

National News

Senate to start INF debate in April

When the Senate returns from its Easter recess April 11, it is expected that one of the first items it will deal with is setting a date for the beginning of the INF debate. Sen. Robert Byrd (D-W. Va.) is, according to one source on Capitol Hill, anxious to get the ball rolling, as he believes that there are a lot of questions that are going to be asked and reservations raised before the dust settles.

Byrd would like to railroad the treaty home with the amendment now appended to it, which states that any statements by government spokesmen during the hearings as to the significance of the INF treaty would be considered authoritative. This amendment has raised a furor among some Republican senators who feel that it has been added to the treaty by the Democrats in order to give the President a black eye. The amendment would be applied by its authors to the ABM Treaty in order to justify their claim that the ABM treaty calls for a "narrow interpretation"—that is, the Soviet interpretation, which would seriously restrict U.S. SDI research.

The "authoritative interpretation amendment" will be the real subject of debate, according to the aide of one Democratic senator. "The INF floor debate could become an ABM debate, or even an SDI debate," as one source put it.

Other amendments are in the works. Sen. Jesse Helms (R-N.C.) and Sen. Ernest Hollings (D-S.C.) are both interested in lifting the INF ban on conventional ground-launched cruise missiles (GLCM). These missiles, they argue, are the only conventional weapons which would disrupt Soviet supply lines during a conventional attack on Western Europe.

Such an amendment could gain support from even pro-INF senators who are concerned with beefing up conventional defenses.

As the debate drags on, however, the

real decisive factor will be how quickly the situation deteriorates for Gorbachov in the Soviet Union itself. If the Gorbachov factor comes unglued in the Soviet Union itself, then, according to one Hill source, "It's an entirely new ballgame."

Drug-bust question: Who laundered dough?

After U.S. Attorney General Edwin Meese, FBI Director William Sessions, and U.S. Attorney for New York Rudolph Giuliani announced the biggest drug bust in U.S. history, involving the networks of the so-called "Pizza Connection," the interesting question that arises is, which banks functioned as the money-laundering institutions for this vast network?

More than 200 people have been arrested or are being sought by police in the United States and Italy, most belonging to the criminal network of the Gambino family. But so far, little has been said about the "respectable" banks and bankers who had to be knowingly involved.

In a 1986 Lugano, Switzerland trial, State Prosecutor Bernasconi, going after the Swiss side of the "Pizza Connection," gathered evidence pointing to the E.F. Hutton and Merrill Lynch investment houses in Lugano as part of the heroin money-laundering network. At the time of the transactions involved, Merrill Lynch was chaired by former White House Chief of Staff Donald Regan, while E.F. Hutton at the time was headed by Scott Pearce—George Bush's brother-in-law.

In a case that may or may not be related, Hutton officials have agreed to plead guilty to two felony counts of laundering money for organized crime officials, facing fines of \$1 million or more on those counts, U.S. Attorney Lincoln C. Almond said April 1 in Providence, R.I. Almond said that Hutton officials tried without success to wriggle out of criminal charges. "That's the normal policy with respect to these cases, and I couldn't see any reason why Hutton should be exempted from that," Almond said.

Bush called key in Irangate dope link

A lawyer for the Christic Institute has named George Bush as the key person responsible for the drug-running involved in the Contra-supply "Enterprise" of Oliver North and Richard Secord.

At a press conference in Washington April 6, Christic staff attorney Daniel Sheehan presented a 300-page "Declaration of Plaintiff's Counsel," filed in connection with the Institute's civil racketeering lawsuit against Secord, Albert Hakim, Gen. Jack Singlaub, and 26 other Irangate figures.

Sheehan pointed to the "private covert operations set up by [ex-CIA official Ted] Shackley, [ex-CIA official Ray] Cline, and Secord, but under the direction of former CIA chief George Bush. These were not ordinary criminals," Sheehan said, "but they were attempts to subvert fundamental principles of our government."

In response to a question from *EIR*, Sheehan pointed to two functions of the vice president which put him in direct control of the drug-linked covert operations division: his role as head of the Task Force on Drugs, and as head of the Task Force on Anti-terrorism. In both instances, Sheehan said, people directly connected to drugs and covert operations were brought under the wing of the vice president. "There was an alliance between the head of covert operations, George Bush, and the heads of the drug cartel," said Sheehan.

Weld, Burns, and Fried asked to testify

The Senate Judiciary Committee has asked William Weld, Arnold Burns, and Solicitor General Charles Fried to testify at a hearing April 15, which will delve into the alleged wrong-doings of Attorney General Edwin Meese. Weld headed the Justice Depart-

ment's Criminal Division, and Burns was Deputy Attorney General, until their resignations at the end of March, ostensibly because they no longer wished to serve under the "corrupt" Meese.

However corrupt Meese may be, *EIR's* sources indicate that Weld and Burns resigned after they failed in a powerplay, on behalf of George Bush, against the last of the "Reagan men," Meese.

According to the April 5 *Washington Post*, Weld has protested that the hearings should be held only after special prosecutor James McKay's investigation of Meese's role in the Wedtech scandal is completed. "They might get in the way of what Mr. McKay is doing," Weld said.

For his part, Fried, still in office, said he would testify. "On being confirmed, one makes a commitment to testify before duly authorized committees. I have no hesitation to honor the invitation. I'm not going to speculate about what they want to hear about," Fried added. "When I hear their questions, I will react to them."

Medicare rules hurting patient care

Internists at the nation's hospitals who answered a survey conducted in March by the American Society of Internal Medicine, indicated that new Medicare rules are severely hurting patient care.

The internists stated that they frequently delayed admissions of sick patients until they were "sick enough" to pass Medicare's standards. Doctors are pressured to release patients early to keep costs within the amount Medicare reimburses for a specific illness or diagnosis-related groups (DRGs). Physicians said they were pressured to change their standard medical procedures or face not being reimbursed by a Peer Review Organization that could accuse a doctor of "using poor judgment"—a basis for malpractice.

Because DRGs do not reimburse a hospital's costs, but only a pre-designated fixed amount, hospitals have been forced to en-

gage in fewer purchases of technological equipment, and hire fewer lab technicians.

Intelligence estimate shows Soviet ABM breakout

The latest National Intelligence Estimate (NIE) reveals that the Soviets are on the verge of deploying a full anti-ballistic missile system, and therefore about to break out of the 1972 ABM Treaty which forbids the development of such a system.

The NIE, which incorporates the latest intelligence data from all U.S. intelligence agencies, is produced once a year and is circulated on a highly restricted basis within the government.

The current NIE reports, "The Soviets have developed all the required components for an ABM system that would be deployed not only to augment the defenses around Moscow, but also for widespread deployments beyond Moscow. . . ." Certain components, it said, "could be deployed relatively rapidly, in months rather than years."

The report also states that the major components of a rapidly deployable ABM system continue to be operated at the test facility at Sary Shagan.

U.S. Air Force Intelligence had earlier warned of the danger of ABM break-out based on photo-intelligence of point defenses constructed at deep underground command and control bunkers and other widely scattered strategic sites around the Soviet Union.

Other evidence of Soviet ABM breakout includes: The first of 10 Krasnoyarsk-style large phased-array radars are going operational sometime during 1988; the first SA-12B Giant mobile ballistic missile interceptors have been deployed in the western Soviet Union; data from different radar systems have been internetted in exercises that simulate ballistic missile defense.

Some intelligence sources also moot the existence of a Soviet boost-phase defense system based on nuclear-propelled shrapnel, which can be exploded in low space to disable anything attempting to come through.

Briefly

● **FLORIDA'S GOVERNOR**, Republican Bob Martinez, told a joint session of the state legislature April 6, "AIDS carriers who refuse to inhibit their contacts, who refuse to stop spreading this fatal disease, should no more be allowed to roam free than criminals armed with a deadly weapon. The time has come to quarantine those whose character and conduct are a clear threat to society."

● **ANTI-EUTHANASIA** groups held a press conference April 5 in San Francisco to protest a conference of pro-euthanasia organizations scheduled to begin in that city April 8. The international Club of Life and other groups held the press conference outside of the offices of the California Medical Association, whose head, Dr. Laurens White, is participating in the euthanasia conference.

● **16 'LAROCHE** Democrats' have filed in Iowa for five out of six congressional seats and a number of state offices. On April 1, the *Des Moines Register* ran a front-page article reporting that state Democratic Party leaders have vowed to launch a "massive campaign" to "crush" the LaRouche candidates.

● **NASA** announced on April 6 that it is studying a plan to send astronauts to Phobos, a Martian moon, to get a "quicker first" in space, in as little as five to seven years. The mission would require about half as much fuel and equipment as a Mars landing.

● **DEFENSE SECRETARY** Frank Carlucci in New Delhi, India, meeting with Indian political and military leaders April 5. An Indian Defense Ministry official noted that Afghanistan was a topic of conversation, The *United News of India* reported that "the question of the United States reducing its arms supplies to Pakistan following the Soviet withdrawal from Afghanistan also came up for review."