading members of his Washington staff, **Cliff Kiracofe** and **Jim Lucier**. Helms is saturated with Soviet and Sharon disinformation, through such channels as "Trust"-linked Jon Speller, and the narco-weapons-trafficking circles of Sharon et al. operating in Central and South America since the soft-on-drugs, Tri-lateral President Jimmy Carter's secret agreements reached in the setting of Camp David. During the 1970s, most of the Israeli gun-running in Central America was run through Mexico City-based **David Marcus Katz**; more recently, Sharon's circles have moved in to bypass Katz, with a really nasty drug-for-guns operation, which arms both sides in the conflict regions, and which is linked, through the old Robert Vesco operation, to hard-core Nazi and other narco-terrorist

operations in the region. Much of the Washington intelligence establishment now relies upon these gangsters for what is passed around as "hard intelligence" on Central America and international terrorism! Helms's office is among the credulous victims of this hoax.

In addition to these channels of corruption, Helms is among the putative conservatives disoriented by the influence of the **Heritage Foundation**, another of Jon Speller's favorite haunting-places around Washington. At the beginning of 1981, *EIR* published documentation, including verbatim admissions from top officials of the Heritage Foundation, proving that the Heritage Foundation is a "conservative front-operation" of left-wing elements of Friedrich von Hayek's **British Fabian Society** operating through the London **International Institute for Strategic Studies (IISS)** and the **Mont Pelerin Society**. Heritage officials bragged, during late 1980, that they would destroy the Reagan administration, by smuggling in left-wing programs under "conservative" labels. The credulous Reagan administration swallowed the bait, as we have seen since.

In addition to other sabotage of the United States, the Heritage Foundation has been the leading agency assigned to wreck the President's **Strategic Defense Initiative** from the inside, chiefly through **Lt.-Gen. (ret.) Daniel P. Graham** and **General Robert Richardson**. Graham's circle has caused the largest part of SDI funding to be wasted on an unworkable system of "kinetic energy weapons," instead of the only means of strategic defense presently feasible.

Senator Helms is also influenced by groups of self-styled "fundamentalists," prominently including those who have either gone soft on Moscow, as the Reverend **Billy Graham** has, and also those backing terrorist Meir Kahane's efforts to unleash Armageddon by blowing up the Islamic Dome of the Rock mosque in Jerusalem. How much responsibility we can attach to these influences is not yet determined, but the influence does exist.

## The Cuban exiles

A more definite influence on Helms's office, comes by way of Cuban-exile channels linked politically to **Omega 7**. Helms has apparently overlooked the pre-Castro history of Cuba, as I, for one, saw and knew it first-hand back during the 1950s. This connection is of special importance in shaping Helms's views toward Panama in particular.

The former Cuban dictator, **Fulgencio Batista**, was closely linked to organized crime's **Meyer Lansky** from the late 1920s until he was deposed, with U.S. backing for **Fidel Castro**, in 1959. Batista was also backed by the **Communist Party of Cuba**, as historical records document massively, and as any business visitor of Havana saw first-hand in dealings with the Batista machine during as late as the 1957-58 period. **Chicago** and **Las Vegas**-connected elements of Lansky's organization virtually ran the night-life and organized crime of Havana, and much of the crowd expelled from Cuba

after 1959 was intimately affiliated with the Lansky gang. Many of the exiles from Castro's Cuba are honest persons, but there is a powerful minority which functions as gangsters inside the United States and the Caribbean centers today, in the same way as organized crime functioned in pre-1959 Havana. There are links from Miami into Caracas, Panama, and elsewhere, closely tied to old Nazi narco-terrorist operations, and deeply linked to Bulgaria-Cuba-centered drug-trafficking and weapons-trafficking in the region, some of this on friendly terms with the **Pan-American-Grace (PAN-AGRA)** network, from Batista days to the present time. This latter, PANAGRA circle, is the wire from Washington, D.C., into old Nazi Arnulfo Arias in Panama today; it is currently Jesse Helms's wire into the Nazi Arias's circles.

## The Spadafora case

The hook on which Senator Helms is currently attempting to destabilize Panama, is Helms's use of an allegation which Helms's staff knows to be without basis in fact: the allegation that the chief of Panama's defense forces, General Manuel Antonio Noriega, has committed a "violation of human rights" in the killing of Sicilian mercenary **Hugo Spadafora** (see box, page 29).

First of all, Spadafora was killed in Costa Rica, not Panama. Most probably, he was killed by Nicaraguan "Contras." Spadafora, formerly involved in the Sandinista forces, had ostensibly joined the "Contras." His loyalty came under suspicion, as a series of operations in which he was involved, were each blown to the Sandinistas.

Naturally, in the case of such a habitual double-crosser as Spadafora, the list of suspected authors of his demise is a long one. However, at the time of his death—in Costa Rica, not Panama—he was the "Contras" problem, and operating in their territory.

Helms's staff is fully aware of these facts. That makes Senator Helms's tearful embrace of Spadafora's brother a pretty smelly business.

Granted, the senator has had a grudge against former Panama President Omar Torrijos and Torrijos's circle, ever since the old debate about the treaty turning administration of the canal over to the Panamanians. If one did not look at the matter more closely, we might be tempted to explain away the senator's embrace of Spadafora and old-Nazi Arias as a case of a man blinded by a personal grudge. Looking deeper, we discover that the senator's office is involved in several destabilizations, including the effort to kill Peru's President Alan García.

Go back to 1978-81. Suppose that someone in Washington had then proposed the following package of State Department operations: 1) decouple the U.S. strategically from the Federal Republic of Germany; 2) destabilize Egypt (the Suez Canal); 3) turn southern Africa over to increasing control of Soviet forces based in Angola, Mozambique, and the Soviet embassy in Zambia (the South Atlantic, the Cape of

Good Hope, and the West's strategic minerals source); 4) start a civil war in Panama (the Panama Canal); 5) destroy the last U.S. naval base in the western Pacific (Subic Bay); 6) abandon South Korea: among other, kindred enterprises. Senator Helms would have led a Senate Committee inquiry into what he would describe, more or less plainly, as treason.

Why is he supporting today, what he would have denounced as "treason," then? Clearly, for whatever reason, the senator has gone haywire. We hope our open exposure of this situation, will help to shock Helms back into being himself.

## Moscow targets Sen. Jesse Helms

by Kathleen Klenetsky

Senator Jesse Helms has no doubt allowed himself to be convinced that he's fighting to protect Panama from a "communist takeover." But what this doyen of the American conservative movement is actually doing, is exactly what Moscow and the State Department would wish him to do.

Helms is already preparing to give the "Philippines treatment" to another Ibero-American country, Mexico. According to the Feb. 19 *Financial Times* of London, Helms will begin hearings on U.S.-Mexico relations March 11 in his Western Hemisphere Affairs subcommittee. "Such hearings could be expected to echo conservative judgments that not only is Mexico's economy a statist breeding ground for corruption, but that the time is overdue for it to start reforming its political structures and move firmly in the direction of embracing true democracy."

Over the last two years, Helms has undergone a policy transformation so astonishing, one is forced to ask: Has Helms sold out to the East? That would appear to be the only rational explanation for a string of recent, bizarre, actions on Helms's part, including:

- his documented involvement with Jagjit Singh Chohan, the Sikh leader implicated in the assassination of Indira Gandhi;
- his refusal to assume the chairmanship of the Senate Foreign Relations Committee in 1984, thereby permitting Sen. Richard Lugar (R-Ind.), who played such a dirty role in the State Department's Philippines operations, to take over that key committee;
- his demands that Israel be granted its "Biblical lands" in the West Bank;
- his abject silence in the face of the State Department's coup against long-time U.S. ally Marcos.
- his withdrawal of opposition to "decoupler" Richard Burt becoming ambassador to Bonn, as soon as the State

Department assured him that "conservative" Arthur Davis would be named ambassador to Panama. The result is "New Yalta" agents as ambassadors in *both* West Germany and Panama.

### Helms, Speller, and The Trust

*EIR* has documentary evidence that Helms has been the successful target of an operation run by The Trust, the Western financial networks built into wealth and power by Moscow as Soviet concessionaires.

The leading vehicle for Trust penetration of Helms has been Jon Speller, who supplies much of the "intelligence" and policy orientation on which Helms has relied. Speller has been identified by former U.S. intelligence officials as a "dangerous" figure suspected links to the famous former British MI-6 executive, Kim Philby, now a general in the Soviet KGB.

Speller's still-active father, Robert, founder of Robert Speller & Sons publishers, is a protégé of two Americans who were both prominent figures in the pre-1917 phase of The Trust, Commander Sergius M. Riis and Stanley Washburn. Riis and Washburn were both deeply involved in the Bolshevik Revolution. U.S. Naval Intelligence's Riis, close associate of Leon Trotsky, became a ranking figure in the Bolshevik secret service.

Robert Speller was working with Riis by not later than 1935. By the postwar period, from his base in North Carolina (Helms's home state), Speller, by his own account, was running a "private intelligence organization" comprised of 60 men and women in the United States and abroad, most of them handed to him by Riis. From its inception, the Spellers were also involved with the Irgun, the heart of Soviet-Trust operations in Israel.

It is perhaps significant, in light of Helms's role in the Panama situation, that among Jon Speller's published works are *The Panama Canal: Heart of America's Security*.

Speller was instrumental in orchestrating Helms's turnaround on the issue of Israel, which today plays a central role in Soviet and Trust global operations.

Until about two years ago, Helms had taken a relatively sane approach to the Middle East, calling for a comprehensive peace which would deal fairly with Palestinian demands for a homeland. In 1982, in the midst of the brutal, Ariel Sharon-led Israeli incursion into Lebanon, Helms demanded, on national television, that then-Prime Minister Menachem Begin resign. "Begin makes Yasser Arafat look like a Boy Scout," charged Helms. "The American people find repugnant the continuation of the destruction of the property of innocent people," he said, "not to mention the killing of innocent people."

Since then, Helms has done a stunning *volte-face*, and is spouting the same "Eretz Israel" line as Begin—the Soviet policy to use Israel as the Soviet empire's chief satrap in the region. Last August, Helms journeyed to Israel, under the

reported sponsorship of the Zionist Organization of America, where he met with the same Sharon whose genocide in Lebanon he had recently found so immoral. At a Tel Aviv press conference Aug. 10, Helms called for the United States to forge a defense pact with Israel modeled on NATO. "I hope the American people will understand that Israel is the only reliable ally we have in this region," Helms said. "It is for freedom, against communism, and its moral principles are impeccable."

Helms elaborated on his proposals in an article for the winter 1986 issue of *Policy Review*, the journal of the KGB/Mossad center in Washington, the Heritage Foundation. Illustrated with photos of a skullcapped Helms visiting Sharon at his home, the article called for Israel to retain its West Bank territories to preserve its history and its security. "Although, in many ways, the rationale for a Jewish homeland is rooted fundamentally in the very areas which are to be negotiated away," Helms wrote, "these areas are crucial to the modern defense of Israel's territorial integrity."

Helms's shift on Israel coincided with his 1984 reelection campaign, a bitter and hotly contested race, in which he barely defeated challenger Jim Hunt. Hunt's multimillion dollar campaign was financed largely by the American "Jewish lobby." According to rumors circulating at the time, Helms was approached at the height of the race by an Israeli delegation headed by David Kimche. They told Helms they would instruct American Jews to turn off the spigots into Hunt's campaign, if Helms agreed to champion the Zionist cause. Shortly thereafter, Helms came out in support of moving the U.S. embassy from Tel Aviv to Jerusalem.

It isn't necessary to rely on rumors to understand the process by which Helms was suborned. According to an article in the February issue of *The Jewish Press*, the Irgun organ in New York, quoting Helms's top foreign aid specialist, Jim Lucier, Helms's conversion on the Mideast occurred during a 1984 U.S. visit by Michael Kleiner, a "new right" member of the Knesset, and a Meir Kahane associate, Avigdor Eskin. Jon Speller, and old Irgun cell leader in New York, Robert Jacobs, reportedly facilitated a meeting between Helms and the two Israelis.

Just whom did Helms think he was meeting? The 26-year-old Eskin's father was a colonel in the Soviet GRU (military intelligence). In 1980, Avigdor Eskin, living in Moscow, suddenly turned "Zionist." He then founded "the first Moscow chapter of the Jewish Defense League." He became a "a Jewish dissident," and after a decent interval of "international protest," was "released" by Soviet authorities to Israel, where he set up shop for the KGB in Kahane's Jerusalem headquarters.

It must be assumed that at their meeting with Helms, Soviet agents Eskin and Kleiner gave the same "anti-communist" lecture they dished out on other stops on their tour: build the New Right, fight communism by committing American troops to Latin America (necessitating, of course, with-

drawing U.S. troops from Europe), and establish a Biblical Israel, "a bulwark against communism."

By Eskin's own testimony, "anti-communist" Helms was easy to manipulate: "I just told him, 'Look, what do you hate the most, the Jews, or the communists?'"

Shortly after, Helms stunned much of Washington with a call to completely reject President Reagan's peace proposal of 1982, because it called for Israel to ultimately give back the West Bank. As we now see in the Panama case, that was but a foretaste of things to come.

## Israel: the Soviet connection

- Why are wealthy Israelis and other Zionist lobby insiders around the world secretly buying up land on the West Bank of the Jordan River?
- Why is so much money from "Christian fundamentalists" in the United States going to "Jewish fundamentalists" in Israel?
- Why is Ariel Sharon's sidekick, "Dirty Rafi" Eytan, running a special intelligence unit whose only job is to steal secrets from the United States?
- What is Israel's government willing to provide to Moscow in return for the shipping of 400,000 Soviet Jews, in sealed box cars or the equivalent, to the West Bank?
- Was Jonathan Jay Pollard, arrested as an Israeli spy in Washington, just an "aberration," or the tip of the iceberg concealing Mossad cells throughout U.S. government and security agencies?
- How do Mossad hit teams operate in the United States—the answer provided by someone directly involved: Mordechai Levy.

*Executive Intelligence Review* has just issued a new, 150-page special report, "Moscow's secret weapon: Israeli intelligence and the Zionist Cults." \$250. Order from EIR News Service, P.O. Box 17390, Washington, D.C. 20041-0390.

# Arnulfo Arias: Nazi, terrorist, murderer

by Robyn Quijano

Arnulfo Arias Madrid, the octogenarian who leads the "democratic oppositon" in Panama, one of the darlings of Jesse Helms and the crowd that is mounting a destabilization of the present Panamanian government with the aim of destroying the Defense Forces of that nation, is an unrepentant Nazi. In his "colorful" life he has led coups against elected governments, directed and participated in terrorism, murder, and led secret occult societies, whose stated aim is to destroy Judeo-Christian civilization.

He has been charged with directing the mass executions of 13 German Jewish families in the region of Cotito, province of Chiriqui, where Arias now owns a vast expanse of territory, said to be a coffee plantation. The author of *Holocaust in Panama*, Aristides Ivan Hassan R., relates the confession of Julio Cesar Gonzales, one of the 12 Panamanian police of the elite death squad formed when Arias took power in October 1940. This squad, trained by Guatemalan Nazi Fernando Gómez Ayau, whom Arias had invited to train the Panamanian National Police, was to be the model for Arias's Secret Police. Gómez Ayau worked under the tutelage of Hitler's ambassador to Panama, Hans von Winter. Nicolás Ardito Barletta, father of ex-President Barletta, was named the director of the Political Police, called the GUSIPA, "Silent Panamanista Guard," also created on the advice of Hans von Winter; its initiation and loyalty oath was the occult rite of blood.

The remains of what appear to be 18 bodies, according to the calculation of Detective Bartolo Rovira, head of the Department of Investigation of Volcán, were found in Cotito in a mass grave. Skulls with bullet holes and German dentures and gold teeth were unearthed. According to Gonzales, the murder of the other German Jewish families was on land that is now part of the Arias plantation. Lyndon H. LaRouche has called for an investigation of the role of Arnulfo Arias, President of Panama during the massacres of July 1941.

According to William J. Jorden, former U.S. ambassador to Panama, Arnulfo Arias met personally with Hitler in 1937, while he was serving as ambassador to Italy. According to other sources, it was then that the conspiracy for the murder of the German Jewish families, that had emigrated to Panama in 1922, was conceived.

Arias became fascinated by satanic cultism in France in 1925 through the secret society "Los Polares." This racist, occult society was connected to the Theosophical Society of

Julius Evola in Italy and the Thule Society in Germany that created Hitler. In 1930, he joined Acción Comunal, a Panamanian secret society based on the occult, which carried out a coup in 1931. According to Jorden, Arnulfo Arias himself led the coup, breaking into the presidential palace, killing four armed guards, and taking the President, Florencio Arosemena, prisoner. Arias's brother, Harmodio Arias, took over as provisional President.

In 1933, as health minister in his brother's government, Arnulfo Arias presented legislation for the sterilization of Blacks and euthanasia of the elderly. This was the same year that Hitler imposed mass sterilization in Germany. While the congress refused to approve the law, sterilization of Blacks occurred during his presidency in 1941. Dr. José María Nuñez of the Hospital of Santo Tomás officially denounced the mass sterilization of all Blacks that entered the hospital for anything. Arias's racism was formally declared in his inaugural address in October 1940 and in the constitution that he personally drafted in the beginning of 1941.

Arias had spent most of his life outside of Panama, and was not quite fluent in his native Spanish. He was educated entirely in the United States, graduating from Chicago University, and from Harvard Medical School. There he was likely first introduced to the eugenicist doctrine so popular among the Harriman family and the treasonous elite families of Boston.

Arias had no fear of going on the record as a Hitlerian in 1940. He had been promised by Hitler that he could be governor of all of Central America when the Reich conquered the world, and he was very optimistic. In his inaugural address on Oct. 1, 1940, he said: "As Panama has ceded its territory to the United States to construct the Canal, Panama also can cede territory to the Germany of Adolf Hitler, so that they can construct here what they wish and can help us against Imperialism.

"The words democracy, liberty, liberalism, are so bandied about that they have no meaning. . . . The demagogic concept that all men are free and equal is biologically without foundation," said the man Jesse Helms would have lead the new "democratization" of Panama. Arias's inaugural address continues: "The concept of liberty as an inalienable and unlimited right of the individual must give way to the more modern concept of liberty conditioned by the social exigencies of the community."

Arias imposed a new constitution forbidding the immigration of Blacks, Chinese, and Japanese, and took away the citizenship of 40,000 Blacks of West Indian origin. Arias went so far as to ask the United States to return the Blacks that had worked on building the canal to the West Indian "homelands," according to Ambassador Jorden, to "purify" the racial structure. Arias was overthrown in October 1941, with the blessing of the United States, before he was able to implement genocide against Panamanian Jews and Blacks.

# Unveil State Dept. coup plot in Panama

by Gretchen Small

On Feb. 24, the chairman of Panama's Democratic Revolutionary Party (PRD), Romulo Escobar Betancur, charged on national radio that the Panamanian opposition "has been conspiring with a sector of the U.S. State Department, to work out a plan" to overthrow the government of Panama, "similar to that used in Haiti and the Philippines."

The first phase of the destabilization was begun by the head of the Christian Democratic Party, Ricardo Arias Calderón, in a recent tour of Chiriqui province, Escobar Betancur stated. Controlled by Panama's coffee oligarchy, Chiriqui has long been the stronghold of Arias Calderón's uncle and political mentor, Nazi ex-President Arnulfo Arias. In his tour, the younger Arias finalized plans for a March uprising, to be triggered with the seizure of National Defense Forces (FDN) outposts in the area. Then, a meeting of the Democratic Opposition Alliance will be called, at which its leader, Arnulfo Arias, is to declare the current government illegitimate.

The opposition plans to complete this initial phase of insurgency by March 14 and 15, Escobar Betancur specified, and has sped up organizing of middle-level officers for a revolt against the leadership of the FDN accordingly. Panama's difficulty in getting foreign loans forms part of the plot, he noted.

Why the mid-March rush by the State Department's opposition? On March 30, Peruvian President Alan García is scheduled to visit Panama, and an Ibero-American Presidents' summit on the debt is expected to lead the agenda. Links between Peru's and Panama's governments go back to the August 1985 visit of Panamanian defense chief Gen. Manuel Noriega to Lima. Noriega endorsed García's fight against the International Monetary Fund and for his nation's economic and political sovereignty. Shortly thereafter, Panamanian President Nicolás Ardito Barletta (a former World Bank vice-president) was forced to resign, when the FDN joined opposition to his austerity policies. The government of Eric Delvalle, which replaced him, then offered to host García's proposed summit.

Pressure has begun in Peru to stop García's trip. A recent newspaper column by ex-Prime Minister Manuel Ulloa urged the Peruvian President to cancel it, as Panama is "a dictator-

ship." Ulloa, whose own financial policies helped turn Peru into a cocaine-based economy, alleged that "corruption" of Panama's defense forces would discredit García and *endanger his security*. Besides, declared Ulloa, the idea of a debtors' summit was over-hasty.

## Canal security at stake

A split in the Defense Forces, in the midst of mass civil disturbances, provides an ideal cover for terrorist attack on the Panama Canal. General Noriega warned after the December airport massacres in Rome and Vienna that terrorist suicide squads are being trained in the Caribbean for an attack on the Canal. U.S. officials dismissed this warning as "unsubstantiated." On Feb. 25, the *Washington Times* wrote that U.S. officials have said outright that, "despite the Panama Canal's importance to the United States as a strategic and commercial gateway between two oceans, relations with Panama will not return to normal until internal changes take place."

Assigned the job of insuring "internal changes," is a protégé of Sen. Jesse Helms, Ambassador Arthur H. Davis, just named ambassador to Panama. Davis testified at his Senate confirmation hearings on Feb. 19 that he plans to exert U.S. "leverage" until the murder of terrorist Hugo Spadafora is "solved" (see quotes, below), and the FDN forced out of politics.

Davis had been a Colorado businessman, before he was named U.S. ambassador to Paraguay in 1982, but his early business years in Ibero-America were cited as the reason he was picked for diplomatic service. Davis began his career at the same W. R. Grace Company which produced Peru's Manuel Ulloa. From 1945-56, Davis worked for Pan American Grace Airways, called Panagra, the same years Ulloa ran Panagra's public relations office, and then W. R. Grace's Latin American Division.

Davis's congressional testimony caused a diplomatic crisis. The PRD party and the CONATO labor federation demanded that Davis be declared *persona non grata* by the Delvalle government. The Panamanian Defense Forces announced their agreement with President Delvalle and Foreign Minister Jorge Abadía, both of whom denounced Davis's statements. Panamanian labor leader Eduardo Ríos called Davis "one of the experts in agitation, who proved it when he practically single-handedly organized the last election of Stroessner in Paraguay."

On Feb. 26, Foreign Minister Abadía went to Washington to lodge a formal protest, after a National Security Council meeting mooted retracting Davis's ambassadorial credentials. Shultz backed off, promising Abadía that Davis's testimony had been "misinterpreted" by the press. The next point of crisis, however, is set for March 10, when Senator Helms has called Senate hearings on Panama, to review "human rights violations" and the Spadafora case. The hearings are timed to occur as the opposition launches "Phase I" of the State Department's destabilization plan.

*The following are excerpts from testimony by U.S. Ambassador to Panama Arthur H. Davis before the Senate Committee on Foreign Relations, Feb. 19, 1986. Ambassador Davis was questioned about government "harassment" of the opposition.*

... We have to move very rapidly to let them know that we are sure we do not want those things to continue. . . . Over the last years, from the time of the negotiations of the Canal Treaty and more recently in the last few months with the removal of Mr. Barletta and the Spadafora case, practically every visitor, whether it is congressional, senatorial, or senator's staffs or military, has stressed the great desire of the United States for a more civil constitutional type government. The Panamanian Defense Forces (PDF) have always had a large voice in the politics of Panama. . . . We have

consistently, under many administrations, stressed our great desire to have, as I say, an opening of democracy and put the military under civilian power. We have also stressed right up to the recent days, in meetings with Noriega and other people in Panama, our desire that the PDF calm down and take a back seat. . . .

I will certainly keep insisting upon a solution to the Spadafora case, and I think we always have to study whatever means we have, whether it is military assistance or aid assistance, in order to bring that about. . . . I do believe that the force of the United States and the pressure of the United States will have an effect on Panama. I think we will have to keep pressuring . . . to see to it that both on the opening up of democracy and on the violations of their human rights, that they know what our definite stand is and they know the consequences.

## Gaddafi's Spadafora

Hugo Spadafora spent his life as a gun-running mercenary for any "liberation army" Qaddafi could find. Born of Italian-Panamanian family, Hugo joined the Italian Socialist Party while studying medicine at the University of Bologna in the early 1960s. Spadafora's connections to Middle Eastern terrorism followed quickly, when he accepted a scholarship to Cairo University in 1965. Once in Cairo, "the first thing I did was to go to the Cuban Embassy and tell them I was ready to go," Spadafora bragged to the *New York Times* in December 1980.

The Cubans rejected him, he claimed. So, he joined Amil Cabral's "liberation" war in Guinea-Bissau in 1966, to receive "a political education." Spadafora returned to Panama in 1967, to join "guerrilla" organizing of the Paris-café set at the University of Panama. Jailed in June 1969 for opposing the Torrijos government, Spadafora soon cut a deal with the government, and secured his release.

In 1978, Spadafora formed a "Bolivarian" brigade, to fight with the Sandinistas in Nicaragua. The 80-man brigade joined "Commander Zero," Eden Pastora in the Southern Front, the wing of the rebels financed by gangster Robert Vesco and his Costa Rican protector, Don "Pepe" Figueres. The Bolivarian Brigade was a precedent for today's gnostic narco-terrorist armies, exemplified by the "Americas Battalion" now fighting in Colombia. Explained Spadafora in 1980, "The time has come for the creation of a Bolivarian force—independent of superpow-

ers and governments and capable of combatting militarily anywhere in the continent where the armed struggle is the only avenue left for peoples seeking their liberation. . . . There are tens of thousands of Latin Americans willing to fight for the liberation of the continent, but for this we must achieve the authentic unity of all revolutionaries, of Marxists, of Catholics, of Social Democrats, of progressive Christian Democrats."

He traveled back and forth between Libya, Europe, Mexico, and Central America. With a reputation as a coward who never fought, Spadafora used the cover of his "brigades" to funnel arms and money from Libya to all sides of Central America's civil wars. In 1982, Spadafora began running weapons to the Nicaraguan "counter-revolution," which his friend Eden Pastora had now joined. By a year later, he claimed to have split with Pastora, to begin supplying the Misurata "Indian resistance." When assassinated, rumors had it that Spadafora was setting up "guerrilla" operations in Panama.

On Sept. 14, 1985, Spadafora was found, decapitated, in a river bordering Costa Rica and Panama. The opposition immediately charged that General Noriega had ordered him killed. International media took up the charge, burying any clues which lead to another doorstep.

Not reported were the charges by Eden Pastora, broadcast on Miami radio, that Spadafora had betrayed the "contras," selling their arms shipments to the Sandinistas. Nor was it reported that the Costa Rican Judicial Investigations Organization found, in November, that Spadafora had been killed, not in Panama, but in the Punta Burica area of Costa Rica. On Nov. 11, San José's conservative newspaper, *La Nación*, reported that the area where Pastora's body was found is a center of the drug-trade, with "extensive marijuana plantations and cocaine-processing laboratories."

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## Manuel Noriega

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# The military's role in securing democracy

*In an address to Harvard University's John F. Kennedy School of Government on Feb. 28, 1985, the commander of Panama's defense forces, Gen. Manuel Antonio Noriega, outlined his view of the necessary role of the military in securing peace in Central America. No simple strategy of military force nor facade of "democracy" will succeed, the general argued. The military must therefore join other national sectors in defining and implementing the social and economic policies which better the lives of their countrymen.*

*Noriega has been active in promoting this broadened concept of military duty, along with other military forces in the region. This question of military posture is central to political life in Guatemala, for example, while forces foreign to the country seek to turn the military and the nation against one another. Guatemalan President Vinicio Cerezo and nationalists within the military have set out to establish a solid basis of collaboration, what Cerezo termed "nation-building" in his inaugural address. "We have no intention of returning to the old concept of the army removed from politics, and confined exclusively to the barracks, acting as a judge over the daily lives of governments and peoples," Cerezo stated in an interview with Mexico's *Excelsior* on Feb. 18, 1986. "The army should be involved in the social process, and guaranteeing this process in the interests of the people. . . . It should be committed to the general process of institutionalization in the country."*

*General Noriega today is the target of an international campaign designed to drive him from power, which has painted him as variously a dictator, a communist, and a corrupt manipulator. Behind the attacks, however, lies the raging battle over policy. For that reason, we here provide excerpts of Noriega's Harvard speech.*

I have been asked to speak to you especially on the subject of the role of the military in the Central American peace process. I must make some general observations on the constructive ways in which we military leaders may influence the political, social, and economic improvement of the region, putting

special emphasis on the situations in El Salvador, Nicaragua, Guatemala, and Honduras. . . .

If you were to believe that the permanent solution to the current conflicts in Central America is purely a military one, that is, if you were to think of a solution of force pure and simple, then I should have nothing to say to you. The fact that you desire a presentation on these subjects in an academic center as intellectually prestigious as Harvard University, implies a very clear awareness on your part that other, deeper causes exist that should be analyzed and discussed, to find less costly and more productive solutions. . . .

For ourselves, the Panamanian military, attention to the increasingly belligerent and deteriorated Central American situation is a serious responsibility, of national and even broader dimensions. It is only logical that we should see things thus, because this awareness of responsibilities is based on undeniable reality. Panama belongs to that region of American *terra firma*. Panama has an interoceanic canal which has a direct influence on world security. Whatever action occurs in the Central American region directly affects the security and the stability of the canal isthmus, as it also affects the norms of international security. . . .

It is unquestionable that the thinking and actions of the different Central American armed forces are vital to whatever effective solution is being sought. If one desires peace for Central America, and that each country—respected in its dignity and national independence—be able to decisively take on the task of gradually overcoming underdevelopment, then we must objectively and realistically consider the transcendental role that the armed forces of each country must play in the overall development of their respective societies. . . .

Some individuals, groups, or sectors address the problems of Central America in very formal and simplistic terms, without logic. According to that formal interpretation, the region's problems are located between freedom and oppression, between dictatorship and democracy. But a closer look at the roots of the conflicts shows that such a view does not correspond to reality, that analysis of the problems cannot proceed in this way. To prove that that formal interpretation is incorrect, one need only ask each Central American people if they have ever been given an opportunity to fully participate in the political and economic lives of their respective countries. You cannot escape the conclusion that the answer would be negative. The Central American people have been absent from consideration of their own destinies.

To solve the Central American problem, however, one cannot fall into the belief that democracy is merely the depositing of a political vote. Democracy is not reducible to that electoral exercise. Real and effective democracy should be a teaching, aware democracy, in which man does not merely act within the political or electoral concepts cultivated by the parties in the area. That is, a democracy in which man

has an idea of economy and of social rights. I include Panama within this view and within these concepts. . . .

### **The causes of the crisis**

We should know, with total clarity, that the deepest causes of the political and military turbulence in several of the countries of Central America stem from real, objective situations, from very concrete facts. These causes can be defined as a population in extreme poverty, the cruel and historic social injustices of illiteracy and ignorance, and all the other factors that characterize those societies placed, because of their socio-economic development, within the so-called Third World, which are:

- the predominant activity of the primary sector, above all of subsistence agriculture
- the tendency to single-crop production
- the reduced average income per capita
- under-employment
- "hidden" unemployment
- demographic imbalance with respect to the growth of real production
- the weak condition of the woman and of children
- rigid social stratification
- the high rate of illiteracy
- the limitation or absence of hygiene and sanitation
- high rate of infant mortality
- malnutrition
- shortage of housing
- scandalous rural misery
- under-industrialization

. . . El Salvador today faces a dramatic deterioration of the basic pillars of its socio-economic and political structure. A military generation, not compromised by injustices of the past, finds itself face to face, risking and losing its lives, against poverty-stricken workers and peasants ideologically attracted to the guerrillas as their only option. Today the guerrillas have lost respect for the President of the Republic of El Salvador and for the civilian governments. They only want to talk, at this time, with the military, with those whom they face on the field of battle.

In Guatemala, the Armed Forces for a long time remained divorced from the traditionally illiterate, humble, and exploited peasant and Indian population. Now those Armed Forces have been able to overcome the era of violence. Under the leadership of their military President Gen. Mejia Vitores, they were renewing contact with the large peasant and Indian majorities through a special development strategy, according to which the soldier committed himself to the literacy campaigns and to the communal development work. . . .

Nicaragua has lived the past 45 years of its history as a series of family reincarnations, with a National Guard removed from principles of security and development. This gave rise to an armed movement backed in its historic mo-

ment by the leading countries of America. Thus it was proven that the defeat of an army is directly proportional to the absence of popular support for the foundations of its military doctrine.

As military men, we can pass a critical and historic judgment on that National Guard of the Somoza era, inspired by the uniform of West Point but never identified with the dignified and glorious spirit of the West Pointer's soul. . . .

Honduras, within its precarious socio-economic situation, has a youthful military much closer to the people. In its majority, it is a military with university training, which has tried to and has maintained a tolerant balance with the subversive ideological tensions of its neighbors. . . .

### **The task of national recovery**

We have posed a terrible contradiction: on the one hand, the countries of Central America need to carry out changes in internal political, economic, and social structures in order to eliminate the real causes of subversion and of war. But, on the other hand, the already declared war, a war of attrition in which there can be neither victor nor defeated, prevents and delays the implementation of any program for national recovery.

In addition, the international economic assistance that these countries have received until now has been neither sufficiently broad nor sufficiently generous. There has existed in the past, and continues to exist, too much conditional economic aid. The famous economic programs of reordering and restructuring of the economies of the underdeveloped countries, which certain international financial institutions seek to impose, become additional sources of discontent, conflict, social suffering, and confrontation with the people, as has occurred in Ecuador, Santo Domingo, and Panama. . . .

Faced with this situation, in which Central America has scarcely a word to say, the finest and most sophisticated concepts of economic analysis that you can study here in Harvard's school of economic science, are shattered into a thousand pieces. . . .

I would like agreement with you on one point, which I would dare to pose in the following way: that there can be no government alone, absent and divorced from the men who bear arms, above all in Central America and in Latin America. Because to the extent that the Armed Forces have their role defined and their functions designed in correspondence to their mission, the arms they possess remain in the service of peace. Thus we could conjugate the word "democracy" and the concept of "human rights" in a serious and profound manner, founded on the realities of the people. Not demagogically, with merely a propagandistic show lacking in the genuine foundations of human rights, but with the right to life and not to live hungry, because to live with hunger is also an assault on the fundamental rights of man. . . .

## The State Department coup against President Marcos

by Linda de Hoyos

On Feb. 25, hours after President Ferdinand Marcos had been flown from Malacanang Palace in Manila to Clark Air Field, the following exchange occurred between a senior administration official and reporters on the issue of the Philippines:

Senior administration official: "It was a tightrope we had to walk. We had to follow a very careful path of our public statements and our private actions in order to achieve the stable outcome that we sought many, many months ago. I believe this is a classical example of a policy which set goals and then dealt with a series of evolving circumstances—dealt successfully with a series of evolving circumstances—and in the end achieved what we set out to achieve."

Reporter: "So you were trying to overthrow Marcos?"

Second reporter: "Why can't we have that on the record?"

On Aug. 16, 1985, *Executive Intelligence Review* exposed the plot of U.S. Ambassador Stephen Bosworth, in collaboration with then Acting Chief of Staff Lt. Gen. Fidel Ramos, to carry out a military coup against President Marcos. Although the press now claims that President Marcos stepped down on Feb. 25 because of the overwhelming pressure of "people power," the fact is that President Marcos was brought down by a military coup sponsored, directed, and aided at all points by the U.S. embassy on approved orders of the U.S. State Department.

It was not "people's power" that protected the military in the agonizing days of Feb. 22-25. The opposite is reality: A U.S.-ordered coup provided the conditions under which "people's power"—limited to the capital city of Manila—was permitted to prevail.

The coup was signaled when Corazon Aquino announced Feb. 5 on ABC's "Nightline" that she would not abide by the election results unless she were the victor. Aquino claimed she would be unable to restrain her followers. Now it is clear that Mrs. Aquino already had guarantees, if not from the

White House, certainly from Washington.

The coup began when Defense Minister Juan Ponce Enrile, fearing he was about to be arrested, seized the defense ministry at Camp Aguinaldo with 400 men. According to his own admission on "Nightline" on Feb. 26, Enrile placed an immediate call to Ambassador Bosworth. *EIR* has now confirmed from three different reliable sources the contents of that discussion. Enrile was asked by the ambassador, "What do you need?" Enrile replied: "We need weapons." Those weapons were then supplied.

On the afternoon of Feb. 23, the decision was made at the National Security Council meeting attended by President Reagan that the United States would officially act to force President Marcos's resignation. This position was rammed through the meeting by Secretary of State George Shultz and special envoy Philip Habib, who knew of the coup plot before he left Manila.

As a result of this meeting, the White House issued a statement, written by Shultz and approved by President Reagan, telling Marcos "to avoid an attack" on Camp Crame, to which the coup forces had moved. The White House statement then threatened: "The United States provides military assistance to the Philippine Armed Forces. . . . We cannot continue our existing military assistance if the government uses that aid against other elements of the Philippine military which enjoy substantial popular backing."

This statement, in the public record, was an effective call to the Philippines military to join the coup forces, unless they wanted to face the destruction of the military itself.

The Pentagon followed with a telephone call to every field commander in the Armed Forces of the Philippines, "asking" the officer if he would fight for Marcos. According to UPI, "Informed sources said they had been told by responsible Pentagon officials that all but one Philippine general

had been persuaded by the Americans to keep his troops off the streets as the Marcos-Aquino confrontation escalated." State Department officials also reported on Feb. 24 that they had a total profile of every field commander.

Labor Minister Blas Ople, who had come to Washington to sound out possibilities for a coalition government, informed President Marcos by phone that Reagan believed Marcos should step down. Ople, in an interview with the *Washington Post*, reported Marcos as saying: "My life and the lives of my family are threatened right here. They have bombed the palace. They have forcibly taken over the radio station." Ople said that Marcos "said it was a very curious situation, in which he is being told not to defend himself . . . by the United States."

### Political environment manipulated

Between August, when the coup plot first surfaced, and the final hours of Feb. 25, the U.S. State Department, along with the media, and members of Congress led by Sen. Richard Lugar (R-Ind.) and Rep. Stephen Solarz (D-N.Y.), worked to create the political environment that would cover for the U.S. coup. The primary objective was not to bring in an Aquino government, but to break the Reagan commitment to Marcos. The first phase of the operation was a media campaign to convince the White House that the Philippines, if left to Marcos, would be lost to the communists. Bosworth's embassy supplied the "reports" to back up the media claims.

The tactical objective was to force Marcos to prove his mandate by calling elections. The biggest fraud perpetrated in the elections was the created perception that the Namfrel—heralded from Manila as "our eyes and ears now" and which proclaimed Aquino the early "victor"—was ever an independent "citizen's watchdog committee." A creation of the CIA in the 1950s, Namfrel received funds from the CIA throughout the election period. On Feb. 26, Namfrel chairman Jose Concepcion, a member of the board of directors of the Benigno Aquino Foundation, was named minister of trade and industry in the new Aquino government.

If democracy had ever been an issue for the United States in the Philippines, Reagan's initial Feb. 11 response of neutrality on the election results would have stuck. Mrs. Aquino would have been congratulated for a "close race." Instead, by Feb. 24, the State Department was actively studying the option of freezing all Filipino assets in the United States—as if President Marcos were a state enemy! From the State Department's point of view, President Marcos's crime was that he was a nationalist leader who threatened to block the International Monetary Fund ravaging of the Filipino economy, and challenge the authority of the Fund internationally. But President Marcos's more fundamental crime was that *by virtue of his proven loyalty to the United States*—he was an obstacle to the New Yalta treason by which the State Department has agreed with Moscow to destroy the vital security of the United States.

## Chronology of the Philippines coup

by EIR's Asia Bureau

### Phase one: the drive for elections

"This is not something the United States has done. This is something the Filipino people have done."

—Secretary of State George Shultz, Feb. 25

**Aug. 1.** A public clamor began in the media in the United States for Marcos's ouster over his failure to carry out State Department-dictated "reforms." On Aug. 1, the *Boston Globe* editorial stated: "U.S. policymakers should call Marcos's bluff. This is a case in which the hostages are expendable. A conspicuous order to the Pentagon to update its plans for relocating the Philippines bases would send a signal to both Marcos and his critics that the U.S. has learned from its mistakes. . . . Clark Field and Subic Bay are undeniably important . . . but not irreplaceable. Certainly the Philippines bases are not worth a U.S. war to sustain a discredited regime."

**Aug. 2.** Dimas Pundato, leader of the separatist Moro Liberation Front who is in exile in Libya, met in Washington with officials of the U.S. State Department. Pundato emerged from the meeting to announce in Washington that if President Marcos did not meet MLF demands for greater autonomy, the Moros would take up arms against the government with the New People's Army. Sources reported that another result of the meeting was State Department funding of the Moros. The State Department justified the meeting with Pundato by saying: "We have an open door policy. We talk to anyone with a responsible point of view."

**Aug. 7.** *New York Times* editorial called for the administration to begin "an energetic search for alternate sites" for the U.S. bases on the Philippines. "As long as Mr. Marcos believes the Americans will swallow anything to keep those bases, he can disregard America's worried attempts to press for constitutional change."

**Aug. 16.** *Executive Intelligence Review* released story charging that U.S. Ambassador Stephen Bosworth, along with former Ambassador William Sullivan, were plotting a military coup against President Marcos with then Acting Chief of Staff Gen. Fidel Ramos. "The timing for the final



Government of the Philippines

*President Ferdinand Marcos. His loyalty to the United States made him an obstacle to the State Department's treasonous design.*

move against Marcos is projected in eight to nine months, or will be timed with Marcos's promised reinstatement of Chief of Staff Gen. Fabian Ver. . . . Bosworth now meets up to two hours every day with Acting Chief of Staff Lt.-Gen. Fidel Ramos. . . . Ramos would come to power with a young officers' reform movement, called We Belong as his power base in the military." The story was based on information from reliable sources in both Manila and Washington, D.C. The coup plot reflected what sources said was an across-the-board consensus that the Marcos government must be overthrown.

**Sept. 1.** The pro-opposition Bishops and Businessmen's Conference released result of one-month-long poll showing that 52% of Filipinos polled would vote for President Marcos in a general election.

**Sept. 4.** Cord Meyer, speaking for the bankers' wing of the Central Intelligence Agency, wrote a signal piece for the overthrow of Marcos in the *New York Post*. Meyer stated that the Reagan administration must "face the real possibility that before its second term is over a Marxist regime may have taken over in the Philippines and given the Soviets access to the strategic air and naval bases now occupied by the U.S. . . . A search is already on for alternative basing arrangements."

**Sept. 16.** Lt.-Gen. Fidel Ramos appeared on Philippines national television to claim that the *EIR* charges of a coup plot with the U.S. embassy were "highly speculative and grossly inaccurate." He said: "My association with Bosworth

is limited to occasional courtesy calls, social functions, and meetings that have always been in relation with my official responsibility to promote unity of the armed forces and the integrated national police."

**Sept. 18.** U.S. Ambassador Stephen Bosworth told the Manila Foreign Correspondents' Association that the *EIR* coup story is "absolutely false." The *EIR*, he said, has a "history of satisfying people's more conspiratorial and paranoid suspicions." Contrary to Ramos's statements, Bosworth said he only met with Ramos "several months ago on a golf course." He then stated: "Our concern is with the effective leadership of the armed forces and the program to restore its confidence, discipline, and effectiveness."

**Sept. 22.** The International Monetary Fund suspended the Philippines' use of its third tranche for a \$620 million stand-by loan, stating that President Marcos has "fallen out of compliance" with IMF conditionalities.

**Oct. 16-17.** Richard Kupperman led a televised crisis simulation scenario at the Georgetown Center for Strategic and International Studies entitled "The Fall of the Philippines." It is the personnel at the CSIS, beginning with Henry Kissinger and Zbigniew Brzezinski, who function as the semi-official State Department back door to the Soviet Union. The scenario called for—following the death of President Marcos—the assassination of selected generals and government officials, after which the New People's Army takes over. Kupperman told a reporter: "Marcos is living in a delusory world. . . . He's going to get deposed. Look, if Marcos were to disappear for whatever reason, constitutionally the successor is the Speaker of the House. If he were assassinated and a few command and control sites taken out, the Philippines government would not exist."

**Oct. 18.** President Ronald Reagan sent Sen. Paul Laxalt (R-Nev.) as his personal envoy to deliver "the bluntest presidential message ever sent to a friend." Laxalt, according to the *Washington Post*, delivered a letter from Reagan to Marcos stating that unless Marcos carried out constitutional, economic, and military reforms, the United States would withdraw support from his government. The content of the letter was based on an alarmist report from the CIA and Defense Intelligence Agency, backed up by reports from Assistant Secretary of State Paul Wolfowitz to the effect that the Philippines is headed for "catastrophe" under the Marcos government at the hands of the New People's Army. The report was presented to the House Intelligence Committee and the House Subcommittee on Asian and Pacific Affairs.

**Oct. 19.** The *New York Times* printed the story that Marcos had rejected the substance of Laxalt's letter. This was exposed as a piece of willful disinformation by both Marcos and Laxalt, the latter stating that "the thrust of the story is inaccurate." Laxalt further stated that "all of the reports about him [Marcos] being a doddering old man were wholly contradicted by my observation of him" during their four-hour meeting.

**Oct. 19.** President Marcos, appearing on ABC's Nightline, was pressed by Ted Koppel to call for elections, even though the President's term is not up until 1987. Marcos insisted that he already had the mandate of the population and elections would violate the Philippines constitution. Koppel's demand, however, was repeated throughout the U.S. media.

**Oct. 20.** The *New York Times* persisted with an editorial "What Can Make Marcos Listen?" complaining that Marcos had been able to "sidestep" the "blunt message" from Laxalt. The *Times* demanded that the minimum condition for continued support to Marcos be sweeping electoral reforms—that is, cleaning out his own power base in the military. Implicitly calling for a coup against the Marcos government, the *Times* stated that if Marcos refused to listen, "the many demoralized officers in Manila may have keener ears."

**Oct. 28.** Sen. Bill Bradley (D-N.J.) of the Senate Intelligence Committee announced, "We must put Marcos on notice that our interests in Filipino democracy will no longer be held hostage to a rigged election. To ease Marcos's resignation, we should offer him and his family safe passage and sanctuary for his retirement."

**Oct. 28.** Sen. Richard Lugar (R-Ind.) and Rep. Stephen Solarz (D-N.Y.) announced that they would be holding hearings on cuts in military and economic aid to the Philippines.

**Oct. 29.** Ambassador Stephen Bosworth held a press conference in Manila where he lashed out at the Marcos government for "human rights violations."

**Oct. 31.** Assistant Secretary of State for Asian and Pacific Affairs Paul Wolfowitz and Assistant Secretary of Defense Richard Armitage testified before the Senate Foreign Relations Committee that "we still face a situation of strategic stalemate in the next three to five years." Wolfowitz said the State Department expects "civil war on a massive scale" in three to five years. "That is the direction we are heading," said Sen. Richard Lugar, who would later head the Reagan observer team for the Feb. 7 elections. Lugar stated that Marcos should understand that U.S. "patience has run out." Wolfowitz stated that the State Department had given the IMF "strong support" in dealing with the Philippines and complained, "We have not yet seen any substantial reform implementation."

**Nov. 1.** The Senate Intelligence Committee passed out a report calling for a total U.S. withdrawal of support to the Marcos government unless Marcos carries out demanded reforms. The report, however, contained the death sentence for the Marcos government: "We believe such a change of course is very unlikely and there is serious doubt about whether the Marcos regime still has the administrative and political capability to initiate reforms even if it were so inclined." Sen. David Durenberger (R-Minn.) told the press, "The Reagan administration should be preparing to adopt a democratic alternative or face having no alternative but the New People's Army."

## Phase two: the perception game

"The facts as they emerge become increasingly irrelevant because it's the perception that counts, and the perception prevails both in the Philippines and, I think, internationally, that Mrs. Aquino won the election."

—Former Ambassador William H. Sullivan, Feb. 9

**Nov. 3.** President Marcos announced that he would hold snap elections within the next three months, in order to prove that he has the mandate of the Filipino people. The elections were scheduled for Jan. 17. Sources reported that Marcos was offered the third tranche on the IMF stand-by loan, if he went ahead with elections.

**Nov. 5.** Opposition leader Salvador Laurel visited Washington, where he was hosted by Sen. Alan Cranston (D-Calif.) and Rep. Stephen Solarz. Laurel indicated that the opposition was preparing for civil war, not elections, stating: "The Filipino people are prepared to defend their ballots with their lives and it may end up in a violent confrontation."

**Nov. 13.** Assistant Secretary of State Paul Wolfowitz told a congressional panel that there will be a "complete collapse of political confidence" in the Philippines government, if the elections are not perceived as fair.

**Nov. 14.** President Marcos announced that he would delay the elections until Feb. 7. Opposition parliamentarian Homobono Adaza stated the delay "is a significant victory for the opposition, but it's more a result of American pressure than from the opposition."

**Nov. 14.** The House Foreign Affairs Committee and the Senate Foreign Relations Committee passed a resolution calling for "free and fair elections" in the Philippines—implying they would not be fair except under U.S. pressure.

**Nov. 14.** Rep. Stephen Solarz declared in an op ed in the *Wall Street Journal* that fraudulent elections in the Philippines would "have grave consequences for the future relationship with the Marcos government."

**Nov. 29.** President Marcos endorsed the action taken against the International Monetary Fund by the Peruvian government of Alan García. The *Manila Times-Journal* reported, "President Marcos yesterday suggested to a visiting Peruvian official that Third World, Asian and South American countries should work for it [partial forgiveness of loans]. The President praised Peru for opening the minds of the Western countries to the financial difficulties of the Third World."

**Dec. 2.** Rep. Stephen Solarz succeeded in ramming through the House of Representatives a resolution for a 75% cut in military aid to the Philippines.

**Dec. 3.** Philippines Political Affairs Minister Leonardo Perez accused the CIA of interfering in the election and said the U.S. embassy was helping the opposition. Perez said he had "reliable reports on the presence of CIA agents masquerading as media representatives consorting with and giving

*Please turn to page 38*

# The U.S. State Department's gifts to the Soviet Navy: the global chokepoints

The U.S. State Department's beginning of formal proceedings for the transfer of the Asian theater to the Soviet Union, the overthrow of the President of the Philippines and the pending destabilization of South Korea, is treason. However, the State Department "list" of nations slated for such treatment, or already in the throes of it, has another significance: It is the the beginning of the biggest gift to the Soviet navy ever. Every country on the State Department list for destabilization is a strategic naval choke-point in some part of the world.

**1. The Philippines:** South China Sea. The State Department enforced a bankers' coup, which has created a highly unstable situation (articles, page 32 and 58).

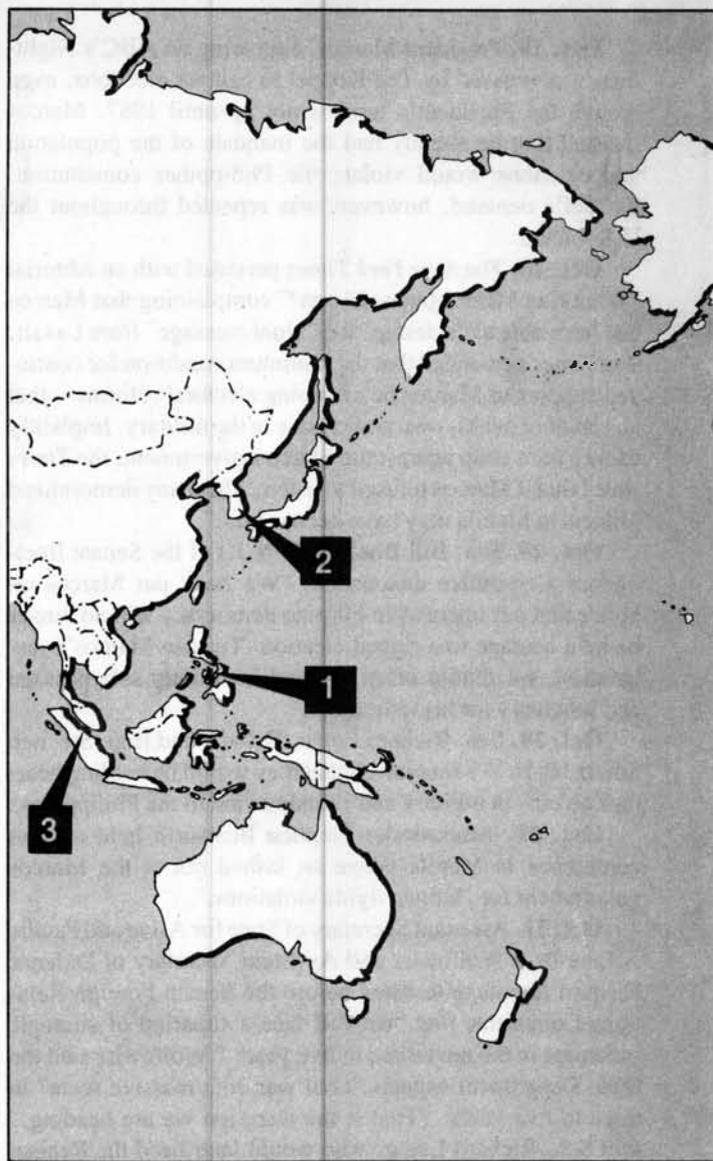
**2. South Korea:** Sea of Japan. The *Financial Times* of London warned on Feb. 24 that the Republic of Korea's government may face the fate of Ferdinand Marcos. The State Department backed opposition is campaigning against the government, and State has already issued strong warnings to South Korean President Chun Doo Hwan, to halt a police crackdown on opposition forces.

**3. Indonesia:** Strait of Malacca. Jesuit operations are reported in progress by the same groups that started the Filipino destabilization.

**4. Yemen-Ethiopia:** Gulf of Aden. Ethiopia's Mengistu government is a Soviet satellite, as is the government of South Yemen. Although the United States has naval basing rights in Somalia, it does not use them. U.S. backing for International Monetary Fund policies in the famine- and disease-wracked Horn of Africa has opened the door wide for Soviet consolidation. State Department and Trilateral-linked circles have thus far sabotaged projected moves by the Italian government to grant Somalia a debt moratorium (see *EIR*, Feb. 28, page 6).

**5. Saudi Arabia:** Persian Gulf. The region is threatened by the Soviet-directed Iranian offensive in the Gulf War, with State Department circles cheering for Iran (page 54).

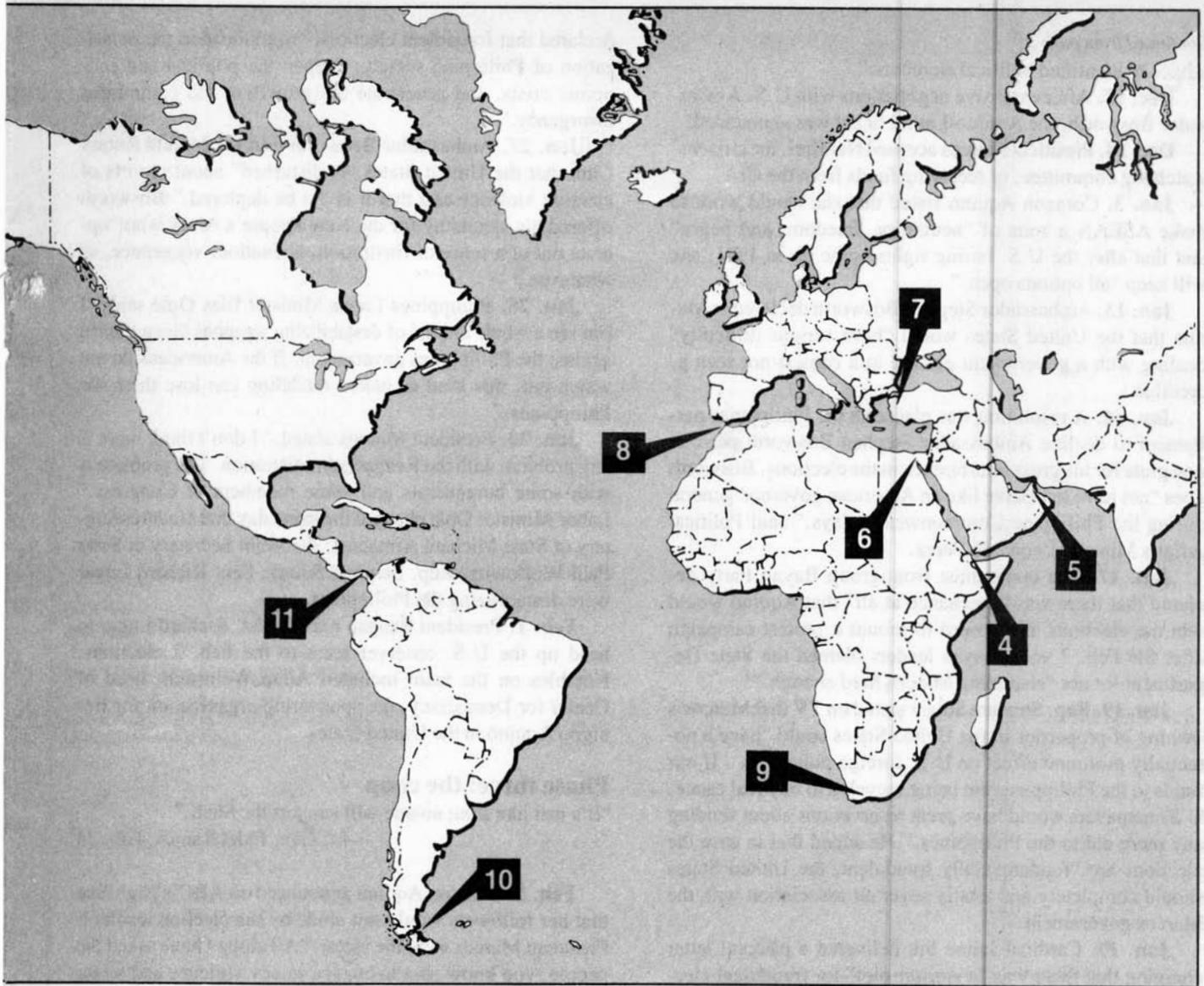
**6. Egypt:** Suez Canal. The riots which erupted in Cairo on Feb. 25, and in the upper Egypt cities of Assiut, Sohag, and Isma'aliyah on the Suez Canal, are the first phase



of a well-orchestrated plot aimed at the overthrow of the regime of President Hosni Mubarak. On hand are some of the same State Department figures who oversaw the Khomeini revolution in Iran (page 51).

**7. Turkey:** Bosphorus/Dardanelles. As reported in *EIR* of Feb. 28, pages 40-41, the Turkish military urgently requires modernization to meet the Soviet threat on its immediate borders. The State Department is willing to supply only *one-third* of Turkish requirements.

**8. Spain/Morocco:** Strait of Gibraltar. Spain, whose Prime Minister Felipe González has called a referendum on March 12 on whether Spain should stay in NATO, controls the Balearic Islands in the western Mediterranean, the little enclaves of Ceuta and Melilla in Morocco, and the Canary Islands. The military commander of the Canary Islands at a news conference on Feb. 7 called for increasing the



defense capability of the islands, since they are "difficult to defend in the face of powers with a great naval and air superiority." The Canary Islands are constantly encircled by hundreds of "fishing" and "scientific" vessels of the Soviet Union, having on board sufficient personnel to be rapidly activated to take over the islands, which are crucial to the control of the southern transatlantic routes.

In the enclaves of Ceuta and Melilla, on Jan. 28, some 2,000 Islamic women demonstrated against the new law on foreigners recently approved in Spain, leading to clashes with the police, resulting in 15 wounded. The leaders of the "Islam versus Spain" revolts are described as present or former members of Premier González's PSOE party. The Spanish press hints that the Moroccan secret service may be behind the clashes, in an effort to kick Spain out of these areas, whose strategic relevance to the Strait of Gibraltar is obvious. Morocco signed a unity pact with Qaddafi's Libya last year.

**9. South Africa:** Cape of Good Hope. The State Department is backing the Soviet-run, pro-terrorist African National Congress against announced reforms by President Botha which would lead to abolishing apartheid (see *EIR*, Feb. 14, pages 42-50).

**10. Argentina:** Straits of Magellan. International Monetary Fund conditions imposed on that nation, at the behest of the State Department, Federal Reserve Chairman Paul Volcker, and Treasury Secretary James Baker III, are leading to conditions so desperate that the future of democracy is in grave danger (see *EIR*, Feb. 28, pages 10-13).

**11. Panama:** Panama Canal. State Department circles, abetted by "conservative" spokesman Sen. Jesse Helms, are seeking the ouster of armed forces chief Manuel Antonio Noriega and imposition of a banker's coup, like that just enacted in the Philippines (page 28).

Continued from page 35

advice to identified political elements."

**Dec. 12.** After extensive negotiations with U.S. Ambassador Bosworth, the Aquino-Laurel ticket was announced.

**Dec. 14.** President Marcos accused Namfrel, the citizens' watchdog committee, of receiving funds from the CIA.

**Jan. 3.** Corazon Aquino stated that she would work to make ASEAN a zone of "neutrality, freedom, and peace" and that after the U.S. basing rights come up in 1991, she will keep "all options open."

**Jan. 13.** Ambassador Stephen Bosworth declared in Manila that the United States would "have serious difficulty" dealing with a government elected in a contest not seen as credible.

**Jan. 16.** A resolution was placed in the Philippines parliament to declare Ambassador Stephen Bosworth persona non grata for his gross interference in the elections. Bosworth does "not have to behave like an American governor-general during the Philippine Commonwealth days," said Political Affairs Minister Leonardo Perez.

**Jan. 17.** The communist front-group Bayan Party declared that there was "no chance at all" that Aquino would win the elections and vowed to mount a protest campaign after the Feb. 7 vote. Bayan leaders blamed the State Department for not "slamming Marcos hard enough."

**Jan. 19.** Rep. Stephen Solarz stated on TV that Marcos's owning of properties in the United States could "have a potentially profound effect on U.S. foreign policy. . . . If our funds to the Philippines are being recycled to buy real estate, U.S. taxpayers would have great reservations about sending any more aid to the Philippines." He added that in case the elections are "fundamentally fraudulent, the United States should completely and totally sever all association with the Marcos government."

**Jan. 19.** Cardinal Jaime Sin delivered a pastoral letter charging that there was "a sinister plot" for fraudulent elections. He called for "poll vigilantes."

**Jan. 21.** Rep. Stephen Solarz opened hearings on alleged charges that President Marcos had salted billions of dollars into real estate in the United States. Rep. Toby Roth (R-Wisc.) denounced the hearings, saying that there is "not one iota of proof" to the charges which "wouldn't stand up anywhere but in a kangaroo court."

**Jan. 22.** Upon the initiative of Sen. Edward Kennedy (D-Mass.), the General Accounting Office sent a team of auditors to the Philippines to investigate charges that U.S. aid money had been siphoned off by Marcos for personal real estate speculation. The team found no evidence backing the Solarz's charges.

**Jan. 24.** The *New York Times* released revelations conjured up by Alfred McCoy, an Australian intelligence agent on loan to the CIA, to the effect that President Marcos's record as a war hero is a fraud.

**Jan. 25.** Assistant Secretary of State Paul Wolfowitz

declared that fraudulent elections "would lead to the polarization of Philippine society, deepen the political and economic crisis, and accelerate the growth of the communist insurgency."

**Jan. 27.** Ambassador Bosworth told the Manila Rotary Club that the United States "is disturbed" about reports of election violence and that it is "to be deplored." Bosworth offered his sympathy for the New People's Army who "operate out of a sense of frustration, alienation, vengeance, or whatever."

**Jan. 28.** Philippines Labor Minister Blas Ople said: "I can see a whole arsenal of destabilizing weapons being trained against the Philippines government. If the Americans do not watch out, this kind of naked meddling can lose them the Philippines."

**Jan. 30.** President Marcos stated, "I don't think there is any problem with the Reagan administration. The problem is with some bureaucrats and some members of Congress." Labor Minister Ople charged the same day that Undersecretary of State Michael Armacost, Assistant Secretary of State Paul Wolfowitz, Rep. Stephen Solarz, Sen. Richard Lugar were destabilizing the Philippines.

**Feb. 1.** President Reagan named Sen. Richard Lugar to head up the U.S. observer team to the Feb. 7 elections. Notables on the team included Allan Weinstein, head of Center for Democracy, the sponsoring organization for Benigno Aquino in the United States.

### Phase three: the coup

"It's just like Iran; no one will support the Shah."

—Lt. Gen. Fidel Ramos, Feb. 24

**Feb. 5.** Corazon Aquino announced on ABC's Nightline that her followers would not abide by the election results if President Marcos were the victor: "All along I have asked the people, you know, not to engage in any violence and so far they have listened to me. . . . The people who are with me now are so convinced that I will win, and if Marcos resorts to terrorism or to gross cheating, then the people who have supported me may finally think that the electoral process is just not advisable anymore."

*Ted Koppel:* "Are you raising the spectre, the possibility of something approaching even civil war?"

*Aquino:* "No, no, not civil war, as long as I can manage it. In fact, I have said that if Mr. Marcos cheats me out of this election, then I will call for daily demonstrations. However, if these daily demonstrations will still not get us the desired results, then I am afraid that the people might not listen to me anymore."

**Feb. 5.** Ramsey Clark, known to be working with the left wing of the opposition, predicted from Manila that after the elections there would be such unrest that the United States would pull a military coup.

**Feb. 7.** Election day. Namfrel, the citizen's watchdog

committee which functioned as the Aquino organization at the polls, broke its quick count agreement with the government commission Comelec. Namfrel took the vote tallies from the precincts in Manila and sat on them for hours—depriving Comelec of the tallies. On the basis of these tallies, the Namfrel issued its projection of an Aquino victory.

**Feb. 8.** On the basis of the skewed vote count released by Namfrel, giving her the early lead, Aquino proclaimed that she had won the elections, and that in two to three days, she would begin negotiations with Marcos for “the transition.” If Marcos did not step down, Aquino stated, she would lead protests until he did.

**Feb. 8.** Sen. Richard Lugar from Manila accused the government of holding up the count. “I plead with whoever is holding up the count to free it, to let it go. The vote has been slowed. . . . The government may be deeply concerned with the results.” “Now Namfrel is our eyes and ears,” Lugar said.

**Feb. 8-13.** Namfrel and Comelec votes continued to diverge, with the Comelec percentage count lagging behind. Comelec has Aquino in the lead until approximately 50% of the vote is in, with Marcos taking the lead thereafter. Namfrel had Aquino in the lead until it stopped counting at 66% of the vote. Namfrel charged that since the remaining vote came from areas in which it had no pollwatchers—that is, Marcos strongholds—these ballots were invalid.

**Feb. 10.** President Reagan put a damper on the destabilization in an interview with the *Washington Post* in which he took a stance of strict neutrality in regards to the election outcome.

**Feb. 11.** *Washington Post* columnist Richard Cohen summed up the mood in the State Department with an op ed entitled: “Pull the Plug on Marcos.”

**Feb. 11.** President Reagan adheres to a position of neutrality in his press conference, stating that there was evidence of fraud on both sides.

**Feb. 12.** An unnamed State Department official reported to the *Washington Post* State’s “consternation” at the Reagan stance, saying policy options under consideration range from “just about swallowing this apparent fraud to telling the Filipino government that we’ll help overthrow the government of the Philippines.” According to Reuters, Reagan’s position “ruined two years of work by the State Department.” The State Department wrote up a harshly worded statement for the President, which he rejected, but he did follow their suggestion to send Philip Habib to Manila as a special envoy. In Manila, Ambassador Bosworth rushed to Aquino to tell her that Reagan’s statement did not imply a withdrawal of support for her bid to power.

**Feb. 13.** The Philippines Bishops Conference, in violation of the 1898 Philippines constitution and the separation of church and state, issued a declaration of war against the Marcos government, calling upon the population to engage in non-violent struggle to bring down Marcos.

**Feb. 15.** Sen. Richard Lugar declared the elections “not credible” and called for a full cut-off of aid to the Philippines.

**Feb. 15.** President Reagan changed his position, issuing a statement from California that was written by Secretary of State George Shultz, saying: “Although our observer delegation has not yet completed its work, it has already become evident, sadly, that the elections were marred by widespread fraud and violence perpetrated largely by the ruling party. It was so extreme that the election’s credibility has been called into question both within the Philippines and the United States.”

**Feb. 21.** President Marcos declared President by the Philippines parliament, with the inauguration set for Feb. 25.

**Feb. 22.** Afternoon Manila time, Defense Minister Juan Ponce Enrile and Lt. Gen. Fidel Ramos seized the defense ministry at Camp Aguinaldo, and called for Aquino supporters to rally to their defense in a military coup against the Marcos government. On early Feb. 23, their call for “people power” defense was endorsed by Cardinal Jaime Sin. Enrile reported that he was in constant touch throughout the three-day coup period with Ambassador Bosworth.

**Feb. 23.** The United States officially signaled its endorsement of the coup. After a National Security Council meeting, presidential spokesman Larry Speakes read a Reagan statement appealing to Marcos “to avoid an attack” on Camp Crame, to which the coup forces had moved. The White House statement then threatened: “The United States provides military assistance to the Philippine Armed Forces. . . . We cannot continue our existing military assistance if the government uses that aid against other elements of the Philippine military which enjoy substantial popular backing.” This statement was a near direct call to the military to desert the Marcos government. The Pentagon followed up this order with a telephone call to every field commander in the Armed Forces of the Philippines, “asking” the officer if he would fight for Marcos. According to UPI, “Informed sources said they had been told by responsible Pentagon officials that all but one Philippine general had been persuaded by the Americans to keep his troops off the streets as the Marcos-Aquino confrontation escalated.”

**Feb. 24.** The State Department and Donald Regan induced President Reagan to tell Marcos publicly that all attempts to defend his regime would be “futile.” The State Department, anxious that President Marcos had already held on for three days, studied the possibility of freezing all Filipino assets in the United States—to force Marcos to resign. Such an action has only been taken by the United States against Libya and Iran—in the latter case, *after* the State Department had brought the Ayatollah Khomeini to power.

**Feb. 25.** After two telephone calls to Sen. Paul Laxalt in the early hours of Feb. 25 Manila time, President Marcos called Ambassador Bosworth and asked for transportation for himself, family members, and close associates to Clark Air Field Base.

## The grand coronation of 'Czar Mikhail' Gorbachov

by Konstantin George

The 27th Congress of the Communist Party of the Soviet Union began on Feb. 25 in Moscow with a five-and-a-half-hour keynote speech by General Secretary Mikhail Gorbachov. An almost mystical power has been attributed to this date by the Western media—Feb. 25 was the date in 1956 on which Nikita Khrushchev delivered his famous speech before the 20th Party Congress, denouncing the crimes of Joseph Stalin. The current Party Congress, filmed by ABC-TV, has become the media event of the American television season.

But events in the real world bear no relation either to astrology or to the fantasy-life of the U.S. television viewer,

The Party Congress will rubber-stamp the policies already being implemented under Gorbachov, policies worked out months ago by the combination of Party leaders in the past associated with former General Secretary Yuri Andropov and the Military High Command—the grouping that brought Gorbachov to power.

The 27th Party Congress is the official coronation of "Czar Mikhail" Gorbachov. It was the first Czar Mikhail, crowned in 1613, who inaugurated the Romanov Dynasty. Under the Romanovs, the Russian Empire expanded from a landlocked power, to an Empire encompassing about one-seventh of the Earth's land surface. Under the post-1917 Soviet Dynasty, the Russian Empire expanded not its own nominal territorial holdings significantly, but added, *de facto*, the Eastern and Central European Warsaw Pact satellites and Afghanistan, as well as a growing number of client states in the developing sector.

### Gorbachov's war build-up

Gorbachov is being crowned Czar with a mandate to effect a rapid high-technology-based transformation of the Soviet economy—above all the war economy—to ensure 1) that the current huge levels of war production can be main-

tained at peak levels for more than two to three years, without causing major problems in the economy as a whole; and 2) that the already massive Russian strategic defense programs are accelerated, to the point of deployment of a reasonably effective antiballistic missile (ABM) shield before the end of this decade.

By 1988, Russia will have overwhelming strategic superiority in offensive nuclear and general war-fighting capability, with the ability to mount a crippling first strike against the United States. When Russia adds to that capability a moderately effective ABM defense, then, assuming no U.S. ABM shield in place, Russia will have the ability to wage and win a nuclear war, suffering losses not greater than those it experienced in World War II. This strategic superiority would give Moscow the means to dictate terms of surrender to the West.

This is Soviet policy—global domination by the end of the decade. Not the media extravaganza being piped into your living room by ABC television. ABC's "live" coverage of the Party Congress is, in fact, the only thing "new" about the Congress. What better way to convince millions of Americans that there is nothing to worry about concerning Gorbachov's intentions, than by bombarding American audiences with the latest serial of "Dynasty East"—or the Moscow Circus?

### The war economy

For readers of *EIR*, who have followed the crucial policy statements by Gorbachov during his first year in power, his keynote speech contained no real surprises. Gorbachov placed top priority on the modernization of the Soviet economy, emphasizing the military considerations behind this. He announced that in the current Five Year Plan (1986-90), investments earmarked for the modernization of industrial plant

and equipment will *double* the amount invested in the past 10 years.

"The way out, as we see it," he said, "lies in through modernization of the economy. . . . A big step forward is to be made in this direction in the current Five Year period. It is intended to allocate upward of 200 billion rubles of capital investments—more than during the past 10 years—for modernizing and technically re-equipping production. Large-scale introduction of computers and overall automation of production will tremendously influence the rate of technical modernization."

That this modernization is meant to service the needs of the war build-up, was also made clear: "The priority task is to overcome the negative factors in society's socio-economic development as rapidly as possible. . . . This is the only way for us to increase the military might of our country. . . . We will do everything to eliminate the threat hanging over us." Gorbachov added ominously that the Soviet Union is "ready to fight" in "any type of war."

Gorbachov reaffirmed the guidelines governing the Soviet-East bloc economic grouping, Comecon, for 1986-90, emphasizing intra-bloc trade, increased economic integration through more joint energy, raw materials, and industrial projects. This policy is already being implemented, as can be seen in the recently signed Soviet five-year trade protocols with the Warsaw Pact satellites, each of which has called for a huge trade increase between 1986 and 1990.

This policy of forced "integration" began in the early 1980s, accelerated under Andropov, and is now being pushed to achieve top-down Russian control over the satellites, politically and economically. The policy is fully consistent with the Soviet pre-war posture.

### Splitting the Western alliance

These statements followed sharp attacks on the United States, particularly against the Strategic Defense Initiative (SDI). Gorbachov declared that continuation of the SDI "could lead to a nuclear conflict." President Reagan's reply to Gorbachov's proposal concerning negotiations to eliminate the intermediate-range missiles stationed in the European theater was rejected, with Gorbachov stressing that *his* conditions for such talks must be adopted. Gorbachov had demanded that the British Trident nuclear ballistic missile submarine program be scrapped, and that both France and Britain refrain from any increase or modernization of their nuclear forces.

Gorbachov placed great weight on a strategy of splitting the Western alliance, emphasizing the "contradictions" between the United States, Western Europe, and Japan. He proclaimed a Soviet priority of collaboration with the European Social Democracies: "We will join with others in the fight against war. . . . progressives . . . the Social Democracies. . . . We live in a real world and are ready to make these alliances and ties."

This was a signal to such appeasers as Swedish Prime Minister Olof Palme and the West German Social Democrat-

ic Party (SPD) led by Willy Brandt and Egon Bahr, that Moscow is ready to join them in removing the United States from Western Europe, under a "New Yalta" arrangement. These new "alliances" and "ties" will be cemented in the coming weeks and months, beginning with the upcoming visit of Palme to Moscow. The European Social Democracies were well-represented in the audience as honored guests, including delegations from the British Labour Party, the Swedish Social Democrats, the French Socialist Party, and the West German SPD.

### In Stalin's footsteps

Gorbachov used his keynote to drive home the message that the Great Purge of party and government officials which he inaugurated during 1985, will continue with even greater tempo. Already before the Party Congress, 46 of 157 regional party leaders had been dumped, along with about half of the 80 cabinet minister-rank government functionaries—to say nothing of thousands of party and government functionaries and plant managers. Before this Party Congress is over, at least half of the Central Committee elected at the last Party Congress in 1981, will no longer hold their posts.

Gorbachov told the 5,000 assembled delegates that "no person, ministry, or region can be fenced off from criticism. . . . Some officials still refuse to understand and accept what is taking place." He attacked "armchair managers," "idlers," "grabbers," "bribe-takers," and "party officials who have lost touch with life."

Gorbachov delivered a stinging indictment of the Brezhnev era: "For a number of years, the deeds and actions of party and government bodies fell behind the needs of the times. . . . [We witnessed] a decline of dynamism in our work and an escalation of bureaucracy. All this was doing no small damage. . . . The situation called for a change, but a peculiar psychology—how to improve things without changing anything—took the upper hand in the central bodies and at local levels as well."

"Czar Mikhail" is walking in the footsteps not only of the Romanovs, but of the founder of the Soviet Dynasty—Josef Stalin. One day before the Party Congress opened, the party paper *Pravda* and the government paper *Izvestia* ran long features praising Stalin's former right-hand man on the Politburo, Andrei Zhdanov. *Pravda* hailed Zhdanov—the man who in 1934 called for the rejection of Western culture in favor of Russian "socialist realism"—as a "patriot" who had exhibited "great organizational talent," and who embodied the industrialization drive of the 1930s. Zhdanov was praised as a man who made "no compromises with any ideology hostile to the Soviet people" and who always showed a "burning hatred for the class enemy." *Pravda* added that the words of Zhdanov "still ring true today."

So much for the televised hoopla about the magical aura of Feb. 25. Stay away from astrology, and never trust what's on your TV set. As P.T. Barnum used to say, "There's a sucker born every minute."

## Gorbachov addresses the Party Congress

*From the keynote speech delivered by General Secretary Mikhail Gorbachov to the 27th Congress of the Communist Party of the Soviet Union:*

**On the reorganization of the domestic economy:** "It is our task," Gorbachov said, "to work out a realistic, thoroughly weighed program of action that will organically blend the grandeur of our aims with the realism of our capabilities. . . ."

"For a number of years, the deeds and actions of party government bodies tailed behind the needs of the times and of life. . . . The problems in the country's development built up more rapidly than they were being solved. Inertia and stiffness in the forms and methods of administration, a decline of dynamism in our work, and a piling up of bureaucracy—all this inflicted no small damage to our society and our cause. Signs of stagnation had begun to surface. . . ."

"It would be wrong to think that the scientific and technological revolution is creating no problems for socialist society. Experience shows that its advance involves improvement of social relations, a change of mentality, the forging of a new psychology. . . . All levels of economic management must change their attitude to the introduction of new methods and technology. . . . It is obvious that economic management requires constant improvement. However, the situation today is such that we cannot limit ourselves to partial improvements. A radical reform is needed. . . ."

"We now unquestionably stand before the most thorough reorganization of the socialist economic mechanism. . . . Every readjustment of the economic mechanism begins, as you know, with a readjustment of thinking, with a rejection of old stereotypes of thought and actions, with a clear understanding of the new tasks. . . ."

Speaking of the practical measures to be taken, Gorbachov said profits and wage incentives would be used to ensure greater productivity. The central state planning authority will be turned into more of a think tank for future economic development, rather than a monitor of performance figures, and ministries will be barred from interfering in the daily work of factories. Moscow, however, will not abandon the role of central planning or allow the growth of a private sector. Gorbachov added that one of his main aims is to

accelerate the modernization of obsolete industries by ensuring that factories be rewarded for producing modern and efficient goods. The finance system will be overhauled to allow easier loans to managers to invest in new infrastructure and computerization, and state funds will be channeled into revitalizing the machine-tool industry. Borrowing from East Germany's system of industrial combines, which group factories in the same sector, Gorbachov said the Soviet Union would introduce a similar program.

Addressing a clear message to the "old guard" in the party, Gorbachov concluded: "We have to part ways with those who hope that everything will settle down and return to the old lines. This will not happen, comrades."

**On the coming international economic collapse:** Gorbachov said that the West is sliding into an "irreversible decline." Citing the United States, the "metropolitan center of imperialism," as responsible for such a collapse, Gorbachov blamed this on the fact that "military interests" are seizing control of political power, "becoming the ugliest and most dangerous monster of the 20th century." He blamed Western capitalists, and in particular U.S. corporations, for Third World poverty, and the "huge international debt problem." All imperialist countries are guilty of "shameless plunder," he said, "but unquestionably U.S. imperialism is doing it with the least consideration. . . ."

**On European-American relations:** Addressing the decoupling of Western Europe from the United States—a situation, Gorbachov said, caused by the fact that "the U.S. ruling circles have lost their bearings"—Gorbachov stated that Western European states are realizing that the United States is going too far in claiming leadership of the world. "Washington should not assume unquestioning obedience to its dictation on the part of its allies. . . ." The emergence of "new capitalist centers" will increase contradictions that will hasten the fall of the capitalist world.

**On superpower relations:** Discussing President Reagan's counterproposal to his own Jan. 15 call for a progressive nuclear disarmament, beginning with the removal of nuclear weapons from Western Europe and the European portion of the U.S.S.R., Gorbachov said: "To put it in a nutshell, it is hard to detect in the letter we have just received, any serious preparedness of the U.S. administration to get down to solving the cardinal problems involved in eliminating the nuclear threat." A second summit meeting with President Reagan could take place, he said, if Reagan agrees to 1) cease nuclear tests, and/or 2) remove nuclear weapons from East and West Europe. "But there is no sense in holding empty talks." There will be no talks if the preconditions are not met.

Gorbachov delivered sweeping attacks on the United States, ranging from extensive condemnations of the Strategic Defense Initiative, to charges that "ignorance and obscurantism go hand in hand in the capitalist world with lofty achievements of science and culture."

# The anatomy of the impending overthrow of the Kohl government

by George Gregory

In all likelihood, the "Flick Affair," the domestic West German political party-financing scandal, will trigger the overthrow of Helmut Kohl, chancellor of the Federal Republic of Germany, within the next two to three weeks.

Like the "Watergating" of Richard Nixon, with which the scandal against Kohl's government is compared in the Federal Republic, the overthrow of the chancellor is driven by a combination of "inside-outside" treason. On the outside, in this case, there is the agreement—by no means merely passive—between the U.S. State Department, the Trilateral Commission, and the Soviet-Russian leadership in Moscow, to usher in an all-party emergency austerity government to manage the disengagement of the United States from West Germany and Western Europe.

While *EIR* is in a privileged position to know the background of the warfare raging over the fate of Germany, and the Kohl government, the evaluation outlined here is not unique to *EIR*. Our knowledge is chiefly drawn from political, military, and other circles active in patriotic resistance to the sell-out of their own nation, predominantly those overtly or covertly supporting the movement of the "Patriots for Germany," founded by Helga Zepp-LaRouche.

The "Flick Affair" has been the subject of court proceedings in the Federal Republic for just over two years. The Friedrich Flick Industrial Holding company was sold for cash in fall 1985 to the powerful Deutsche Bank, and its over 25% stake in W. R. Grace company in the United States formally dissolved, although policy collaboration with W. R. Grace continues. Playboy Friedrich Karl Flick has run off to marry a sister of Gloria von Thurn und Taxis, of the degenerate Regensburg princely family through which U.S. Ambassador Richard Burt has cultivated social standing and political operations in West Germany.

Three years ago, tax-evasion investigations were begun in Bonn against a party-financing and money-laundering firm, the "Staatsbürgerliche Vereinigung," which pumped money into the Christian Democratic Union (CDU). The inquiry was instigated by Otto Schily, ex-defense attorney for West German terrorists, including members of the Red Army Faction,

which murdered Supreme Court judge Bubach, industrialist Hans-Martin Schleyer, and banker Jürgen Ponto in 1977. Schily is now a leading parliamentarian of the West German Green Party.

The Flick family holding company turned up having financed all of the established West German parties, CDU, its sister Christian Social Union (CSU) in Bavaria, the liberal Free Democrats (FDP), and the Social Democrats (SPD) as well. With so many loaded guns going off in the crowded room of implicated party money-launderers, the East German communists' financing for the Green Party was conveniently ignored. The U.S. ambassador at the time, Arthur Burns, was cultivating the Greens and their respectability in Washington. The State Department's Kissingerians at the European Desk, the Trilateral Commission, the Georgetown Center for Strategic and International Studies, the Aspen Institute's Institute for Contemporary German Studies, and The German Marshall Fund under J. J. McCloy, Jr. and ex-SPD chancellor Willy Brandt, were promoting the careers of Greens like Petra Kelly.

In early summer 1985, Eberhard von Brauchitsch, former manager of Flick Holding, testified that Helmut Kohl's hands were also not clean. One early victim of the scandal, former FDP economics minister Otto Graf Lambsdorff, a member of the Trilateral Commission, repeatedly told reporters, "All I can say is Kohl, Mainz." It seemed then as if Von Brauchitsch and Lambsdorff were merely having their revenge. In July 1985, Chancellor Kohl testified that he was not involved in the financial affairs of his CDU party.

Schily waited until Feb. 18, 1986, to initiate a State Prosecutor's investigation against Helmut Kohl to determine whether grounds exist to indict the chancellor on charges of having perjured himself during the parliamentary hearings on the "Flick Affair" early last summer. Court probes along the lines of a Grand Jury fishing expedition, have begun in Helmut Kohl's home state of Rhineland Palatinate.

Green parliamentarian Schily had agreements with the U.S. State Department, Moscow, and CDU officials, including some very close to pro-Russian factions of German in-

dustry, particularly the Trilateral Commission crowd, to wait for a "paradigm shift" to ripen before springing the trap on Chancellor Kohl. The domestic scandal-mongering is purely a pretext to consolidate those agreements. Helmut Kohl's record shows that he is not opposed to those agreements as such; but what the chancellor himself is the least likely to comprehend, is why many of his friends have decided that the conditions under which these agreements can be implemented—a government crisis—require that he offer himself as sacrificial lamb. Compromises with his FDP Foreign Minister Hans Dietrich Genscher and the "Genscherites" in his own CDU have turned Kohl into his own ideal victim.

The day after Otto Schily launched his demand for a prosecutor's investigation of Kohl, Heiner Geissler blurted out in a televised debate with Schily that the chancellor "must have had a blackout," when he claimed ignorance of the money-laundering practices of the CDU. Geissler is an infamous Jesuit party axe-man, in the "Kohl-mafia" since the present chancellor was minister-president of Rhineland Palatinate. The chief-of-staff of the Bonn chancellery, Schäuble, told journalists that Geissler's "explanation" could not possibly be correct, because Kohl had professed his ignorance at the beginning of the July 1985 hearings session, "and not at the end of the day when he might have had a lapse of memory."

On Feb. 24, the weekly leak-sheet for Genscher's foreign ministry, *Der Spiegel*, issued a report of an emergency strategy discussion between the CDU minister-president of Lower Saxony, Ernst Albrecht, who faces defeat in state elections in June, state party chairman Wilfried Hasselman, and Trilateral member Walter Leissler Kiep. The conclusion, as *Der Spiegel* reported it, was that Helmut Kohl had to step down, because he was becoming an albatross around the neck of the CDU's electoral future. Federal elections are in early 1987.

Opinion polls report, that the first contours of the new government decided upon have already become "public opinion." Sixty-one percent of the population wants Kohl's resignation, and 41% wants CDU Finance Minister Gerhard Stoltenberg as the new chancellor.

### **Parallel to Philippines sell-out**

Helmut Kohl became chancellor in fall 1982, when it became clear that Chancellor Helmut Schmidt did not have the support of his SPD to implement NATO's "Two-Track Resolution" to install Pershing II and Cruise missiles. Kohl became chancellor to solve the domestic political crisis in West Germany, which threatened to undermine the integrity of the policy of the Alliance.

As our sources report, "Just as U.S. policy changed toward the Philippines," against U.S. interests, "so it has also changed toward West Germany and Western Europe." The State Department convinced Ronald Reagan to accept Gorbachov's Jan. 15 offer to begin withdrawing SS-20 missiles from the "European zone" of the U.S.S.R. in exchange for

pulling Pershing II and Cruise missiles out of Europe, an "offer" which contained nothing new in the realm of arms control but was launched as a huge propaganda offensive to drive a wedge between Europe and the United States, as *EIR* has demonstrated. Politically, Reagan's positive nod to Gorbachov's "Plan 2000" disarmament proposals is the equivalent—as if the Federal Republic of Germany were a banana republic—of saying to the Bonn government: "We change policies whenever we feel like it, no matter what it means for your security; so now the reasons why we previously thought a Kohl chancellorship was expedient no longer exist—fend for yourselves."

Dr. Jürgen Todenhöfer, the leading defense policy spokesman of the CDU parliamentary group, rebuffed the Reagan administration's response to the Russians even before it became official. Since then, he has said publicly that the Kohl government's (i.e., Genscher's foreign ministry) agreement with the Reagan/Gorbachov deal is "absolutely intolerable," and "does not have the majority support of the CDU." Todenhöfer says flatly that Reagan's decision "will severely undermine the confidence of many West Europeans in the American security guarantee."

The State Department-managed Reagan administration shift of policy toward allowing a Russian takeover in Europe, is the strategic context Otto Schily and his CDU friends have waited for. The terrorist murders, in 1985, of Ernst Zimmermann, chairman of the board of Motoren- und Turbinen Union, and chairman of the German Aerospace Association, an advocate of West European participation in the Strategic Defense Initiative, as well as his close collaborator, French General Audran, shifted the leadership in industrial policy in favor of pro-Russian power groups. The unexplained deaths, in rapid succession, of CDU foreign ministry state secretary Alois Mertes and the CDU's foreign policy spokesman, Werner Marx, removed the most experienced CDU leaders resisting the appeasement policies of Hans-Dietrich Genscher.

The planned incoming government is designed to fit a U.S. disengagement from West Europe, and a Munich 1938-style accommodation with Moscow to the proverbial "t." That is half of the response to the perceived U.S. order to "fend for yourselves." For the other half, the incoming government is designed in the expectation that U.S. Jimmy Carter/Paul Volcker economic and financial policy will not change, and therefore "an emergency all-party grand austerity coalition," as our sources describe it, is in the wings to control the effects of a U.S. financial blow-out, and to control the damage of the backlash on West German industry and labor by handing Moscow access, on its own terms, to the West German industrial apparatus in trade and construction-contracts.

Dr. Gerhard Stoltenberg, the chancellor-candidate-in-waiting, is a member of the Trilateral Commission. He has been a silent opponent of West German participation in the Strategic Defense Initiative in the Bonn cabinet, supporting the outspoken sabotage of Foreign Minister Genscher.

# 'Patriots for Germany' emerges as only hope for Christian Democrats

by Hartmut Cramer

When the Patriots for Germany movement was launched last October, it initiated a national campaign of political advertisements which warned that unless urgent measures were taken, the Federal Republic would face economic collapse and subjugation by the Soviet Empire. In the intervening months, the warnings have returned to haunt the governing coalition led by the Christian Democratic Union (CDU), as well as for leading politicians of the opposition Social Democratic Party (SPD).

The Patriots' third and most recent advertisement was published on Feb. 13 in *Die Welt*, the *Frankfurter Allgemeine Zeitung*, and several large regional newspapers in Lower Saxony. It warned that the tendency of the Christian Democrats in government to cave in to pressure from the Soviet appeasers among their Free Democrat coalition partners, could only weaken the government (see *EIR*, Feb. 28, 1986, page 37).

This analysis is more than confirmed by the tragic reality now unfolding in Bonn. The Free Democrats, led by Foreign Minister Hans-Dietrich Genscher, have progressively gained enormous power in determining the Federal Republic's security, economic, foreign, and domestic policies. In so doing, they have squandered what little public sympathy remained for Christian Democratic Chancellor Helmut Kohl. The weakened chancellor is now also plagued by scandal, and is enmired in what has been dubbed a "Kohlgate," and which may actually force his resignation from power (see article, page 43).

Moreover, because of the combined actions of Moscow, Moscow's friends in Bonn, and the relentless pressure of the U.S. State Department and the U.S. embassy in Bonn, even outspoken anti-Soviet Christian Democratic hardliners, such as CDU parliamentary caucus chairman Alfred Dregger, have begun to cave in.

The role of U.S. Ambassador Richard Burt should not be underestimated in seeking to understand the collapse of the formerly nationalist and pro-American members of the CDU. Burt, who is part of a State Department triumvirate working to undermine West German sovereignty, has become noto-

rious for activities other than his already outrageous statements in support of the terrorist, Soviet-financed Green Party.

February was a gleeful month for Moscow and its satraps in the Social Democratic Party. SPD chairman Willy Brandt proved that he can now call the tune for the "strong" politicians of the CDU without hesitation. When Brandt invited Dregger, in his capacity as head of the Upper House of Parliament, to violate the German constitution by meeting officially with his East German counterpart, Dregger promptly did so. Dregger, who had refused a similar invitation last year, met with the head of the East German Parliament at Brandt's request, even though he knew that Moscow and East Berlin would capitalize on this as a further signal in the direction of West German recognition of East Germany.

As if that were not enough, Dregger humiliated himself further by choosing that time to accept a proposal from the most radical of Social Democrats, Oskar Lafontaine, the man made notorious by his outspoken support for pulling Germany out of NATO. As per Lafontaine's request, Dregger has now come to advocate the construction of a governmental "partnership" between the Federal Republic and East Germany.

Given these circumstances, the prospects for the CDU in the next elections are worse than bad. Not only have Genscher and fellow Free Democrat, Finance Minister Martin Bangemann, taken control of foreign, security, and economic policy; they are now openly taking over domestic policy as well. The CDU has already been terrified by the results of last spring's parliamentary elections, where approximately 20% of its base deserted the party in protest against the "Genscher tendency" in the CDU.

The fear that this "rejection effect" could repeat itself in the upcoming elections in the state of Lower Saxony runs deep. And it is ultimately justified. Helmut Kohl, head of the CDU, is not exactly popular, and has been visibly hurt by the "Kohlgate" scandal.

For those who wished to send the CDU a message through their involvement with the Patriots for Germany, these de-

velopments come as no surprise. "I didn't abandon the CDU; rather, this party abandoned me years ago," a CDU mayor with years of service in Lower Saxony stated, explaining his decision to sign the third Patriots' advertisement. "I have more and more come to advocate the Christian values which the CDU once undertook to defend. But the CDU doesn't any longer."

A former union functionary declared: "The CDU has done nothing for middle-class producers. They have *betrayed the middle class for years*. In the last 10 years alone, over 140,000 German retail businesses have been ruined. The only ones that have done well in this area have been the auditors."

In agriculture, things look the same: According to agricultural reports, 20,000 agricultural businesses will cease production this year alone in the Federal Republic. The program of the CDU government in Lower Saxony includes subsidies for taking fertile agricultural land out of cultivation, and financial incentives for "ethanol production," that is, the production of gasoline out of food. No wonder that farmers are deserting the CDU in droves.

Since the CDU has given up any effort to link economic and cultural policy with Christian ethics—a connection formulated in December 1985 by Joseph Cardinal Ratzinger, and widely publicized by the Patriots with their advertisements—it is hardly surprising that many former CDU followers have responded to the Patriots with these words: "Finally, there is again someone who represents the values of a Christian party and understands at the same time how to get youth enthusiastic about classical culture."

### **Panic in the CDU leadership**

How is the CDU leadership reacting to the prospect that the Patriots will mobilize precisely the voters who are now deserting the CDU in droves? "With panic," according to Volker Hassmann, a spokesman for the Patriots. "Of course, the well-known composure which the CDU puts on show for the public won't change at all. But behind the scenes, things look quite different.

"Many of those who signed have told us," Hassmann said, "that they were pressured by their CDU 'friends' to renege on their signatures. The slogan 'enemy, deadly enemy, party enemy,' which the CDU formerly enjoyed throwing around so much, seems to be current again today.

"But none of that will keep us Patriots from standing up for Germany. When the future of Germany and the West are at stake, petty party considerations must take second place. The Patriots will work further to make sure that traditional CDU voters, above all the middle class and the farmers, have a political home. Mafia-style tactics, by which some of the CDU leadership in Hanover and Bonn are trying to put pressure on some signers of the Patriots' advertisements, will not change that. Some signers may be frightened off; others are even threatened with the destruction of their economic existence.

"If CDU politicians are bragging about the fact that they have already 'won back' some of the signers, they'll get some more headaches," Hassmann said with confidence, "when they find out how many of those will further represent the program of the Patriots *in the CDU*; then they won't be able to rest as easily as I."

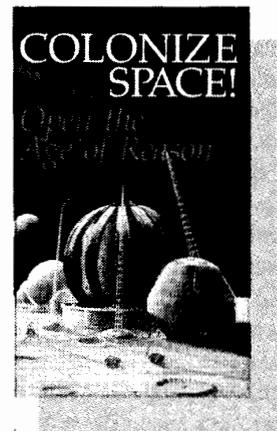
According to Hassmann, the CDU leadership was not alone their panicked reaction to the Hassmann, the CDU leadership was not alone their panicked reaction to the Patriots' mobilization; the leadership of the SPD has also gotten nervous. "Those gentlemen don't want to show it so openly, since they see themselves totally on the road to victory. But the attractiveness and the practicality of the Patriots' program is causing Willy Brandt and his fellows considerable worry. Primarily because they, exactly like Geissler, are obviously steering toward a grand CDU/SPD coalition, which will create a tremendous potential for the Patriots, not only in the CDU, but also in the SPD.

"The many hundreds of telephone calls and letters received in the Patriots' office in the first few days after the third advertisement show clearly," Hassmann concluded, "that the political influence of the Patriots has increased enormously in the last months. The next months will show that we know how to make this influence work for Germany."

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## 'Combative' candidates turn France on head

by Liliana Celani

On March 16, fifty million Frenchmen will go to the polls to elect a national parliament. The elections will be marked by the participation of over 250 candidates, in 27 "departments," from the European Labor Party (Parti Ouvrier Européen—POE), co-thinkers of *EIR* founder Lyndon LaRouche. Running in areas encompassing 10 million voters, the POE slates, as the French press has said, are quite different from any other slate running in the elections.

The candidates are not professional politicians, but farmers, teachers, workers, North Africans who have become French nationals, and former government administrators bitterly disappointed by the government's austerity program, the "free-market economics" policies being pushed by all other parties. These include President François Mitterrand's Socialists, former President Giscard d'Estaing's UDF, whose candidate for premier is Trilateral Commission member Raymond Barre, and the Gaullist RPR, whose top candidate, Paris Mayor Jacques Chirac, is considered the likely next premier.

The POE candidates, for example, farmers, are experiencing the terrible effects of such economic policies first hand. That is probably the reason that, as the press reports, they are more "combative" than other candidates.

This unique feature of the POE slates has already altered the political atmosphere of this French campaign. In Paris, Lille, Nantes, Metz, Strasbourg, Besancon, Lyon, Toulouse, and Nimes, when POE candidates presented themselves to the press, they provoked consternation among the journalists who had come to label them "right-wingers," but found it very difficult to attach any label. Unique indeed.

On Feb. 22, the daily *Libération* pointed out that the POE will probably be the party with the most French-Muslim candidates, and added: "It is often the parties who talk the least, who do the most." Another daily, *L'Est Républicain*, titled, "The new (and mysterious) slate of the Parti Ouvrier Européen." A regional daily, *Presse Ocean*, published an article on the top POE candidate in Vendee, entitled "Madame Lelièvre candidate for the legislative elections on the POE slate," trying to ridicule former municipal councillor

Madelaine Lelièvre as "La Pasionaria of Bocage." It quoted a *Le Monde* article which slandered the party as "right-wing" and "CIA financed." *Presse Ocean* is owned by Philippe Maistre, a friend of Raymond Barre and himself a candidate in Vendee. Mrs. Lelièvre, furious at the corruption of the press, went to a public appearance by Maistre, protesting so vehemently from the back of the room that the UDF candidate put on a tape of the French national anthem as loud as possible.

As for *L'Est Républicain*, on Feb. 22, after the determined protests of the POE candidates, particularly the French Muslims, the daily published a correction to a previous article on the POE characterizing it as a "right-wing party." The North Africans were quoted in the daily comparing the POE program to that of King Louis XIV's great minister, Jean Baptiste Colbert, saying it is "inspired by Colbert's philosophy, which rejects austerity, either the socialist or the liberal kind, and gives great priority to the industrialization of Third World countries and classical education for everybody. It also demands the strengthening of the Western alliance, and fights unemployment, the farm crisis, drugs, and terrorism."

At a press conference in Lille, a French Muslim candidate answered a journalist accusing the POE of being "right-wing": "I can show you my socialist party card, which I still have, as well as my membership in the Force Ouvrière Union, and I can tell you one thing: I will get every single worker in my factory to vote for the POE because they are the only ones who have a program."

It will be difficult for the press to hide the POE's program, which has nothing to do with stereotyped "left-right" categories. According to the French electoral law, all parties presenting more than 200 candidates in more than 20 departments are assigned 8 minutes on national television and radio. The POE's candidate for premier, Jacques Cheminade, running in the once-industrial Metz, will appear simultaneously on all national channels at prime time, outlining a platform that includes abolition of the International Monetary Fund; industrialization of the Third World; a French Strategic Defense Initiative in cooperation with the United States, and deployment of the neutron bomb; a *Colbertist* approach to finance productive investments; elimination of EC quotas to increase farm output; a war on drugs and terrorism; and introduction of a classical education curriculum.

In the city of Lyon, where the head of the POE slate, Claude Albert, will run against Raymond Barre, the Trilateral Commission member whose "privatization" program would lead to a total economic disaster. The party will be publishing a brochure on the Trilateral Commission and Barre. In Nievre, Mitterrand's home base, the top POE candidate, Claude Gravier, will face budget-slashing Finance Minister Pierre Bergovoy. Around the city of Lille, the POE's Ben Tounes, a former deputy from Algeria and a highly respected personality in the French Muslim community, is running against Pierre Mauroy, the Socialist Party strongman.

# French Socialists join hands with international terrorism

by Thierry Lalevée

A few weeks prior to French parliamentary elections that the Socialist government of François Mitterrand is expected to lose, the French political scene has been rocked by a series of political scandals. Most of these concerned the fate of the French hostages held in Lebanon by Shi'ite terrorists for approximately a year now. In the footsteps of Jimmy Carter, the French Socialists are praying that a release of the hostages, just prior to the elections, will hand them a sweeping electoral victory through a national wave of joy and relief.

Carter didn't fare well with this ploy, and the French Socialists are not expected to be more successful.

However, on the eve of elections, hopes die hard. As the press has unveiled, this hope has led the Socialist government to go a very long way toward meeting the demands of both the Shi'ite kidnapers, and the countries that back them—Libya, Syria, and Iran. Ever since Pierre Joxe, a founding member of the Franco-Libyan Friendship Association, became interior minister three years ago, France has become a safe-haven for international terrorism.

Joxe rationalized his doctrine in early February, explaining that for such reasons, France was not itself a target of terrorism. Speaking on Feb. 5, as several Parisian shopping centers were being destroyed by bombs, Joxe explained that France was "only the battleground" of Middle Eastern factions. French institutions are rarely targeted, he stated, and members of the French terrorist group Direct Action are only "misled young men."

## Deals with terrorist states

Clearly, new French efforts to please the Shi'ites represent no sudden and fundamental shift in policy. However, as political defeat looms closer, all pretense has been pushed aside in a desperate attempt to pull the successful political coup that the hostages' release would represent.

Mitterrand has been organizing one international conference after another in Paris to boost the prestige of French Socialism—though these conferences have had such an electoral flavor that none of the foreign guests could miss it.

Consistent with political compromises with Libya, Syria, and Iran, during the Feb. 17 Paris conference of French-speaking countries, Mitterrand let it be known that he wanted Tunisian Prime Minister Mohammed M'zali out of office. Mitterrand and the International Monetary Fund were infuriated at M'zali's recent tour of Black Africa, which resulted in the establishment of a closer "South-South" political dialogue, as well as numerous barter deals which Paris considers a threat to its monopoly.

Another victim of Mitterrand's wrath at the same conference was Lebanese President Amin Gemayel. The French President flatly rejected Gemayel's demand that he be permitted to make a speech which would underline Lebanon's national independence and commitment to the West.

The reasons for Mitterrand's refusal soon became apparent. On Feb. 18, the Socialist-connected daily *Libération* published a three-page interview with Syria's President Hafez al Assad. The following day, *Libération* had another page of analysis of Assad's interview, heralding the Syrian leader and granting him the very odd title, "Bismarck of the Arab World." As an observer remarked, Bismarck unified Germany; what is Assad supposed to unify—Syria and Lebanon?

Ingenuously, Assad told *Libération* how Syria "has never allowed any Lebanese faction to dominate all others." However, Syria's takeover of Lebanon was not the issue of the interview; Franco-Syrian relations were. Assad praised to high heavens his "working relationship" with Mitterrand, especially since the kidnapping of the French hostages.

## The hostage gambit

Damascus has become one of the main capitals involved in the negotiations for the hostages' release. What is Assad's price? Mitterrand's refusal to allow Lebanon an independent voice at his conference was certainly part of the deal—a de facto recognition of Syrian sovereignty over Lebanon.

Assad's price converges on many points with Iran's demands. Officially, Iran claims not to be holding the French hostages, but only that it may potentially have some influence

on the kidnapers. For such influence to be exerted, Paris has to offer something to make it all worth the mullahs' while. By the end of December 1985, Teheran made it clear that the first part of the package was at least \$1 billion, that is, the amount of the 1975 loan by the Shah of Iran to the French side of the "Eurodif" nuclear project. Paris's commitment to begin repaying the loan, with interest, would set Iranian influence on the kidnapers into motion.

However, there's more. Iran wants French weapons. On Feb. 28, *Ouest France*, the regional newspaper, revealed that France has begun the routine export of weapons to Iran, under the cover of weapons exports to Thailand. This has included both light weapons and ammunition, as well as spare parts.

On Jan. 6, a shadowy deal involving the French Paribas bank, Argentina, and Libya was exposed. A French firm, Alsthom, claimed it was repairing three British-built Argentine frigates to be bartered to Libya in return for oil. Investigations revealed that the ultimate recipient of the frigates, however, was Iran, which had offered \$400 million for them in 1985.

But there are many other demands. For example, the actual kidnapers in Lebanon have officially requested the immediate release from French jails of four international terrorists; Abdallah Ibrahim, leader of the Lebanese Armed Revolutionary Faction involved in the murder of several American officers in Europe; Anis Naccash, the leader of a Shi'ite commando unit which tried to assassinate former Iranian Prime Minister Shahpour Bakhtiar in July 1980, and well as two leaders of the Armenian ASALA terrorist organization, involved in a massacre at Orly airport in July 1983.

To make these demands more concrete, a wave of bombings rocked the French capital between Feb. 3 and Feb. 6. As in December 1985, the targets were crowded shopping malls. A bookshop was actually destroyed, and a real massacre was narrowly averted when a bomb was defused on the Eiffel Tower. The bombings were claimed by a previously unknown "Solidarity Committee with Arab Political Prisoners in France." It demanded the release of the four terrorists.

Indications of the source included the fact that the terrorists wrapped one of their bombs in the same Kuwaiti newspaper that had been found around a bomb of their bombs in the same Kuwaiti newspaper that had been found around a bomb last December, and used the same kind of explosive as was used against the French embassy in Kuwait in December 1983.

Under such pressure, the French cabinet convened on Feb. 5, and decided to release two members of an Abu Nidal commando unit that had assassinated the PLO representative in Paris in August 1978, Ezzedin Kalak. Their release was only announced on Feb. 17, when they were already on their way to Tripoli, Libya. By way of explanation, the French government argued that they had not perpetrated terrorist actions against French targets and that they already had served

half of their 15-year jail sentences. But this good will gesture to Abu Nidal and his protectors, Qaddafi and Assad, still provoked an outcry when it was made known. It was entirely clear that the Socialists had backed down to terrorist blackmail.

Similarly, on Feb. 24, it was revealed that a leading member of the Lebanese Hezbollah, responsible for the October 1983 kamikaze operations against the French and American compounds in Beirut, which killed hundreds of soldiers, had been in Paris. U.S. intelligence services, it was reported, had sent an urgent telex and a full file on the terrorist, one Imad Muganiyah, requesting his immediate arrest. As French police began to close in, Foreign Minister Roland Dumas and the Elysée (presidential palace) intervened to prevent any action. According to the confidential newsletter, *Mardi Matin*, Dumas claimed that Muganiyah was an "important intermediary" in the negotiations to "obtain the hostages' release before March 16"—the date of the parliamentary elections.

But, there is more. Very early in those same negotiations, the French government chose Swiss banker François Genoud, Hitler's literary executor and leader of the Nazi International, as one of the mediators in the negotiations.

Considering Genoud's activities, he has an obsession with secrecy, and has never publicly spoken on the matter. But, his "Islamic fundamentalist" protégé, former Algerian President Ahmed Ben Bella, has been more public on the matter. In mid-December, he promised on French television that the hostages would be released by Christmas or New Year. At the end of January, he was traveling to Teheran for talks on the matter. What they are receiving in return is a matter of speculation, but there is little doubt that Genoud and Ben Bella are playing for high political stakes.

The involvement of Ben Bella, exiled from Algeria, as a mediator for France is a political coup of sorts against the Algerian government of President Chadli Benjedid.

The French government's shenanigans in this regard are all the more cynical, when one considers that most of those arrested during the early February wave of bombs in Paris, belonged to the "New Ben Bella Network," as *France Soir* reported on Feb. 13.

*Le Figaro* also ran a three-day series of exposés on the Genoud/Ben Bella network, though carefully omitting their names. For obscure reasons, the editors of the conservative *Le Figaro* has ordered its journalists to never print their names. The same *Le Figaro* ran a four-page interview of Qaddafi on Feb. 22, most favorable to his views.

On top of all this pre-election gamesmanship with terrorists, it turns out that the lawyer for the imprisoned Abdallah Ibrahim, as well as the two Armenians, is none other than Jacques Vergès. Vergès, often dubbed the "lawyer of Carlos," was also chosen by Genoud to be the lawyer for the Nazi "Butcher of Lyons," Klaus Barbie. And—in mid-February, the families of the French hostages in Lebanon hired as their lawyer . . . Jacques Vergès.

# Battle over Nazi euthanasia policies erupts in Western Europe

by Mark Burdman and Lotta-Stina Thronell

Voices have been raised across Europe, during the first weeks of 1986, against the Nazi-modeled murder policy known as "euthanasia." These voices are being raised not a moment too soon. Under the banner of the continentwide "Right to Die" movement, and with the encouragement of the European insurance and reinsurance cartels, crimes against humanity equal to those for which Nazi criminals were hung at Nuremberg, are beginning to become the policies of leading institutions and governments.

The campaign against euthanasia has been led by two organizations founded by Helga Zepp-LaRouche, the Club of Life and the Schiller Institute. The Schiller Institute's Nuremberg Commission, founded on Nov. 20, 1985 in Nuremberg, West Germany, proposed to establish a new Nuremberg Tribunal, which would try, for crimes against humanity, the advocates of "the euthanasia campaign in the industrialized countries, modeled on the 'mercy killing' campaign of the Nazis, which is targeting the old and sick people in our societies. What started with a campaign for the dubious 'right to die' has long since become a campaign for the 'duty to die' (Colorado Gov. Richard Lamm) for the old and sick, whose medical treatment is considered not 'cost-effective.'"

The key flashpoint today is Holland, where the Law and Justice Commission of the Parliament was scheduled on March 3 to resume a national debate on whether or not euthanasia is to be legalized. In Holland, a nation that had a national resistance against the Nazis during World War II and which treated its own domestic Nazi-collaborators (the infamous NSB) extremely harshly, the official Dutch Medical Association is, today, advocating that *children as young as eight be allowed to decide, even against the wishes of their parents, whether a doctor should take their lives or not.* A Socialist parliamentarian, Ms. Haasberger, has put forward an amendment to pro-euthanasia legislation, establishing the age of permissible euthanasia-on-demand as 12; the only difference between herself and many members of the Dutch Liberal Party, is that the latter want parental consent for this murder, while she insists that it can transpire *without* parental consent. This kind of criminality is being hailed by Dutch liberals and Gnostics as "humanist," the fulfillment of Christ's teaching, "Love thy neighbor"!

The second flashpoint is West Germany, where a heated controversy has broken out surrounding the upcoming trial of Dr. Julius Hackethal, who boasts of having poisoned terminally ill patients, and who commands a widespread cult following among degenerate liberal layers. Hackethal is accused of having violated the laws of the Federal Republic, by aiding and abetting the death of patients, in cases of "death upon request."

But as economies collapse throughout Europe, as insurance cartels hold countries hostage to their demands that health-care payments be slashed, and as the spread of the lethal, incurable disease AIDS across the continent is being exploited by the Death Lobby to legitimize euthanasia, these "flashpoints" could soon evolve into the future for all of Europe. In Spain, for example, the Pro-Life Youth organization put out a dossier in January of this year, claiming that there have been "300,000 clandestine cases of euthanasia" in Spain alone over recent years. In Spain, the legal case in Bilbao, over whether or not a deformed child should be killed, is becoming the center of a similar controversy.

## Nazi economics

The most stunning attack to date on the euthanasia movement was made Feb. 23 by Dr. Karsten Vilmar, who emphasized that the "cost-cutting" mentality behind the euthanasia movement could soon lead to calls for killing off pensioners, as the Nazis did. Dr. Vilmar heads the German Doctors' Association, the most important medical association in the Federal Republic, and is officially linked to the government. It issues licenses to doctors, and carries out other necessary functions on behalf of the German federal authorities.

Vilmar's statements were reported in *Bild am Sonntag*, the mass-circulation weekly, in an article headlined, "Doctors' President Attacks Hackethal's Death-Help," with the sub-heading, "Should we give our pensioners a death-injection?" He said: "If active death-help were legalized among us, what would come next would be death-injections, for the solution of the pension problem. . . . Yes, we have already, in the beginning of life, with abortion on social grounds, legalized murder. The next step would be for a social-murder for pensioners who are sick and who no longer have a long

life-expectancy. That would be economical, because it would relieve the pressure on pensions. . . . We must rather recognize what path we are taking, if we don't make active death-help punishable for a doctor. Euthanasia, in the 'Third Reich,' was indeed also introduced and prepared, with the so-called right of mercy-killing. It is simply not tolerable for us to come to the point, that human beings can be put to sleep like animals, if life is no longer worth living."

With somewhat less national publicity, similar arguments have been heard in Holland. Internally, the situation is more desperate for the anti-euthanasia forces, as it is estimated that between 60% and 90% of the population is supporting euthanasia legalization. The official medical association enthusiastically supports euthanasia, even for children. As Dr. P. V. Admiraal, the country's most vocal euthanasia enthusiast, has boasted, in Holland there are not the same compunctions against using the word "euthanasia," as there are in Germany, because of Germany's Nazi past.

Nonetheless, a professor at the University of Nijmegen, Mrs. Dessaur, has been writing articles in national newspapers and magazines since January, warning that a "Nazi syndrome" is developing in Holland. She is warning that the "misuse of medicine can be extended to children, and then others," one of her supporters reports.

One of her co-thinkers in the Christian Democratic Party (CDA) told *EIR* on Feb. 26: "Once you start creating the



March of Dimes/Birth Defects Foundation

*It used to be that a handicapped child would be given medical treatment. Now, the death lobby offers the youngster a "choice": euthanasia.*

possibilities for legalized euthanasia, and then start talking about 8-year-olds, or 12-year-olds, and euthanasia, then you create the possibility of euthanasia for others, and then still others. Once you start with the terminally ill, then, before you know it, it's the next group, and then we begin repeating what happened with the Nazis."

The fiendish Dr. Admiraal was furiously denounced for his Nazi economic views, when he arrived in Stockholm, Sweden during the weekend of Feb. 14-16 for a series of public and private meetings. On Feb. 14, the leaders of Sweden's two umbrella organizations for handicapped groups issued a declaration attacking euthanasia, at a Stockholm press conference. During the ensuing question and answer period, they told reporters that the activities of Admiraal and his Swedish co-thinker, Berit Hedeby, were "fascist," and that the evil grew out of cost-cutting measures in health care. On the next day, the leaders of these organizations joined with the Club of Life and other individuals and organizations in the Stockholm area, to demonstrate at the Peoples' House in Stockholm, where Admiraal was appearing.

During a private meeting with 15 demoralized supporters Feb. 16, Dr. Admiraal bitterly complained that he had never expected to see people in wheelchairs demonstrating against him. "Sweden is at least eight years behind Holland on the euthanasia question," he whined.

Throughout that weekend, Swedish television, which had earlier in the week featured Admiraal describing how patients were killed by himself and 200 collaborators in Holland, showed film-footage of the anti-Admiraal demonstrations. The demonstrations were also covered prominently in the Dutch daily *Reformatisch Dagblad* on Feb. 20, and on Danish television.

In Sweden, anti-euthanasia activists have been remoralized by the activities against Admiraal, Hedeby, et al. conducted by the Club of Life and the handicapped associations. On Feb. 15, the daily *Dagens Nyheter*, which had up to that point been giving regular coverage to the Death Lobby's euthanasia arguments, ran an article, co-signed by 27 medical professionals and priests, comparing modern-day advocates of euthanasia to the Nazis. Under the headline, "We Don't Want to Kill," the signers attacked "the forces that work for legalization of death-help, who give a false picture of humanism and liberalism." "Death-help," they stressed, attempts "to do away with problems by killing pain and dying." They provided historical examples, which prove that "a society turns fascist, when the sanctity of life has been put aside by institutions for death-help." The signers concluded, "We advise all in hospital care to take a stand against active euthanasia."

During the week of Feb. 24, a denunciation against euthanasia was made by Swedish Vice Minister Health Minister Bengt Lindquist, a Social Democrat. Himself blind and an activist in the handicapped organizations, Lindquist de-

clared, "Active euthanasia is to me totally inconceivable. All that we have as human beings, our experiences, should of course be used in the service of life. That is our main task. To me, it would be a totally impossible ethical conflict, and also something hard to contemplate, to help people to death."

### 'A crime in all cases'

Some among the harshest denunciations of euthanasia have come from Spain, where liberal-KGB elements in the media have been vigorously promoting "mercy-killing" in recent months.

On Feb. 11, the conservative daily *ABC* counterattacked, with a lead editorial bitterly denouncing the Ovidio television network, for a show whose purpose, charged *ABC*, was to "initiate the defense of euthanasia," and to "introduce euthanasia into the legal system," through broadcasting techniques that are "subliminal," and which "place the spectator in a dialectic of doubt, by raising all the pros and cons." The paper commented that advocacy of euthanasia was a reflection of "depravity, cynicism, and barbarism." "Euthanasia is always the hedonistic commodity transformed into crime. . . . Euthanasia doesn't belong to the legal system of *any* democratic country. Euthanasia, on the contrary, is a contradiction of medical deontology. Euthanasia is a crime in all cases, even if called for by parents, children, relations, society."

On Jan. 29, *ABC* published statements by Dr. Gonzalo Herranz, the President of Spain's Central Commission for Deontology of the Collegial Medical Organization. "The Hippocratic oath forbids a doctor from practicing or collaborating in euthanasia," Dr. Herranz declared. He attacked those advocating terminating the life of a 10-month-old handicapped baby in Bilbao, for threatening to "open a terrible precedent in the respect of human life. . . . The problem of euthanasia of deformed children has become current in many countries; the medical professional recognizes that life holds an intangible value, even with its limitation and suffering. We cannot accept as normal the obviously criminal conduct that permits the elimination of those who are found bothersome. In medicine, we make a fundamental commitment to respect life." Doctors, he insisted, should "never, under any circumstances, and under any pressure," commit euthanasia.

One of the more outspoken institutions against euthanasia is the Vatican. In a statement issued on World Communications Day, in February, Pope John Paul II attacked euthanasia, in the context of a statement on the "hedonistic mentality, according to which life is worth living only when it is healthy, young, and beautiful. It is necessary," he asserted, "that there be formed a public opinion which is sensitive to the absolute value of human life, so that it is recognized as such at all its stages, from conception to death, and in all its forms, even those marked by illness, by physical and spiritual handicaps."

In October 1985, the Milan Catholic daily *L'Avvenire*

had reported statements by top representatives from several of Italy's political parties, attacking euthanasia. Sources in Rome report that the Pope will be planning a major initiative soon, on the euthanasia question.

## Dutch medical association advocates killing children

The position of Holland's national medical association (NKMG) was detailed by an official association spokesman, in a discussion with *EIR* on Feb. 26. *EIR* had asked for confirmation of reports in the Dutch press, that the association had come out in support of euthanasia for children as young as eight, and even without the consent of their parents:

"That is not precisely true. The correct way to characterize our position," he said, "is that you cannot make a clearcut statement about lifetimes. There are children who are 13, 14, 15 years old, and they are very prudent. They give their own opinions. On the other hand, you have children of 19 and 20, who are very naive. Every doctor, therefore, in our view, has to make his own determination. Because children are legally *not* permitted to decide for themselves in such situations, the doctor, legally, has to ask the parents what they think, but, in our view, the doctor must also listen to the child, independently.

"The doctor has to listen very carefully to the child, and if the opinion of the parents is actually in the interests of the child, or whether this opinion is only their own emotions that are dictating what they decide. What if the child, of 10 years, suffers very, very hard, and he wants to die, but the parents have a guilty conscience, and say no? Our view is that the doctor has to do what his conscience prescribes to the child."

When it was countered, that this position represents a crime against humanity, he responded, "If you think that, that's your opinion." When it was pointed out, that this attitude violates all the beliefs of Western civilization, he said, "I don't think so, that's your opinion. There are Ten Commandments. One says, 'Thou Shalt Not Kill.' But there is also the idea, 'Love Thy Neighbor.' Why not let a person die, when he wants it?"

Even if the patient is 10 years old, *EIR* asked? "Yes," he replied. Did the medical association actually believe a 10-year-old could competently decide on matters of life and death? "If you don't think so, that's your opinion."

## Egypt's Mubarak target of upheaval

by Thierry Lalevée

The riots which erupted in Cairo on Feb. 25, and in the upper Egypt cities of Assiut, Sohag, and Isma'iliyah on the Suez Canal, did not represent a spontaneous social revolt, but the first phase of a well-orchestrated plot aimed at the overthrow of the regime of President Hosni Mubarak. Leading the riots in Cairo were some 8,000 conscripts of police anti-riot security units. In other cities, and specifically in Assiut, the riots involved similar police conscripts and Islamic fundamentalist elements, and continued sporadically for several days.

The alleged cause were rumors that the conscripts would have their military service extended from three to four years, along with a monthly pay-cut. Both measures were denounced as mere rumors by Information Minister Sawfat Sharif on Feb. 26.

As hours passed, however, it became obvious that these riots were no spontaneous outburst. The first riots erupted in Cairo the night of Feb. 25. Some 8,000 conscripts left the police garrison in the quarter of Gizah, close to the Pyramids, and attacked and torched three tourist hotels. A large number of rioters then went into downtown Cairo, while others went to the village of Turah close to Helwan and attacked the main jail, freeing most of its prisoners. Beside a couple of British drug smugglers, the jail primarily contained hardcore terrorists from the Islamic fundamentalist groups, al Jihad and Tawfikir wal Higrā—both of which were involved in Anwar Sadat's assassination in September 1981, and subsequent actions against the Mubarak regime.

Simultaneously, riots erupted in other parts of the capital, around the airport, cutting the main road to Alexandria, and in other Egyptian cities.

Evidence of a well-orchestrated plot has since emerged. First, "spontaneous" riots do not erupt simultaneously in many different cities. This implied that, at the very least, a special network within the police had planned the operation in advance. Second, according to Sawfat Sharif, many of the conscripts, when arrested, were found with amounts of money four to five times their wages. What kind of organization could afford such payments? Third, how did the conscripts come so quickly into possession of so many weapons? Fourth,

there is the matter of the clearly pre-planned attack against Turah jail.

After a two-hour cabinet meeting, President Mubarak declared on Feb. 25 that many questions cannot be answered yet. He warned that there would be no leniency for those responsible for so much damage in Cairo and elsewhere. He also hinted at the involvement of foreign forces, but either he could not, or chose not, to say more:

As soon as news of the riots spread, both Radio Damascus and Radio Tripoli heralded the rioters as "national heroes." The Syrian broadcasts characterized the riots as in solidarity with "Arab National Hero and Martyr Abu Khater"—the military conscript who shot six Israelis in the Sinai last October and committed suicide in jail after being condemned to life imprisonment. His cause was immediately taken up by the countries of the rejectionist front, as well as Islamic fundamentalist organizations within Egypt which staged demonstration denouncing Mubarak for "murder."

### To whose benefit?

Egypt, under the same sort of International Monetary Fund program that has been wrecking the Philippines and other nations, is in a catastrophic economic situation. That economic crisis has both fed discontent, and is now to be the pretext for a well organized social upheaval.

At the end of January, the *Financial Times* ran a lengthy analysis warning of coming social unrest and predicting that the "Army will not accept such unrest and will have to step in." On Feb. 27, the regional *Mainz Allgemeine Zeitung* of West Germany announced on its front page that the riots were a plot by "Defense Minister Abu Ghazalah to stage a military takeover." Similar assessments were circulating in Cairo on Feb. 26. Many had wondered why the army took so long to react to the riots.

However, the almost unanimous reaction of political layers in Cairo, and elsewhere in North Africa, was that Mubarak is "receiving the Marcos treatment"—a statement based on facts. Inside Egypt, the U.S. ambassador until a month ago was Nicholas Veliotis, assisted by political officer Henry Precht—the former director of the Iran desk of the State Department under Jimmy Carter; they have been openly courting Mubarak's opponents, from Marxists to Islamic fundamentalists.

The State Department has pressured the Egyptian government, time and again, to implement the entirety of the IMF austerity program—which, when briefly implemented in 1977, provoked nationwide riots.

Investigation of the riots must begin with the U.S. State Department policy toward Egypt and its personnel in Egypt. Then, the implications may become clear of articles which appeared in the *Financial Times* of London and the *Wall Street Journal* of New York on Feb. 27, attacking the "uninspiring leadership of President Mubarak."

### Oil war aims at economic chokepoints

*Iranian forces now threaten the Kirkuk oil fields and Kuwait, but it still may all be a strategic deception.*

On Feb. 25, Iranian forces outflanked the Iraqi armed forces in a new offensive, "Dawn 9," into a mountainous area near the Kurdish provincial capital of Sulaymaniah, 175 miles north of Baghdad. Within two days, Iranians reported that they had swept through 37 abandoned villages and seized heights for deployment of artillery.

The new thrust places unexpected pressure on Kirkuk—the site of Iraq's largest oilfields, a major oil refinery, and a pipeline that pumps one million barrels a day to Turkey.

The threat of a Gulf-wide oil war was first raised by Iranian Speaker of the Parliament Hojatoleslam Akbar Hashemi Rafsanjani, on Feb. 21. He called Kuwait "our new neighbor." An earlier "Dawn 8" invasion of the Faw Peninsula had brought Iranian forces within 13 miles of the Kuwaiti border.

On Feb. 26, Iranian Prime Minister Mir Hossein Mousavi told war volunteers that the "Dawn 9" offensive was part of a fight to lower Persian states' oil production and to raise world prices, countering the Arab "oil conspiracy."

On the same day, Iranian President Ali Khamenei said that Iran might start confiscating oil produced for Iraq by other Arab states, which is shipped through the Persian Gulf. Kuwait and the Saudis produce 310,000 barrels per day for Iraq on a deferred payment basis.

Iraq reported on Feb. 27, that its forces had blocked an Iranian offensive from Faw against the Kuwaiti border. Kuwait's military forces are

on "red alert," while the foreign ministers of the Gulf Cooperation Council—Saudi Arabia, Kuwait, Bahrain, Qatar, United Arab Emirates—have been meeting in emergency session to discuss the potential spread of the war.

Iraq is counterattacking against the 31,000 troops in the Faw "pocket." Pentagon sources who have the battle under satellite surveillance say that so far the heavily armored Iraqi counter-offensive has been hampered by rainy season weather. This has given a temporary advantage to the lightly armored Iranian invasion force. But, the advantage is only temporary. Iraq may slow the advance, reducing the pocket with artillery, missiles, and helicopter gunships before renewing the advance.

Pentagon sources close to Assistant Secretary of Defense Michael Armacost report that the "oil war" has so far been a propaganda war. The port city of Faw had been largely deserted since the beginning of the Iran-Iraq war six years ago. "Dawn 9" in the north takes advantage of terrain that favors Iranian "human wave" tactics over heavily mechanized forces, but Iran has yet to commit sufficient forces to make real the threat posed to Kirkuk, 75 miles west of the furthest Iranian advance.

These sources still think that Iran may be carrying out a strategic deception to wreak political havoc among the Gulf Cooperation Council states, while upwards of 400,000 reserves remain poised in the Basra-Hawizeh marshes area for an offensive against Basra, the second largest Iraqi city near

the banks of the Shatt al-Arab waterway.

The real question is, who is planning strategy for the Iranians, whose Islamic fundamentalist regime has executed or driven into exile, most of the elite of the Iranian armed forces?

The latest offensive began only days after a Feb. 2-4 visit by the Soviets' First Deputy Foreign Minister Georgi M. Korniyenko, which the Iranian side described as "good and successful." Korniyenko hammered out a broad-ranging agreement for economic cooperation and joint oil exploration, but defense sources note that presently the Soviets are training 200 Iranian Air Force pilots each year in Leningrad, Kiev, and Frunze. The Soviets have also supplied 130 surface-to-surface and SAM missiles.

The Pentagon is presently observing a policy of "strict neutrality," although the United States has resumed relations with Iraq for the first time since 1967.

Sources report that Fritz Kraemer, the man who created Secretaries of State Henry Kissinger and Al Haig, has advised Assistant Secretary of Defense Fred Iklé to the effect that: "The United States is lucky the two most radical Middle East states are bogged down in a war of attrition. Ultimately, this means that Iran, which has vastly superior manpower, will win the war. That will mean the ultimate collapse of Saudi Arabia and Kuwait, which are very brittle countries that would be far weaker than a combined Iranian, Shi'ite majority Iraqi state. Nonetheless, before the war started, Iraq had designs upon Kuwait, which it considers part of the Turkish province of Basra."

This is the sort of strategic insanity that had the Pentagon's International Strategic Affairs section providing covert aid to Iran via Israel.

## Punjab festering anew

*Has the militants' seizure of the Golden Temple put everything back to square one?*

In summer 1984, the Indian government seized control of the Golden Temple in Amritsar in Punjab, a center of terrorism and illegal drug- and weapons-running endangering the entire nation, and reestablished Indian sovereignty in "Operation Blue Star." Now, a year and a half later, the Golden Temple, the main shrine of the Sikh religious community, has again fallen into extremist hands.

On Jan. 26, India's Republic Day, the fundamentalist Damdami Taksal and allied All-India Sikh Student Federation (AISSF) seized the Golden Temple, burned the Indian flag and raised the saffron banner of "Khalistan" from the top of the Akal Takht. It was the most demonstrative show of resurgent extremism since the fateful year of 1984.

In what appears from press reports to have been a virtual coup d'état, the Damdami Taksal, the fundamentalist seminary directed by the late terrorist-separatist Sant Bhindranwale, forced the Sikh religious leaders to include them prominently in the *Kar Seva* (the tearing down and rebuilding of the Golden Temple to expunge the blot of Operation Blue Star, which had been set to begin Jan. 27). Then they staged a preemptive takeover of the event. Before a large crowd, the militants proclaimed a *sarbat kalsa* (public meeting where policy is made as a Sikh congregation), and issued a series of edicts. They dismissed the Shiromani Gurdwara Pravandhak Committee (SGPC) and the Akal Takht and Golden Temple priests, appointing extremists, including Indira Gandhi's con-

victed murderer, in their place. They denounced the Punjab accord signed by Prime Minister Rajiv Gandhi and Sant Longowal in August, and issued a new "hit list."

In principle, the Punjab state government of Mr. Surjit Singh Barnala and his Akali Party, elected overwhelmingly after the Rajiv-Longowal accord and lifting of President's rule in the state, is in an excellent position to crack down. The extremists have not been winning friends in Punjab with renewed assassinations, targeting young sons of Akali leaders and Sikh youths recently released from prison in particular, in the recent period.

In a blunt speech on the eve of the genuine *sarbat kalsa*, called as per religious custom by the Akal Takht priests, albeit after urgent deliberations by the Akali and SGPC leadership, Barnala warned that his government would not hesitate to take "some very harsh steps" against the extremists. The huge public meeting, held on Feb. 16, mandated the Akali Dal and SGPC to do all that was necessary to liberate the Golden Temple from illegal occupation by the AISSF and Damdami Taksal.

But in the nearly two weeks since, no steps have been taken to disturb the extremists who, for their part, have proceeded with banditry and low-intensity terror—in the most recent incident, raiding a government armory and robbing a bank. Meanwhile, evidence of the "Pakistan connection" to the trouble has reportedly multiplied, and Barnala has called for the central

government to completely seal the border and place the command of five border districts in the hands of paramilitary forces.

There are two specific problems Punjab governor Barnala faces. The first is New Delhi's inability to follow through in a timely manner to implement the Punjab accord, the main plank of the Barnala election program. Failure to effect the transfer of Chandigarh, now a "Union Territory" and the joint capital of Punjab and Haryana, to Punjab by Jan. 26 as per the agreement was a serious blow. In fact, when the Golden Temple was being taken over, Barnala was closeted with cabinet members in Delhi in last minute efforts to resolve the issue which had already led to the establishment of a "commission" and the dubious procedure of taking a language census in the border villages to resolve disputed claims by Punjab and Haryana, respectively.

In the end, there was a total deadlock, with the Hindu chauvinist opposition in Haryana putting a lot of pressure on the ruling Congress Party. Congress veterans claim that any strong measures against Haryana in the interest of settling the Punjab-Hindu dispute will lead to an electoral debacle for the Congress in that state, and perhaps in other states where Hindu chauvinism has a foothold.

The other problem Barnala faces is petty politicking among Akalis. The mischief centers on Mr. Prakash Singh Badal, a former chief minister and Akali leader who denounced the Punjab accord as a sellout from the outset, and SGPC chief Gurcharan Singh Pohra, a former card-carrying member of the Communist Party.

The Badal-Pohra combine, the story goes, is using the extremists as a cat's paw in a plan to bring down the Barnala government.

# International Intelligence

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## *State Department copies British Foreign Office*

The U.S. State Department is a bad imitation of the British Foreign Office, a source in West Germany commented on Feb. 26. "These State Department types are very proud of imitating the British Foreign Office; they're very British in behavior, and I know many who even have taken on the British accent. The only difference is that, at least, the British Foreign Office has a sense of tradition, and every now and then, they know when to sensibly call matters to a halt. In the State Department, however, there is no traditional counterbalance, and that is what worries me. These State Department types love to get taken in by any guerrilla leader, maybe out of bad conscience, and they have no sense of what they are doing.

"The State Department loves anybody who shoots, and keeps on shooting. They support the radical wings of the PLO, against Arafat. They support the South African National Congress, and treat [moderate black leader M. G.] Buthelezi with contempt. And, they find the Greenies rather interesting in Germany, they just love to invite Greenies to the Bonn diplomatic parties. This kind of thing adds spice, if you can sport a Greenie at your local party."

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## *Queen Elizabeth defends anti-nuclear ban*

Queen Elizabeth II in a speech to the New Zealand parliament on Feb. 26 defended New Zealand's ban on nuclear warships, contradicting the British government's official stand. The speech, reportedly prepared by New Zealand officials, stunned opposition leaders.

The queen said that the New Zealand government did not mean to scrap its defense pact with the United States and Australia by barring warships carrying nuclear weapons from its ports. The queen acknowledged that the Anzus Pact was in jeopardy, but added: "New Zealand wishes to retain

and extend the long-standing friendship existing between the two countries."

New Zealand National Party leader Jim McLay criticized the speech for implying the United States and Australia were not seeking a solution to the problems posed by the ban. "Now that of course is a complete distortion of facts. It is the New Zealand government alone that has brought about the Anzus row," he said.

Two days earlier, the queen was the target of an egg-thrower on her arrival in New Zealand. Royal Consort Prince Philip was quoted as saying that the most grievous effect of the attack would be "on the children," to see such a degradation of the queen.

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## *Soviet space program far ahead of American*

Speaking to a gathering of a 100 British industrialists in London the week of Feb. 17, Lt.-Gen. James Abrahamson, the director of the U.S. Strategic Defense Initiative, said that the Soviet Union has made "a significant leap in the development of new weapons."

London *Times* defense analyst Keith Hindley commented that the U.S.S.R. is ahead of the United States in industrial-military space plans. The recent launch of a new adaptable orbiting station "puts the Soviet Union ahead not only in the industrial and military exploitation of space, but also in the race to Mars," he wrote.

The new Soviet spaceship *MIR* "will form the hub of a platform that is planned to present the Soviet Union with direct military reconnaissance advantages, a platform for scientific research, and a staging post for a manned flight to Mars. . . . The most frequent visitor to future *MIR* stations . . . is likely to be the secret military spy module. . . ."

Hindley continued: "Defense work is the mainstay of the Soviet space program. Three of the seven Salyut space laboratories of recent years were *exclusively military*, while the other undoubtedly carried out spy missions.

"The Russians are now believed to be developing a massive atomic rocket motor

which would prove invaluable on a Mars trip. . . . Atomic motors are twice as efficient as even the liquid hydrogen and liquid oxygen motors of NASA's space shuttle. The Americans were developing atomic motors themselves 20 years ago, but the project was abandoned."

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## *Israeli President attacks radical Zionist*

Israeli President Chaim Herzog has accused radical Kach Party leader Meir Kahane of "desecrating" Israel's armed forces by calling armed forces leaders "assimilationists and traitors." Kahane is notorious for his Nazi-style racial attacks on Arabs and his demand that all Arabs be deported from Israel.

According to the Feb. 20 *Jerusalem Post*, Herzog told a group of high-school students that Kahane is a man who, "during all of Israel's wars, when Israel Defense Forces—including minorities—gave their lives, preferred to live in comfort in exile." Herzog attacked Kahane's "denigrating, slanderous words" against the Israeli state and against the presidency.

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## *Sudan turns to the Soviet Union for help*

Sudan has appealed for economic aid to the Soviet Union and East bloc nations, as a result of the International Monetary Fund's decision to cut off aid to that economically devastated country.

According to a report on Feb. 20 in the newspaper *Al-Ayam*, the request for assistance comes in the wake of the IMF's decision in late 1985 to temporarily cut off assistance to Sudan. Sudan owes the IMF an estimated \$218 million and has paid no interest on loans for more than nine months. As a result, negotiations between Sudan and the IMF have been postponed until May.

*Al-Ayam* quoted Prime Minister El-Gizouli Dafalla saying that he would introduce an IMF-mandated austerity program, in-

cluding tax hikes, a ban on the importation of non-essential goods, and government control of foreign exchange rates.

## Resettlement program called genocidal

Ethiopia's population-resettlement program is as bad, or worse than, Hitler's holocaust and Cambodia's Pol Pot, U.S. Congressman Toby Roth (R-Wisc.) charged on Feb. 20 in London.

Roth said that 100,000 men, women, and children had already died in the resettlement program, and that 300,000 more would die this year.

"The death rates in these concentration camps are 10 times greater than what we witnessed in the relief camps at the height of the famine," he said. "A holocaust is happening again and we must speak out." He called on U.S. allies in Western Europe to join in a sanctions campaign, for which he is now pressing in Washington, against the regime of Ethiopian leader Mengistu.

"I am not asking for a stopping of humanitarian aid," said Roth, "but the trade we do with Ethiopia goes right into the coffers of the ruling class."

## Vatican denounces rise of satanism, demonology

"The Vatican Denounces the Rise of Satanism," was the headline of a feature story in the French daily *Le Figaro* on Feb. 22.

The Vatican issued a document on Feb. 21, in the official gazette of the Holy See, *Acta Apostolicae Sedis*, which "confirms the boom in savage exorcisms, denounced by several bishops of different countries," *Le Figaro* reported.

The paper reports that Joseph Cardinal Ratzinger, prefect of the Congregation for the Doctrine of the Faith, has sent a letter to 4,000 Catholic bishops around the world, stating: "For several years, prayer meetings to conjure the demonic influence, have been multiplying here and there. . . . These meetings are directed by laity, sometimes

even in the presence of a priest." The document warns, "Nobody can pronounce an exorcism on the possessed, without the authorization of the Church."

*Le Figaro* says there has been a "boom" of exorcisms and "anti-Satanic activities" recently, especially in Turin, where Cardinal Anastasio Ballestrero has just named six new exorcists, and that the Catholic periodical *Jesus* has published a dossier on the outbreak of demonic cults throughout Italy, under the title, "In the Name of Satan."

In the Vatican, says *Le Figaro*, the official "demonologist," Msgr. Corrado Balducci, is in the process of making a study of the "offensive of Lucifer and his court, from Beelzebub to Astarot." In his view, the Vatican document makes allusions to groups who pretend to be "charismatic." He said that the intervention of the Vatican is "necessary to put an end to very dangerous practices. We must not forget that, out of 5,000 who claim to be possessed, there are only 3 or 4 authentic victims of demonic possession."

## Dutch pro-life lawyers oppose euthanasia

A group of Dutch pro-life lawyers is studying how the Nuremberg Codes governing the Nazis' crimes against humanity, might be applied against the advocates of euthanasia legalization in the Netherlands. One Dutch source said, "I am alarmed by the parallels with the 1920-45 period in Germany. It began with milder forms of 'mercy-killing,' then extended to euthanasia, and then it was the handicapped, and, before too long, it was the Final Solution for the Jews and other Nazi crimes." He said lawyers are investigating the "juridical basis of the Nuremberg tribunals" for potential application now in Holland.

Thirty thousand signatures have meanwhile been gathered against the legalization of euthanasia in Holland, by pro-life organizations. One source said there is a large reserve of potential anti-euthanasia sentiment in Holland, "particularly among elderly people, who now live in great fear about the legalization of euthanasia."

● **CARDINAL SIN'S** defeat of Philippines President Marcos "realizes the dream of all Liberation Theologists," writes Gianni Baget Bozzo in the Feb. 26 issue of the Italian daily *La Repubblica*. Baget Bozzo, a former priest who became a leading international advocate of "Theolib," is also a member of the Central Committee of the Italian Socialist Party. "Sin is not a Theologian of Liberation," he writes, "but after his achievement, the theology of liberation has become part of ecclesiastical practice."

● **GIANNI AGNELLI** and Carlo de Benedetti both go to a "white magic" specialist named Rol, in the Turin area, reports the Feb. 19 issue of the Italian daily *Il Giorno*. Rol is the "most prestigious" practitioner of white magic in the Turin area, which is "thick" with occult practices.

● **'KHOMEINISM** exists not only in Iran; it also exists in Israel," Rabbi Menachem Hacohen of Israel's Labour Party-led "Alignment" group has declared. According to the Feb. 20 *Jerusalem Post*, Rabbi Hacohen said: "Israeli Khomeinism has two faces, one messianic-nationalist and the other fundamentalist-zealous. Both are extremely dangerous." He particularly attacked the fanatic Meir Kahane, for demanding a new Israeli law that would ban sex between Jews and non-Jews.

● **SIEMENS CORP.**, the West German electronics firm, has incurred the wrath of U.S. Lt.-Gen. James Abrahamson, the director of the Strategic Defense Initiative, because of its opposition to the SDI. According to a source close to the Pugwash Conference, an East-West "back channel" for arms negotiations, Siemens "is very much against U.S.-West German SDI cooperation." Abrahamson is on tour in Western Europe.

## LaRouche warns of strategic disaster after Philippines

by Kathleen Klenetsky

In a series of statements and media interviews during the last week of February, Democratic presidential candidate Lyndon H. LaRouche charged that the U.S. State Department with outright treason for orchestrating the coup which toppled long-time U.S. strategic ally Ferdinand Marcos, and warned that America's global influence will be reduced massively as a consequence of this treason.

"In Moscow, there is jubilation," LaRouche bluntly commented in a statement issued for international circulation Feb. 23. The State Department's actions in the Philippines "have brought the United States to the end of the U.S.'s position as a world power. At this moment, we are still a world-power, but near the end of our rope. If we consider the consequences of Soviet strategic domination of Asia, Europe, and Africa, the State Department's actions in the Philippines have been a crucial contribution to Soviet world-power. If the Soviets dominate the world strategically for two generations, as they seem likely to do under present State Department policy-trends, 2,000 years of Western Judeo-Christian civilization is doomed."

LaRouche compared developments in the Philippines to two other State Department operations—the overthrow of the Shah and the 1963 murder of Vietnam leader Diem. Events in the Philippines "take us back to the fall of the Shah under President Jimmy Carter," said LaRouche. At first, Iran fell, not to the Ayatollah Khomeini's dictatorship, but to a short-lived government of Shahpour Bakhtiar. The destabilization which brought Bakhtiar to power, created the conditions in which the ensuing victory of Khomeini and the seizure of the U.S. hostages, was inevitable. A similar devel-

opment occurred in the Republic of Vietnam, when the U.S. State Department arranged the killing of President Diem, such that, thereafter the Republic of Vietnam lasted not much longer than massive U.S. military intervention persisted.

"President Marcos, a World War II hero, trained in law, and dedicated to government under law, and to the elimination of conditions of semi-serfdom, can not be compared with Diem, of course," LaRouche stressed. "But, for the United States, the coup d'état against President Marcos is an example of the same lunacies which the U.S. State Department practiced earlier in Vietnam and Iran, with the difference, that this time, the strategic disaster being unleashed is far, far worse than in any earlier post-war case of State Department bungling."

LaRouche predicted that the Philippines will soon undergo the same political disintegration which occurred in Vietnam and Iran, after similar kinds of State Department interference. "The Philippines will now pass through a rapid-fire sequence of instabilities, leading to the end of the U.S. bases at Subic Bay and Clark Field," he said. "The division of the Philippines military, the break of the State Department-guided plotters with not only President Marcos, but his vast popular base, means that the Philippines' military is a temporarily still-powerful, but politically crumbling force within the nation: the new military leaders will not be trusted by the majority of the population. The way is cleared for an upsurge in destabilizations, and for rapid shifts in composition of the new 'junta' thrown together around the token figure of Mrs. Cory Aquino. It is a coalition assembled on the foundation of political quicksand."

LaRouche elaborated on this point in a Feb. 25 interview with Dale McCarren of WBBM, the CBS radio affiliate in Chicago. "We have a mess on our hands" in the Philippines, LaRouche warned. The coalition which replaced Marcos "is inherently unstable. . . . This is going to lead to a destabilization. We can't say how rapidly it will come to maturity, but we do not have a solution in the Philippines; we have a crisis. . . . Governments around the world with whom I'm in touch are expressing grave concern and horror at the role the United States played in this affair, even governments which are otherwise supporting the new government."

In his Feb. 23 statement, LaRouche stressed that, while the initial reaction within the United States will be one of apparent popular support for the U.S. government's role, that will soon change, as the ultimate outcome of the recent weeks' events becomes undeniably clear.

"The State Department's destabilization of the Philippines, means that South Korea, next on the list of targets, is probably doomed," said LaRouche. "The Soviet naval forces in the Pacific, larger than those in Europe, will dominate the Asian Rim, as the U.S. Navy is pulled back to Seattle, to all effective intents and purposes. Japan is being strategically isolated, placed under massive Soviet pressure to accept the kinds of terms which the Soviets are holding out to a prospective, post-Kohl 'grand coalition' in the Federal Republic of Germany. Not far down the road, there will be growing terror inside the U.S., as the consequences of this week's events become increasingly undeniable."

LaRouche said that although "many around the U.S. government may have acted out of simple ignorance, or out of a political opportunist's desire not to trouble their consciences by facing obvious facts," the planners of the Philippines destabilization were already preparing this military coup in the Philippines during the summer of 1985, and plotted the destabilization years earlier. "These high-level plotters, linked to the former crony of Josef Stalin, the avowed enemy of Gen. Douglas MacArthur, W. Averell Harriman, have known all along exactly what they were doing, and what the consequences would be. For these Harrimanites, and the Ramsey Clark of Iran notoriety, there is only one word which describes their actions, 'treason' in the strict language of the U.S. Constitution: aid and comfort to our avowed adversary, the Soviet Union, at the time that Moscow is occupied with a declared pre-war mobilization against the United States."

### **The role of President Reagan**

LaRouche took specific note of the role that President Reagan played in the anti-Marcos operation. "I do not know how President Ronald Reagan views his part in the developments of the recent weeks," LaRouche said. "I am certain that he abandoned the Philippines and his pledged friend, President Ferdinand Marcos, only with great personal reluctance. President Reagan is, personally, no Jimmy Carter."

But, in light of the disastrous consequences of the Phil-

ippines destabilization, said LaRouche, it is now morally necessary to take note of a deep flaw in the President's character, namely, his vulnerability to manipulation, a tendency LaRouche said he had first observed when he and Reagan shared a podium at a presidential candidates' debate during the 1980 New Hampshire primary race.

"I say this now, not to hurt President Reagan, but because it is something which must be said, for his own sake, as well as for the sake of our nation. The President has a good mind, when his thought-processes are not blocked by ideological 'glitches'; but he has a poor ability to grasp what is going on around him, as he showed during the night of that candidate's debate. He depends too much upon people around him, who perform the function of interpreting events for him. He is a likely target for a 'palace guard' sort of manipulation."

According to LaRouche, "The President's difficulty in grasping breaking developments around him, as I saw this in New Hampshire, is related functionally to grave moral lapses under intensive pressure from his 'palace guard.'" LaRouche said he had seen this personally, during the early months of 1984, when Reagan "turned against me under massive pressure directed from Moscow. We have just witnessed this again, in his vacillating behavior toward the Philippines. With strong and able advisors, Ronald Reagan could be a very strong and capable President," but "with corrupt advisors, of the sort who have largely surrounded him, he has tended to become confused to the point that moral and strategic implications of issues have become blurred in his manifest perception. . . ."

Although Reagan is "certainly not another Jimmy Carter," his administration "has been pretty thoroughly 'Carterized.'" Reagan has become "almost a captive of his 'palace guard,' and thus of the Trilateral Commission's establishment. Not only 'Carterized,' but also about to be 'Hooverized,' by his continued acceptance of the myth of a 'Reagan Economic Recovery,' during a period the U.S. federal debt is on the verge of being trebled, and the technically bankrupt U.S. banking system at the verge of a general, 1931-style collapse.

"President Reagan, essentially, has no real grasp of the present strategic situation, economically, militarily, or politically," LaRouche said. "If it were otherwise, he is a good enough man, enough of a patriot, that he would have acted differently than he has, by the succession of disasters which have followed his 1985 inauguration. He has thrown away his popular mandate, by means of which he could have controlled the Congress, and has bowed to his enemies of the liberal news-media and the Trilateral Commission, instead. He would not have capitulated so, unless he had not known the consequences of his bending to these liberals' pressures."

As a result of Reagan's capitulation, LaRouche asserted, the United States "is presently in a greater disaster than Britain's Prime Minister Neville Chamberlain brought back from his agreements with Adolf Hitler at Munich. . . . The United

States government is throwing away the strategic defenses and allies of the United States today; tomorrow, that government will submit to Soviet imperial demands, with the excuse that it is too weak to refuse. That is what President Reagan so far does not comprehend.

### LaRouche's candidacy

"If this United States, this Judeo-Christian civilization is to be saved," LaRouche stressed, "the United States desperately needs a new quality of leadership. It needs a President who is far more knowledgeable, and both more compassionate and tougher than any President of the past 20 years: a President who will not tolerate injustice against individuals or nations, and who not only lives up to his Oath to the Constitution, but knows the meaning and intent of the founding fathers in creating that Constitution.

"For that reason, and that reason alone," said LaRouche, "I am campaigning for the 1988 Democratic presidential nomination. I am campaigning, because there is no one else in sight, who has both the strength of mind and will, the knowledge, and the dedication to the Declaration of Independence and Constitution, needed to bring this looted, emiserated, and morally collapsing nation of ours out of the slime into which it is now rapidly sinking. I do not have the power to force anyone to vote for me, except the force of their own conscience, but I am the only prospective candidate in sight who might be able to still save this nation from the early doom toward which we are plummeting.

"I am campaigning now, because Washington, D.C. is an almost complete disaster. The Congress, except for a small handful of members, is a catastrophe; the Executive branch, except for a few isolated bright-spots, is a national disgrace. Farms and small and medium-sized businesses are being driven into bankruptcy. There is more hunger and related misery in the United States today, than during the Great Depression of the 1930s. We are destroying our allies and other friends abroad. We are destroying our national defense in the face of a declared pre-war mobilization by the Soviet empire. Monstrous diseases, led by the deadly AIDS, are dooming millions of our citizens to an early and horrible sort of dying. No one in Washington cares. They do not care about the injustice suffered by the weak and poor, here or abroad. They do not care whether or not we become Soviet slaves sometime soon. They simply don't care; in Washington today, there is neither truth, nor morality, nor caring.

"In the midst of the 1986 election-campaigns, some one must stand up as a national figure, to offer himself as a rallying-point around which to assemble a grass-roots movement which can force Washington to change, while there is still time to change.

"I certainly have no malice against President Reagan. He has done some very good things, but overall, his administration has been a failure. With few exceptions, I have no reason for malice against other prospective candidates for the pres-

idential nomination, but I insist we can no longer wait four years to prove what I already know, that they are not competent for the office of President under the circumstances which face us today.

"Over the coming months, probably during 1986, the bankrupt U.S. banking system will collapse. The U.S. government's desperate effort to defend the lie, that 'only homosexuals and drug-users' can be infected by AIDS, will not hold up much longer; AIDS is essentially a disease of the poor, spread most rapidly where tuberculosis and insect-bites are the thickest, and spreads from the poor to the rest of the population. Perhaps 10% of the poor in the semi-tropical 'insect-bite belt' of the United States are already infected; sampling of the population, indicates such a level. A minimum of two millions Americans are already infected. The spread of the infection is doubling within less than a year; not one is safe in the end, AIDS is more deadly than the Black Death. Probably, during 1986, most Americans will be faced with the reality, that what the State Department has done in the Philippines, is nothing less than treason. When our people recognize that we have had more than enough of the economic and strategic policies under five successive Presidents, they will demand a President different from these predecessors, a President who hates injustice against individuals and nations."

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## Treason In America

from Aaron Burr  
to Averell Harriman

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# EIR task force issues war plan against AIDS

by Vin Berg

EIR public health and medical experts called a press conference in Washington, D.C. Feb. 21 to present a 12-point "war plan" against Acquired Immune Deficiency Syndrome, AIDS, whose rapid spread is unchecked and unreported in many parts of the world—including the United States. The plan for quarantine, research, and prevention, coupled with economic reconstruction, is detailed in a new EIR special report, *An Emergency War Plan to Fight AIDS and Other Pandemics*, unveiled at the press conference by the director of the EIR Biological Holocaust Task Force, Warren Hamerman. Also on the podium were medical coordinator Dr. John Grauerholz, and public health coordinator Dr. Debra Freeman.

The new, 140-page report establishes:

1) AIDS is a tropical disease of economic breakdown, not just a disease of aberrant sex and dirty needles. The density of incidence in areas of Africa and the subtropical sections of the United States—for example, the famous case of Belle Glade, Florida—is fast reaching the point that it will sweep through the urban poor in general, and then, the population as a whole.

2) The Centers for Disease Control in Atlanta and the World Health Organization in Geneva are willfully misrepresenting both the nature and spread of AIDS—a fact related to the CDC's domination by Washington's Gramm-Rudman mentality, and the WHO's domination by Soviet health officials. The administration is unwilling to face the *economic* policy issues involved.

3) Biomedical research in the United States of the sort now required to fight AIDS was largely destroyed through the "Kissinger Protocols" on biological warfare signed with Moscow by the Nixon administration. The Soviets continued massive biological research efforts, much of it in fields clearly related to what later emerged as AIDS.

## The war plan

In its 12-point emergency war plan, the EIR task force has called upon the President to:

1) use national emergency powers to implement the following measures: 2) universal screening of the population to detect AIDS victims and carriers; 3) universal "classical" public health measures, including quarantine; 4) full state-of-the-art medical treatment for all confirmed cases of AIDS; 5) a crash biomedical research effort on the scale of the

Apollo Moonshot to find a cure for AIDS; 6) an all-out war on drugs, a primary "conveyor belt" for the AIDS virus; 7) restoration of the West's basic bio-defense system through development of a "Biological Strategic Defense Initiative"; 8) upgrading of nutritional intake around the globe; 9) worldwide mosquito and vermin eradication programs; 10) emergency upgrading of collapsed sanitation, housing, and water systems; 11) activation of the national disaster medical system; 12) U.S. withdrawal from the Soviet-dominated World Health Organization.

Task force leader Hamerman emphasized that the only alternative to this program is to watch AIDS surely kill off more victims than even an all-out nuclear war.

## The press conference

In his opening remarks, Hamerman summarized the cover-up by the CDC and WHO. Almost to underscore the charge, only one member of the Washington press corps showed up for the briefing. More than 30 diplomats and government functionaries were present, as well as public school representatives and trade-union officials. Hamerman announced that task force members would hold similar press conferences in Europe and Ibero-America. A Soviet official present walked out after a few minutes.

Dr. Grauerholz presented a review of the technologies available or soon available as an arsenal for detection and eventual cure of AIDS. The flow cytometer, now under development, uses laser beams to identify viruses. Together with another device, the flow cytometer, detection takes only minutes, making the combination ideal for mass screening.

Dr. Freeman announced the existence of a TB outbreak in Eastern Maryland, including 20% of the residents of one town. She described TB as a "marker" for immune suppression, i.e., the outbreak could be AIDS-related, as the two diseases have occurred together in areas of Belle Glade and New York City. Freeman closed by slamming the cover-up: "The fastest growing cause of infant mortality in New York City is AIDS. Does the CDC wish to assert that this proves that only homosexuals are having babies?"

## Grauerholz in New York

On Feb. 25 in New York City, the day that the head of Gov. Mario Cuomo's AIDS Task Force died of AIDS, 15 reporters attended a briefing by Dr. Grauerholz on mosquito-borne transmission of AIDS, especially in Florida. He presented proof of a link—of some form—between AIDS and insect bite, despite CDC denial.

The city's ABC 5 o'clock news that evening reported that "some groups" were charging mosquito transmission, said this was improbable—at least, in the north—then showed Grauerholz speaking, a photo of EIR founder LaRouche, and film clips of impoverished Belle Glade. Then, AIDS "expert" Mathilde Krim was trotted out to say mosquitoes couldn't possibly be involved.

# Is NASA head Graham out to destroy the Shuttle program?

by Marsha Freeman

At the same time that the nation's space agency, NASA, is trying to recover from the loss of the Space Shuttle Challenger and its crew, and its acting administrator Dr. William Graham has been charged with incompetence and "misleading" a Senate committee, the Congress has had to start the process of making major policy decisions on the future of the U.S. space program.

On Feb. 26, the Space Science and Applications subcommittee of the House Committee on Science and Technology began a set of hearings on how to assure U.S. access to space, taking into consideration the recent loss of one of the four Shuttle orbiters.

NASA had planned to launch 14 Shuttle missions during 1986, and to increase the launch rate to 24 missions per year by 1989. These projections were based on the assumption that there would be a four-orbiter fleet, that the Department of Defense would require about one-third of the Shuttle capacity, and that the other two-thirds of the payloads would be scientific and commercial missions.

Chairman Bill Nelson (D-Fla.), who has flown on the Space Shuttle himself, opened the hearing by stating that the "best thing we could do in memory of the Challenger Seven, is to do what they would want us to do: find the problem, fix it, and move on." He made clear his support for building a replacement orbiter.

In contrast, Rep. Robert Walker (R-Pa.), the ranking minority member of the subcommittee, who gets his advice from the pseudo-conservative Heritage Foundation, opted "de facto" for not replacing the orbiter. He stated that the Gramm-Rudman budget law would put "stringent budget constraints" on NASA. Perhaps we "may find a replacement orbiter from private sources," he stated.

In his testimony, NASA Acting Director William Graham astounded most when he went along with this lunatic program, which would inevitably leave NASA without the necessary funds, and said: "NASA is actively seeking proposals to provide partial commercial support for another orbiter." Graham was forced, under questioning, that this would delay the program still further. He then suggested that NASA just "work closely to integrate the private sector into NASA programs."

When this "sell off the space program to the private sector" proposal was again raised by Rep. Manuel Lujan (R-

N.M.), Undersecretary of the Air Force Edward Aldridge, who also testified, came close to losing his temper. "The issue is bigger" than the budget, he stated. "This is a national emergency. The orbiter should be paid for by the taxpayer," he insisted, as it is a national asset.

Aldridge laid out clearly in his testimony how the current hiatus in Shuttle flights will delay key Defense Department payloads, and why a decision to replace the Challenger should not be delayed.

Chester Lee, who manages the payload manifest for NASA Shuttle flights, also explained that both DOD and space station launch requirements have increased since NASA planned out its 24-launch 1989 schedule. "By 1990, 24 flights per year won't be enough," he stated. "There is already a backlog of secondary payloads."

Graham was attacked by congressmen who are obviously stronger Shuttle supporters than he is. Rep. Torricelli (D-N.J.) who has introduced legislation to provide NASA with a \$400 million supplemental budget increase this year to begin construction of a fourth orbiter, found Graham's lack of enthusiasm for building a replacement orbiter puzzling, and said that he agreed with Aldridge "that we have no choice. This is an emergency supplemental request. We cannot meet our other commitments without a full fleet. National commitments are in real jeopardy."

Rep. Norm Mineta (D-Calif.) was also somewhat incredulous at Graham's written testimony, which stated that the nation needs an "adequately-sized Shuttle" fleet, but did not put NASA on record requesting a new, fourth orbiter. He chided Graham, asking if his written testimony had been cleared by the Office of Management and Budget, while his verbal answers were just "his opinion."

## What are the options?

The clearest statement of the options was laid out by Secretary Aldridge. If the orbiter fleet is down for a year, he stated, 10 DOD payloads would be backlogged. Only two of the three remaining orbiters, Discovery and Atlantis, are capable of flying heavier defense payloads.

With a fleet of only three orbiters, the DOD backlog would grow by six per year, in addition to increasing backlogs of civilian missions, Aldridge explained. Though the DOD is implementing a program of reinstating the produc-

tion and use of expendable launch vehicles (ELVs), these unmanned rockets will not be available in quantity for at least two and a half years. They cannot be used for either man-dependent tests for the Strategic Defense Initiative, or extremely heavy military spacecraft.

Aldridge stated that there are three possible approaches that could be taken. In the first, the DOD would exercise its legal right to "bump" all other payloads and use all three orbiters for military missions. He stated categorically that this option would not be in the national interest.

The second option would be to "off-load" the maximum number of DOD payloads to expendable rockets. This would increase launch costs and delays, since each spacecraft would have to be modified. "The obvious choice is to attempt a more balanced approach," he suggested.

"Based on our preliminary assessment, we can remove a few DOD payloads from the STS [Shuttle] manifest in the future to help NASA maintain a viable civil, foreign, and commercial launch capacity and yet fully meet DOD launch demands," he stated. This will require increasing the number and launch rate of the ELVs now planned, and the "DOD would strongly encourage the procurement of a replacement orbiter now to regain the fleet launch capacity."

## What went wrong?

by Carol White

By the time that this issue goes to press it is more than likely that William Graham will have been replaced as Acting Director of NASA. We can heartily endorse the remarks of James Fletcher in an interview to the *Houston Post*, where he pointed to Graham's manifest incompetence.

It is impossible to say that the Shuttle accident of the Jan. 28 would not have occurred had James Beggs remained in charge, but it is manifestly the case that with Graham in command, a disaster at some point was a foregone conclusion. Unhappily, James Beggs has now resigned from his post. He has had an outstanding record with NASA, as had the agency before this accident.

Clearly it is overdue that Graham is fired from NASA, but that is not the real point. The question is how he came to occupy a position for which he was obviously unfit. It is well known that his appointment was opposed within NASA over a period of more than six months, and that it was finally forced upon the agency against its best judgement, by members of the White House "palace guard."

It was clear that the man lacked the personal and professional qualities necessary to replace Dr. Hans Mark as second-in-command. What makes the handling of the Graham case doubly suspicious is the fact that only 10 days after he assumed his post as second-in-command, James Beggs came under indictment for what are clearly trumped up charges

having to do with his previous employment in the General Dynamics Convair division.

As of this writing, it is clear that there was knowledgeable opposition to carrying through the flight under conditions of unexpected, extreme cold. Regardless of the failure of this information to reach the top of NASA—a serious breach occurred in NASA procedures, which require that all such objections be reported directly to the top—this does not let Graham off the hook.

The fact is that Graham had gone down to Cape Canaveral on the Saturday preceding the planned Sunday launch, only to postpone that flight over objections. His presence was so abrasive, and confidence in his judgement was so minimal, that rumor had it then that he was mainly concerned about interfering with the Superbowl schedule. After leaving on Saturday, to the best of our information, he no longer concerned himself in the decision making over whether or not to fly the shuttle, despite the fact that weather conditions were deteriorating.

If James Beggs (who was always on-site or represented by his deputy at the final review before each Shuttle launch) had remained in command, there is every likelihood that the accident would not have occurred. He would have had the experience and judgment to reject flying in cold-weather conditions for which Shuttle safety had not been thoroughly tested. He would have had the confidence and moral authority to reject any extraneous public-relations considerations. Furthermore he had the confidence of his staff and associates: Questions would have automatically been referred to him for judgment.

It is well known, that Graham has alienated the people at NASA by his general mismanagement of the agency, combined with his abusive conduct toward the staff. It was generally rumored that he had been brought in to clear out the NASA "old boys." An organization such as NASA is like a military unit. It depends upon the high morale of its troops for that edge in performance which up to now has guaranteed its excellent record.

If the tragic accident of Jan. 28 had not occurred, we can be assured that the substitution of Graham for Beggs, could only have more slowly resulted in the erosion of NASA's performance, particularly as he continued to drive out qualified top staff, such as Beggs' assistant Culbertson, whom Graham "relieved of his responsibilities" as general manager in February.

A lot of time is being spent trying to assess the chain of responsibility for the disaster. More to the point would be an investigation of the chain of responsibility, through the White House patronage machine, which forced the placement of William Graham in Hans Mark's job, and then perhaps, was complicit in clearing the way for him to assume James Beggs' responsibilities. Graham bears responsibility in the deaths of the Challenger crew and the destruction of one-fourth of the United States' Shuttle fleet, but the final responsibility lies elsewhere.

# The Gramm-Rudman travesty goes to the Supreme Court

by Sanford Roberts

On April 23, 1986, the United States Supreme Court will hear oral argument in the consolidated cases brought by Rep. Mike Synar (D-Okla.) and a dozen of his colleagues and by the National Treasury Employees Union (NTEU) which challenge the constitutionality of the Gramm-Rudman Act. This infamous law, passed in December of last year, prescribes a six-year plan for reducing the federal deficit to zero by fiscal year 1991 through a series of targeted reductions in government spending. If the deficit target for any given fiscal year is not met by the Congress, Gramm-Rudman transfers the power to cut the budget to a bureaucratic triumvirate composed of the Director of the Office of Management and Budget (OMB), the Director of Congressional Budget Office (CBO), and the Comptroller General.

Earlier this month, a special three judge panel overturned Gramm-Rudman because the legislation violated the constitutional principle of separation of powers. While the three judge panel, U.S. Circuit Court Judge Antonin Scalia and two U.S. District Court judges, Oliver Gasch and Norma Holloway Johnson, repudiated the budget-cutting statute, the reasoning behind the decision misdirects the essential political and constitutional issues involved. The panel stayed its own order pending appellate review by the Supreme Court.

The Synar/NTEU plaintiffs attacked Gramm-Rudman on two basic constitutional points. First, the plaintiffs argued that the legislation impermissibly delegates away power which, under the constitution, the Congress is obliged to retain and exercise. This delegation argument is rooted in an 1825 decision by the great federalist Chief Justice John Marshall. In the case of *Wayman v. Southard*, Marshall declared that certain "core functions" which the Constitution gives to Congress could not be delegated to some other agency to perform. The delegation argument was adopted in 1935 by the Supreme Court when it invalidated a key section of the National Industrial Recovery Act (NRA), a decision which sparked the famous confrontation between the Court and President Franklin Roosevelt.

There is no question that the power to appropriate money is one of the central powers of Congress. In fact, the *Federalist Papers*, known for two centuries as one of the most authoritative sources of constitutional law, specifically identifies the legislative branch with "the power of the purse," i.e., the ultimate power of Congress is the power to raise and spend money.

Lois Williams, the lawyer for NTEU, called the Gramm-Rudman Act a "patent abdication of congressional duty" when she argued the delegation issue before the three-judge panel on January 10, 1986. The attorney for the Synar plaintiffs, Alan Morrison, put it more eloquently. "Never before in our history," asserted Mr. Morrison, "has Congress said that it will not make the decisions that it is supposed to make and put the budget on automatic pilot. This is not what the Founding Fathers had in mind."

The second argument advanced by the plaintiffs concerned the so-called automatic pilot mechanism. Even if Gramm-Rudman's delegation of power was constitutionally appropriate, the OMB-CBO-Comptroller triumvirate could not exercise the delegated power because they represented an unconstitutional mixture of executive and legislative functions. Under Gramm-Rudman, the proposed cuts are initially prepared by the CBO, a legislative agency, and OMB, an office of the executive branch. Any discrepancy between the two sets of figures is resolved by the Comptroller General, who directs the President to issue "sequestration" orders which impound funds already appropriated by Congress. The challengers before the three judges contended that the Comptroller General was a legislative officer performing executive functions under the statute.

One of the ironies of the Synar case was the role of the Justice Department, the erstwhile defenders of the law. The DOJ simultaneously defended the statute against the constitutional attacks of the plaintiffs and advanced its own argument that the law was unconstitutional. Justice offered a variation on the anti-Comptroller argument. The role of the

Comptroller, according to the DOJ's Richard Willard, is constitutionally infirm because he was permitted to exercise executive power superior to the President. The Comptroller, under constitutional attack from all sides, added his own irony to the proceedings by hiring Lloyd Cutler to argue his case before the tribunal. Cutler is a sworn enemy of the U.S. Constitution who has proposed to scrap our nation's most cherished document in favor of the British parliamentary model.

### **Judge Scalia, Humphrey's Executor, and Alexander Hamilton**

On Feb. 7, the court handed down their decision. The opinion was signed by all three judges, but all observers agree it is the work of Scalia, a Reagan appointee who is frequently mentioned as a candidate for nomination to the U.S. Supreme Court whenever the next vacancy occurs. The Circuit judge is a University of Chicago specialist in the area of administrative law. He was brought by the Reagan administration from Chicago to the D.C. Circuit Court of Appeals, the court which oversees most litigation involving agencies of the federal government, for the purpose of completely changing the administrative agenda. His Synar decision is a giant step in that direction.

The ruling of the panel, i.e., Scalia, emphatically rejected the plaintiff's delegation arguments, but invalidated the statute because the Comptroller General, an official subject to removal by the Congress and therefore considered to be a legislative functionary, performed executive functions within the Gramm-Rudman schema. Beyond the immediate question of the Comptroller, the Scalia opinion called into question the entire constitutional underpinning of the administrative or so-called fourth branch of government, the collection of federal agencies who inhabit a nether world of quasi-legislative, quasi-judicial, and/or quasi-executive powers, and defy categorization within any of the three branches established by the U.S. Constitution. He did this by attacking the continued precedential value of a 1935 Supreme Court ruling in the case of *Humphrey's Executor v. United States*; the case which gave the Court's constitutional blessing to the existence of independent regulatory agencies.

Fifty years ago, the Humphrey's Executor Court decided that these independent regulatory agencies were not part of the executive branch and, as such, did not serve at the pleasure of the President. On Feb. 7, 1986, Judge Scalia consigned Humphrey's Executor to the dustbin of history. "Justice Sutherland's decision in *Humphrey's Executor*," declared the Synar panel, "is stamped with some of the political science preconceptions characteristic of its era and not of the present day—if not stamped as well, as President Roosevelt thought, with hostility towards the architect of the New Deal. It is not as obvious today as it seemed in the 1930s that there can be such things as genuinely 'independent' regulatory agencies, bodies of impartial experts whose independence

from the President does not entail correspondingly greater dependence upon the committees of Congress to which they are then immediately accountable; or, indeed, that the decisions of such agencies so clearly involve scientific judgment rather than political choice that it is even theoretically desirable to insulate them from the democratic process."

While those who believe in constitutional orthodoxy and republican government might applaud these sentiments, a strong caveat is in order. Scalia and his co-thinkers in the administration are ardent proponents of deregulation. The purpose of their attack upon Humphrey's Executor is not a desire to make regulatory agencies more responsive to an elected Chief Executive, but to eliminate, or at least emasculate, the regulatory powers of these agencies. Scalia & Co. are fundamentally Jeffersonians who view the Constitution as a prescription for limited government.

However, the basic political and constitutional question at issue in Gramm-Rudman is not the existence of regulatory

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*The attorney for the Synar plaintiffs, Alan Morrison, put it most eloquently. "Never before in our history," asserted Mr. Morrison, "has Congress said that it will not make the decisions that it is supposed to make and put the budget on automatic pilot. This is not what the Founding Fathers had in mind."*

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agencies, but the power and responsibility of Congress. Under Article I, Section 8 of the Constitution, Congress is entrusted with power to "provide for the General Welfare and Common Defense," "regulate commerce among the several states" and other plenipotentiary powers. These powers were, in effect, a mandate from the Founding Fathers to successive generations of congressmen to develop the United States as a commercial and industrial republic, a vision of this nation espoused by Alexander Hamilton, and not by Thomas Jefferson or his latter-day admirers.

The Scalia opinion is a jesuitical attempt to transform the Gramm-Rudman debate, shifting the focus away from the responsibility of Congress and toward the political agenda proposed by the deregulators. The basic flaw in the Scalia analysis of Gramm-Rudman is contained in the concluding paragraph of his opinion. "We observe, moreover, that although we have rejected the argument based upon the doctrine of unconstitutional delegation, the more technical sep-

aration-of-powers requirements we have relied upon may serve to further the policy of that doctrine more effectively than the doctrine itself. Unconstitutional delegation has been invoked by the federal courts to invalidate legislation only twice in almost 200 years, and the possibility of such invalidation, at least in modern times, is not a credible deterrent against the human propensity to leave difficult questions to somebody else. The instances are probably innumerable, however, in which Congress has chosen to decide a difficult issue itself because of its reluctance to leave the decision—as our holding today reaffirms it must—to an officer within the control of the executive branch.”

Contrary to the logic of Scalia, the inspiration for Gramm-Rudman was not congressional fear of executive usurpation. If this were true, the legislation would never have been passed in the first place since Congress would simply have cut the budget on their own without any executive interference whatsoever. The real fear motivating congressmen who voted aye on Gramm-Rudman concerns their constituencies who, by and large, do not accept the balanced budget propaganda and will quickly remove from office any congressmen, regardless of the purity of his Jeffersonian principles, who votes for cuts rather than proposes and passes real solutions to the economic problems underlying this entire debate. Gramm-Rudman is an escape hatch for pusillanimous legislators. The actual decision to make budget cuts (and more significantly, the blame for these cuts) is pawned off on a troika of bureaucrats who do not have to face the electorate and answer for their actions.

The fallacy of Scalia's assertion that Gramm-Rudman was motivated by traditional legislative apprehension regarding an overreaching executive was made clear before the ink was dry on his opinion. On the same day the three judge panel delivered its ruling, the press corps picked up rumors that key Republican senators, including Majority Leader Robert Dole (Kan.), Budget Committee Chairman Peter Domenici (N.M.), and Phil Gramm (Tex.), would remedy the statute by passing legislation making the Comptroller General an executive officer. These senators obviously displayed no “reluctance” whatsoever to “leave the decision [to meat-axe the budget] to an officer within the control of the executive branch.”

### **The challenge to the fallback provision**

Beside Synar and NTEU, there were several other unions which filed suit against Gramm-Rudman within a month after the passage of the law. For most of these actions, the Synar decision is dispositive of the issues raised. However, an action filed by the American Federation of Government Employees (AFGE) on Jan. 17 promises to add a new dimension to the present legal challenges.

All of the pending cases, Synar and NTEU included, concede the constitutionality of the “fallback” (another word in the Gramm-Rudman vocabulary) mechanism. The fallback mechanism provides that if a court declares the the

CBO-OMB-Comptroller schema to be unconstitutional, another provision would become operant. Rather than employing the Comptroller as the arbiter between the CBO and OMB reports, these reports would be submitted to Congress who could only vote the reports up or down in the form of a joint resolution. If the U.S. Supreme Court simply affirmed the decision of the Synar panel, the fallback provision would become the law of the land.

The AFGE action calls the fallback provision a “sham” and seeks a declaration from the court that the provision is unconstitutional. In a memorandum submitted with their original pleadings, AFGE contends “[t]he fallback provision does not cure the constitutional infirmity for the very reason that Congress's role is still denigrated to that of adopting *in toto* the report on the budget. As previously explained, under [Gramm-Rudman], Congress cannot amend the Joint Resolution. Its role is to set forth the report of the Directors in a Joint Resolution and then upon adoption, submit it to the President. The mere process of setting forth the report in a Joint Resolution does not result in making the Act constitutional. This is simply window dressing.”

Interestingly, the AFGE memorandum relies upon the same 1983 landmark Supreme Court decision, *INS v. Chadha*, which Judge Scalia used to support his opinion. The Chadha case invalidated the use of the legislative veto because it violated the strict requirements of Article I, Section 7 of the Constitution. This section specifies that legislation is passed by the bicameral enactment of Congress and signed into law by the Chief Executive, and no other process is constitutionally viable, except that Congress by a two-thirds majority vote can override the veto power of the President. As the Court stated in *Chadha*, the process may be time-consuming and cumbersome, but it is meant to be “step by step, deliberate, and deliberative.”

While Scalia cites *Chadha* as evidence for his view that a strict constructionist Supreme Court should rule the administrative branch constitutionally out of existence, AFGE uses the *Chadha* case to demonstrate that the fallback provision prescribes a sham legislative process. Their memorandum claims “[t]he substance of the [fallback] provision is purely ministerial and an absolute denial of the full legislative process necessary for a valid exercise of legislative power. It denies to the American public the opportunity to express their opinions through the Congressional hearing process or through Congressional amendment on the floor at the time the matter is considered. It is a means whereby Congress evades the strictures of the Constitution and enacts Executive proposals into law by rote.”

The same panel which decided Synar will hear the AFGE case on March 19. The key question is not what the panel's decision will be, but whether the three judges will rule soon enough for the losing side to file an expedited appeal in time for inclusion in the April 23 hearing on the Synar/NTEU cases. If not, the AFGE appeal could delay the ultimate ruling by the Supreme Court beyond the targeted July decision date.

# Webster Tarpley: a challenge to D'Amato

by Marla Minnicino

"He's the guy who voted to kill you," says LaRouche Democrat Webster G. Tarpley of his Republican opponent, incumbent Sen. Alfonse D'Amato. First-term Senator D'Amato "has brought his own political career to an abrupt end by voting for the Gramm-Rudman law, one of the most infamous pieces of legislation in the history of the United States and an act of high treason against the Constitution," Tarpley told *EIR*.

Declaring his campaign for D'Amato's seat at an Albany press conference on Feb. 10, Tarpley stated: "Every legislator who voted for Gramm-Rudman deserves to be voted out of office. . . . I am here to make sure that happens to Senator D'Amato." Gramm-Rudman is a "death warrant for the United States," said Tarpley. "It is an act of unspeakable, cynical cruelty" which will wipe out about one-fourth of the education, health, transportation, and other infrastructural programs that are still functioning."

"City residents, the black community, farmers and the rural poor, unemployed and welfare recipients, children and the elderly, will be deprived of schools, health care, and mass transit." In many cases, they will be "deprived of life itself," Tarpley told reporters in Buffalo, Binghamton, and Syracuse during a recent campaign tour. "Make no mistake: the Gramm-Rudman law will kill our citizens, unless it is struck down or repealed—it will kill them by the hundreds of thousands, and then by the millions, starting in the central cities of New York."

Senator D'Amato's Gramm-Rudman law means cuts in defense in FY87 that will amount to \$60 billion—about one-fifth of the entire defense budget," Tarpley pointed out. "This comes at a time when 'Czar Michael' Gorbachov, and his clique of militarists are gearing up the Soviet economy in an all-out economic mobilization for war," said Tarpley, an expert on Soviet military and strategic policy.

Though D'Amato supported defense measures such as the SDI and the MX missile in the past, his vote for Gramm-Rudman will make U.S. treaty obligations, its alliances, its foreign garrisons, and its naval presence a dead letter. "If this does not constitute giving aid and comfort to the enemy, then what does?" asked Tarpley.

At a recent Republican Party dinner in Rochester, D'Amato defended his vote, saying that Democrat Edward M. Kennedy also backed the bill. D'Amato said that people who warn of Gramm-Rudman's "dire consequences" are using the "rhetoric of demagoguery. . . . It has to be a shared kind of sacrifice."

A D'Amato spokesman said, "He'll run on the same platform that got him where he is today," i.e., popular slogans and promises, couching budget-cutting austerity.

The Harriman wing of the Democratic Party is still scrounging around for a candidate to oppose D'Amato. First, Brooklyn District Attorney Elizabeth Holtzman, and then former congresswoman and vice-presidential candidate Geraldine Ferraro dropped out of the race. Now, former "Nader's Raider" Mark Green—who some Democrats believe is too liberal for even a New York electorate—says he will enter the race regardless of whether he gets the party's backing. Green has a committee of 10 Wall Street lawyers, headed by an executive of First Boston Corp., soliciting donations. Green's backers include former Congressman Richard "Right to Die" Ottinger, and '60s folksingers Peter, Paul, and Mary.

Also contemplating a run for the seat is Franklin Havlicek, former deputy counsel to Mayor Koch and lately director of labor relations for NBC. Havlicek also has Wall Street backers, but otherwise is a virtual unknown.

Democratic Party officials are now courting calypso singer Harry Belafonte, whom Governor Cuomo called a "formidable combination of artistic talent and intelligence of substance and scintillation." Belafonte calls himself a "progressive black artist."

Meanwhile, LaRouche Democrat Tarpley is already attracting considerable interest from traditional Democrats and other patriotic forces in the state. They have found him to be a highly qualified international leader, who is committed to reversing not only the economic catastrophe of the Carter-Reagan era, but the foreign policy disasters of the Eastern Establishment.

Tarpley, a historian and political consultant fluent in five languages, was the foreign policy advisor to the National Democratic Policy Committee, a political action committee created in 1980 to oppose the Carter-Mondale takeover of the Democratic Party. He co-authored the book-length *EIR* special report, *Global Showdown: The Russian Imperial War Plan for 1988*, and a landmark study of international terrorism, *Who Killed Aldo Moro?*

When asked by reporters if he will approach New York State Democratic Party officials for their endorsement, Tarpley replied: "I don't want their endorsement. . . . It would be the kiss of death. . . . My candidacy is flanked by NDPC senatorial campaigns in 15 states, and in hundreds of congressional districts throughout the country," Tarpley added: "My vote in the Senate will be worth more to the people of New York because of this candidates' movement. We intend to clean the traitors out of Congress in 1986."

## Denton blasts Senate vote on Philippines

Senator Jeremiah Denton (R-Ala.) possesses a rare quality for a U.S. senator—he has the ability to stand alone. After all, he survived many years in solitary confinement in a North Vietnamese prisoner-of-war camp. Surviving in the Senate may prove more difficult.

On Feb. 26, he was the only senator who did not disgrace himself by voting for a resolution praising the process by which Corazon Aquino took power in the Philippines.

In his remarks the following day on the Senate floor, Denton gave two reasons for his vote: "I do not believe . . . that we have seen enough yet to conclude that what has and will take place in the Philippines has or will necessarily justify the faith of the Filipino people in democracy, as the resolution stated. The process by which their legal President was forced to resign and flee the country, the process by which the new President came to power, bore no resemblance to any democratic process that I am familiar with. I cannot image such a process taking place in any genuinely democratic nation, including the United States, and God forbid that it shall."

Denton also decried the method by which the resolution was brought to the Senate floor, noting that he was given only minutes to digest a detailed resolution concerning foreign policy and to pass judgment on it.

Denton then made a truly radical suggestion in view of the present climate of the Congress. Senators must "deliberate" if they are to carry out their responsibility to provide "advice and consent" to the President. Instead, he warned that the last four Presidents have been undermined by the "tenden-

cy of Congress, led by a powerful liberal media, to seize the initiative in an untimely manner to 'devise and dissent.'"

As if to prove Denton's point, House Speaker Tip O'Neill (D-Mass.) announced on Feb. 28, that he will invite Corazon Aquino to address a joint session of Congress. Rep. Stephen Solarz (D-N.Y.), one of the top agents of the conspiracy to oust President Marcos, is traveling to Manila on March 3 to hand deliver the invitation. Solarz said that Aquino's personal appearance before the Congress would be important to insure passage of additional aid for the Philippines.

## House would ban nuclear testing

By a vote of 268 to 148, the House of Representatives passed House Joint Resolution 3, urging the President to immediately resume negotiations with the U.S.S.R. for a comprehensive ban on nuclear testing. While the resolution is non-binding, it will give both the Congress and the Soviet Union another weapon in the propaganda wars against the U.S. strategic arsenal. Soviet General Secretary Gorbachov recently tied the timing of the next U.S.-Soviet summit meeting to progress on the test-ban treaty. Opponents of the resolution, such as Rep. Robert Walker (R-Pa.), challenged its supporters to show how their proposal was different from the Soviets'.

Were the resolution to be implemented by the President, it would bring to a standstill efforts to develop any kind of nuclear-based driver for the Strategic Defense Initiative, a technology associated particularly with the x-ray laser.

The administration tried to head off HJR 3 with an amendment offered by Rep. Henry Hyde (R-Ill.). The Hyde amendment urged resumption of the test-ban talks, only after completion of negotiations on arms reductions. Singling out one of the major complaints of the Reagan administration, that there is no way to ensure Soviet compliance, the resolution also called for efforts to improve verification measures. The Hyde amendment lost by a vote of 158 to 258.

## Of strange bedfellows

Senator Edward Kennedy (D-Mass.) issued the following statement in praise of President Reagan's handling of the Philippines crisis: "The President deserves credit for his recent and decisive action in a new direction. He reversed a failing policy. He discarded his own preconceptions and he acted on the basis of reality, not right-wing assumptions."

For those not familiar with congressional jargon, it should be explained that right-wing assumptions in this case means being loyal to and defending U.S. allies. Certainly from Kennedy's point of view, after his recent service as errand boy for Soviet leader Mikhail Gorbachov, such an attitude might be considered "right-wing."

## Melcher proposes emergency farm credit

Senator John Melcher (D-Mont.) introduced S. 2116, the Federal Reserve Credit for Agricultural Purposes Act, on Feb. 27. The legislation represents

a significant break from previous farm legislation, in that it seeks to force the Federal Reserve Board to open up its discount window and issue \$36 billion in credit to the agriculture sector, at 8-9% interest rates—significantly below market rates of 13-14%.

Melcher said: "My bill directs the 12 Federal Reserve banks, under supervision of the Federal Reserve Board, to provide commercial banks, production credit associations, and the Farmers Home Administration at least \$36 billion in agricultural loans over the next 36 months at the Fed's discount rate, which is currently 7.5%. The banks and PCAs will have to add 1-1.5% to that and the Farmers Home Administration a slight amount."

Melcher points out that the Federal Reserve System has the authority to meet this kind of emergency and provide needed credit through its discount window at below market rates. While he does not refer to the World War II experience, during which Franklin Roosevelt took over and used the Fed in just such a way, *EIR* founding editor Lyndon H. LaRouche has made that occasion a well-known example.

Melcher and his co-sponsors, Quentin Burdick (D-N.D.) and Wendell Ford (D-Ky.), point out that the lack of cheap credit will mean a food disaster in the United States. Burdick said, "I hear from farmers in my State who do not have enough money to put their crops in this spring. They cannot get the money." Burdick added that the revision of the Farm Credit System, which the Congress passed last year, shored up the system, but little assistance trickled down to the farmers.

In related developments, the Congress is engaged in partisan maneuvering to ameliorate the impact of the

1985 farm bill and the Gramm-Rudman act. House Majority Whip Bill Alexander (D-Ark.) detailed the two factors which will hit farm income. First, the farm bill contains a new formula for calculating farm yield, which reduces yield by 10 to 20 bushels per acre. Some have lost as much as 45 bushels. This yield reduction means a loss in deficiency payments and a reduction in farm income. Second, under Gramm-Rudman, the Department of Agriculture will reduce loan payments and deficiency payments to farmers by 4.3% for the 1986 crop year.

Republicans, representing dairy interests, have responded by proposing an increase in the production tax paid by every dairy farmer, instead of a drop in the level of price supports. Despite efforts to pass that legislation by March 1, when the Gramm-Rudman bill forces the price support cut, partisan maneuvering in the Congress has stalled the effort.

### **Jack Chump fumbles again**

The good news is that Rep. Jack Kemp (R-N.Y.) has attacked the administration for its appointment of William H. Draper III to head the United Nations Development Program. The bad news, is that, as usual, it is for the wrong reasons. Kemp attacks Draper because Draper is a George Bush supporter and because, in his capacity as chairman of the Export-Import Bank, he approved export loans to the pro-Marxist government of Angola.

It does not seem to bother Kemp that Draper represents an unbroken family tradition to Malthusianism and global genocide. Draper's father was

an activist in the Harriman-family-funded eugenics movement and a participant in the notorious 1932 New York City Eugenics Conference, which featured speakers who were later to write the Nazi race laws. Draper himself has remained active in the latter-day versions of the same policy, under the guise of calls for "population control" and "appropriate, or labor-intensive technology" for the developing sector. Draper worked hard to destroy the Eximbank as an agency for capital-intensive development.

It is understandable that Kemp would miss these crucial points in Draper's outlook, since his own proposals for Free Enterprise Zones in America's inner cities are the domestic equivalent of the "appropriate technologies" policies for the Third World.

### **House Dems move to cut off aid to Savimbi**

The eight Democratic members of the House Permanent Select Committee on Intelligence introduced a bill on Feb. 27 to stop the Reagan administration's efforts to covertly aid the military effort of Angolan rebel-leader Jonas Savimbi.

Authored by Rep. Lee Hamilton (D-Ind.), committee chairman, the bill would allow aid to Savimbi's forces "only if the provision of that support is the openly acknowledged policy of the United States" and is approved by a joint resolution of Congress. The administration is seeking \$10-15 million in covert aid to Savimbi's UNITA forces.

The Hamilton bill is the first shot in what is expected to be a Democratic effort to gain control of the aid flow and force it into the open, or to kill it altogether.

# National News

## 'Gay rights' fund to target congressmen

The Human Rights Campaign Fund, a homosexuals' fundraising organization, plans to give \$250,000 to candidates favoring the "civil rights" of AIDS victims, and to mount a drive to unseat politicians who favor public health measures to deal with the threat of an AIDS epidemic, such as California Reps. William Dannemeyer (R) and Robert Dornan (R).

Among those to be aided by the HRCF are Sen. Lowell Weicker (R-Conn.) and the following Democratic congressmen: Henry Waxman (Calif.), Ted Weiss (N.Y.), and William Natcher (Ky.).

Dannemeyer has introduced legislation mandating public health measures to curb the spread of AIDS. Dannemeyer has dropped out of the race for U.S. Senate due to fundraising problems that he says are unrelated to his AIDS stance, but his opponents, including "gay-basher" Ed Davis, dispute this. A Davis spokesman said: "You can't win a campaign based on fear . . . of AIDS."

## Meese denies role in Graham appointment

Attorney-General Edwin Meese denied having played any role in the appointment of NASA Acting Director William Graham, who is under heavy criticism for incompetence in his handling of the Space Shuttle program.

During an appearance at National Press Club on Feb. 25, Meese was asked: "It is widely rumored in NASA circles that you are the political godfather of acting NASA Director Graham. Yet James Beggs, the indicted NASA director, said he would resign only if Graham, whom he considers unqualified, didn't get the job. Now the question is, would you please comment on Graham's qualifications for the NASA post? Do you believe he should remain on the job, and have you discussed the subject with the White House?"

Meese replied: "First of all, I had nothing to do with any of the people being appointed to or being suggested for those jobs, either Mr. Beggs or Mr. Graham. I have had nothing to do with any—any contact whatsoever with the White House with regard to Mr. Graham, so I would be totally unable to answer the question other than to say that it is not something in which I have been involved."

## Ferraro's son busted for cocaine deals

John Zaccaro, Jr., son of 1984 Democratic vice-presidential candidate Geraldine Ferraro, was arrested Feb. 22 on charges of possession of cocaine with intent to sell. The bust came in Middlebury, Vermont where he attends school. Students at the college call John Jr. "The Pharmacist," and say he returned to campus an established dealer after taking a year off from school, ostensibly to campaign for Gerry. The campus comment on Zaccaro's arrest: "My Mom likes Pepsi, but I like Coke."

Scandal is no stranger to the Zaccaro-Ferraro household. During the presidential campaign, it was revealed that hubby John's "real estate business" included management of slum properties and the warehouse of the largest distributor of child pornography on the East Coast.

## U.S. extradites alleged Nazi criminal

The U.S. Supreme Court refused on Feb. 24 to block the extradition to Israel of John Demjanjuk, a retired Cleveland auto worker targeted by the Office of Special Investigations (OSI) as a Nazi war criminal. Demjanjuk is the first U.S. citizen to be extradited for war crimes, and will go on public trial in Israel—the first person to do so since Adolf Eichmann's trial 25 years ago.

Demjanjuk is accused of being a guard and gas chamber operator at Treblinka, Poland, where 900,000 Jews were executed

during World War II.

Intelligence analysts believe that the OSI's case is based on fraudulent evidence, supplied by tainted sources in the Soviet Union and Israel. The intent of the extradition is to rev up psychosis in Israel, around the memory of the Holocaust, thereby feeding the political power play of Ariel Sharon.

The Office of Special Investigations is notorious for its politically motivated "anti-Nazi" witchhunts, based on "information" provided by KGB sources.

## Administration reports on anti-drug efforts

The U.S. State Department released its annual report on the narcotics trade on Feb. 21. It criticizes Mexico and Bolivia, while praising the anti-drug efforts of Peru and Colombia.

In Mexico, the report says, the "combined efforts" of expanded drug production and corruption among anti-drug officials, has led to a "lack of results." Bolivia, the State Department claims, has not taken sufficient steps and remains a major producer of cocaine, in "unacceptably high" amounts. The report does not mention the aversive effect on Bolivia's anti-drug fight of economic pressures on former President Hernán Siles Zuazo, from the side of the State Department and the International Monetary Fund.

Colombia is praised in the report for its eradication efforts, especially the use of herbicides which was implemented in 1985. The study also applauds Peru's determination to overcome the problems it confronts in the war on drugs.

U.S. policy in 1986 is to emphasize "unification of international efforts," the State Department concludes.

Meanwhile, U.S. Attorney-General Edwin Meese told the National Governors' Association on Feb. 25 that the U.S. state and federal anti-drug effort in 1985 was quite successful. But others are not so sure: Rep. William Hughes (D-N.J.) accused the federal government of spending less money to combat drug trafficking than in any recent year. Rep. Charles Rangel (D-N.Y.) attacked the federal government for not pro-

viding enough funds for anti-drug education. He said that stopping the flow of illegal drugs is impossible, and that efforts should instead concentrate on preventing drug abuse, while letting the country drown in dope.

## Pilots' union votes no confidence on safety

The union representing 6,000 United Airlines pilots passed a resolution on Feb. 21 expressing "no confidence" in the management of United Airlines and questioning the airline's safety.

The resolution was announced on Feb. 25 by Roger Hall, chairman of the United Airlines master executive council of the Air Line Pilots' Association. "This unprecedented action was brought about by the pilots' concern over the reduced standards of safety since the airlines were deregulated in 1978," said Hall.

United, the resolution says, "historically a leader in air safety, apparently has now adopted a policy of merely meeting the minimum standards as set by the Federal Aviation Administration regulations." Hall said that United has recently petitioned the FAA to further reduce certain minimum standards. Hall also said the union will start its own concentrated safety program.

"Safety standards should be raised, not lowered. This is an absolute necessity to insure the safety of the traveling public," he stated.

## Defense 'experts' propose more cuts

A group of defense "experts" calling themselves the Committee for National Security is proposing to cut the defense budget by \$200 billion in five years, by eliminating "duplicate or unnecessary weapons systems."

The committee includes Lawrence Korb, former assistant defense secretary during the Reagan administration, and Paul Warnke,

the ultra-liberal foe of the Strategic Defense Initiative (SDI) who served as arms negotiator during the Carter administration. They call on the Pentagon to cancel the following weapons systems: the Advanced Tactical Fighter, JVX Tilt-Rotor Aircraft, the Trident 2 missile, and the Stealth Bomber. The Navy would also have to reduce its carrier battle groups from 15 to 12, and funding for the SDI would have to be reduced to \$2 billion—less even than the current \$2.75 billion.

Dubbed the "Preferred Force" budget, the plan would keep defense spending at FY-86 levels for five years, allowing increases only to keep up with inflation.

## Tuberculosis outbreak in eastern Maryland

Dr. Debra Hanania Freeman, a member of EIR's Biological Holocaust Task Force, presented first-hand evidence of a tuberculosis outbreak in Maryland's Eastern Shore, at a press conference in Washington, D.C. Feb. 21. Dr. Freeman is a public health specialist and a candidate for U.S. Senate in Maryland.

The worst TB outbreak in 30 years has occurred in the Eastern Shore, she said. Twenty percent of the residents of Kent Narrows, a seafood industry town, have tested positive. Three residents have died.

The situation could fast become a new "Belle Glade," Dr. Freeman warned. Belle Glade, Florida, has the highest known per-capita incidence of AIDS in the world, and many of the AIDS patients there do not come from any high-risk groups such as homosexuals, drug addicts, or hemophiliacs. AIDS in Belle Glade is correlated with a high incidence of tuberculosis.

Evidence from Belle Glade of a link between the extreme poverty of the town and other environmental factors, and the disease outbreak, has been suppressed by the Atlanta Centers for Disease Control (CDC).

Local health officials, Dr. Freeman said, are terrorized by "the Gramm-Rudman mentality" of the present U.S. administration and the do-nothing attitude of the CDC, and are denying that there is a public health hazard.

## Briefly

● **DEMOCRATIC** governors accused the Reagan administration of submitting "a budget of disinvestment" that "fails to make critical investments in our nation's future." At a conference of the National Governors Association at the end of February, the governors indicated that they wanted the federal government to assume full responsibility for Medicaid, presently shared between Washington and the states.

● **NEW YORK GOV.** Mario Cuomo's aide, Peter Vogel, head of Cuomo's "Gay Task Force" and vice-chairman of Cuomo's AIDS Advisory Council, died of AIDS at the end of February. One of the nation's leading perverts for 15 years, Vogel headed the "National Association of Gay and Lesbian Democratic Clubs" and is credited with persuading the national Democratic Party that "civil rights" means anything goes.

● **ROBERT MCFARLANE**, the former National Security Adviser, will become a counselor at Georgetown University's Center for Strategic and International Studies, joining former NSC heads Henry Kissinger, Zbigniew Brzezinski, and James Schlesinger. McFarlane was ousted in December 1985, in a factional fight with White House Chief of Staff Donald Regan. He was reportedly also offered a job at the New York Council on Foreign Relations.

● **HARRY BELAFONTE** is seeking the Democratic nomination for senator from New York—the seat now held by Alfonse D'Amato. Belafonte will find himself running against Webster Tarpley, the National Democratic Policy Committee-endorsed candidate who is a foreign policy adviser to presidential candidate Lyndon LaRouche. The calypso singer has been brushing up his supposed "black political image" by playing a prominent role in the "anti-apartheid" umbrella group Trans-Africa.

## Editorial

### *Debtors' dangerous cowardice*

Word has reached *EIR* that a secret understanding was reached by the "Cartagena Group" of principal Ibero-American debtors, at their meeting in Punta del Este, Uruguay, during the last week in February, and that this secret accord threatens to bring down the entire Western monetary system.

Meeting at Punta del Este were the foreign ministers from the largest debtor nations, Argentina, Brazil, Colombia, Mexico, and Venezuela, and the finance ministers of all those nations, except Brazil.

Totally reliable sources involved in the Punta del Este meeting have informed us that the gathered finance and foreign ministers reached a secret agreement to form a debtors' club against the International Monetary Fund. According to this secret entente, each of the nations, individually, would hesitate in its negotiations with the banks and draw out its respective talks interminably, in order to force the entire system to its knees.

Since no government represented at Punta del Este wanted to be singly blamed for such radical action, they preferred to publicly posture about interest rates and other familiar complaints, while privately plotting to take their decisive action. At first, there would be almost no noticeable difference between this new policy and the current situation, but the objective would be to hem and haw, until things crack.

This is a completely irresponsible and cowardly approach to the debt problem, which must be exposed and denounced. As is widely known, *EIR's* founder and contributing editor Lyndon H. LaRouche, Jr. has repeatedly urged that the current world monetary system be dramatically *reformed*, not *destroyed*, and that the best current approach for such orderly reform is that of Peruvian President Alan García. The contrary strategy, which has just been adopted by the Cartagena Group, could have unforeseen consequences, and would in all likelihood only benefit global Soviet strategy to dominate the West.

The public communiqué and statements issued from the meeting in Punta del Este included a call, for the first time ever, by the Cartagena group for changes in existing debt accords with the creditor banks. The group also backed any country that eventually adopted unilat-

eral measures to ease the repayment burden.

Such steps could have meant something, back in 1982. At that time, the Mexican government, overwhelmed by the debt burden which had skyrocketed under the impact of Paul Volcker's high U.S. interest rates policy, and by the economic warfare unleashed on Mexico by the international financial centers, undertook sweeping measures to protect its national economy. Mexico looked in vain for support among the other Ibero-American debtor countries for a debt moratorium. It never came. Later that same year, Mexico was brought to its knees and accepted the International Monetary Fund austerity recipes that have since decimated the economy.

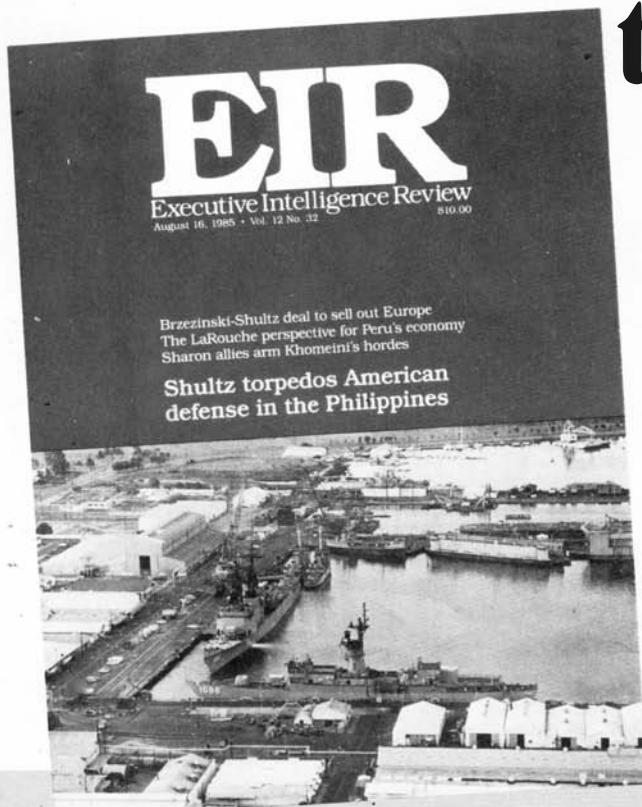
Today it means nothing to say Ibero-America cannot pay its debt. This is known to everyone. The issue is, who is working to build the basis for a real economic recovery as the present system collapses? Ironically, the only country that is making regular payments on the debt is Peru, whose President, Alan García, set a ceiling on foreign debt repayment at 10% of export income—tying it to the terms of trade. And only Alan García has moved concretely to set up the new organisms that can get the economy going again, in the face of certain disaster.

From the beginning of his term last July, García has viewed Peru as the country which would take the lead, showing that it is possible to get along without the IMF. On Feb. 15, Alan García proposed at a press conference that the debtor countries "change the rules of the game." He urged that the Andean Reserve Fund (Venezuela, Colombia, Peru, Ecuador, and Bolivia) serve as the starting point for a new regional monetary system, a "Latin American Monetary Fund."

And, he reiterated his plan for a summit on the debt of the Ibero-American Presidents, which Panamanian President Eric Delvalle has agreed to host. "It is an unavoidable obligation and responsibility" to face the debt problem jointly, he said. At that time, García blamed the continent's big debtor nations for lack of progress toward the summit on debt in Panama, which could launch the new monetary system. The secret Punta del Este accords show how right Alan García was.

# State Department coup in the Philippines

## Who Said it First? **EIR** Did!



How did the U.S. State Department destroy Ferdinand Marcos, America's long-term ally in the Pacific? EIR on-the-scene reporters had the story, seven months before the Philippine tragedy unfolded, and President Reagan succumbed to the State Department conspiracy: they documented how traitors in the U.S. State Department and Senate had *already* plotted a coup against Marcos. By August 1985, Philippine traitors Lt.-Gen. Fidel Ramos and Defense Minister Juan Ponce Enrile had been tapped to lead the coup.

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