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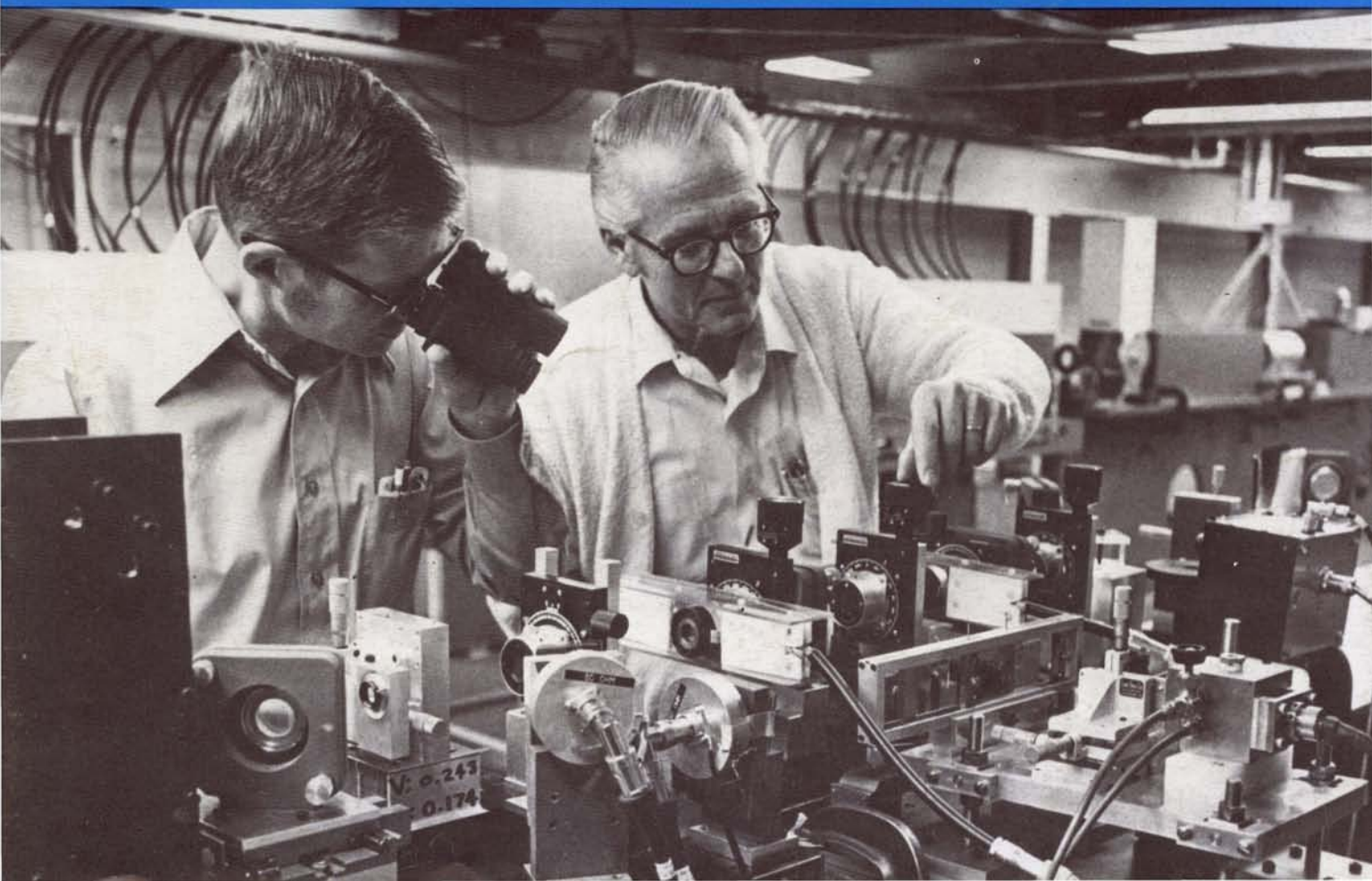
Executive Intelligence Review

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U.S. snub to Mubarak threatens Soviet Mideast coup
LaRouche proposes 'joint command' for war on drugs
Volcker's treason behind '30s-style Ohio bank run

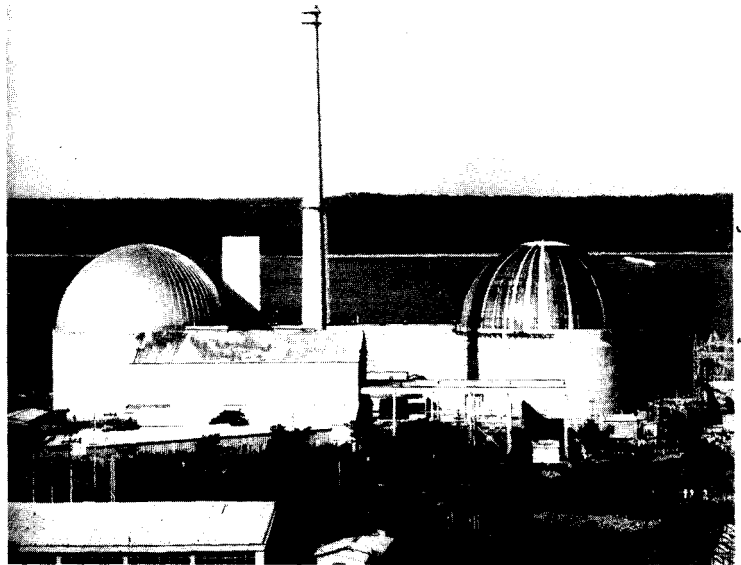
**Laser technologies, the SDI and
the next industrial revolution**



INDIA 1985-1995: STRATEGY FOR ECONOMIC BREAK-OUT

Sponsored by *Fusion Asia*
April 9-10, 1985

India International Centre
Lodi Estate
New Delhi, India



April 9 I. Development of the Ganges River Valley

A program for turning this great river valley into a breadbasket that could feed all of Asia, a project to be carried out in cooperation with Nepal and Bangladesh.

Speakers:

J. T. Paniker, head of the Civil Engineering Department of Indian Institute for Technology, Bombay
Ramtanu Maitra, editor *Fusion Asia*
Dr. Mahfuzul Haq, former energy consultant to President Zia Rahman, Bangladesh

II. India's Trade: Look East

With its traditional orientation toward the Middle East and the West, there is a great potential for Indian trade with Asia yet to be realized. This panel focuses on India's potential role in the East, especially in conjunction with the construction of the Kra Canal in Thailand.

Speakers:

S. A. Dave, executive director of the Industrial Development Bank of India, Bombay
Pakdee Tanapura, Fusion Energy Foundation, Bangkok
R. K. Hazari, former deputy governor, India Reserve Bank
Uwe Henke v. Parpart, director of research, Fusion Energy Foundation
K. L. Dalal, ambassador of India, retired
Dr. Norio Yamamoto, executive director, Mitsubishi Research Institute

April 10 III. High-Technology Requirements: Lasers and Nuclear Power

To realize the government's goal of bringing India into the 21st century requires a concentration on nuclear power plant production and the use of lasers for creating a modern machine-tool industry.

Speakers:

D. K. Ghosh, head of laser division, Indian Institute for Technology, Bombay
Dr. N. Tata Rao, chairman, Andhra Pradesh State Electricity Board
Mr. S. G. Ramachandra, consultant, Bangalore

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EIR

From the Managing Editor

A widely read *EIR* study two years ago, *The Economic Impact of Relativistic Beam Technology*, used the 1939-43 U.S. war mobilization to project an enormous boost in productivity for the U.S. economy as a result of the technological spillover effects of President Reagan's Strategic Defense Initiative. This week's *Special Report* examines the actual impact of laser and related breakthroughs on the economy. It was prepared under the direction of Carol White by a team including Marsha Freeman, Richard Freeman, Charles Stevens, Robert Gallagher, Dr. John Grauerholz, and Dr. Wolfgang Lillge.

These studies stress that only a cheap credit policy would allow spinoffs from the beam-weapons program to have any significant impact. Therefore, Fed chairman Paul Volcker is the principal hindrance to assimilation of the new technologies. Volcker's credit policy, moreover, has accelerated the destruction of already existing productive capacities—the country's in-depth war-fighting capability. And as our *Economics* section warns, he is currently associated with an IMF plot to enslave and wreck the U.S. economy—now officially a debtor nation. In the new crises now being thrown at the U.S. dollar and banking system, "the role of Paul Volcker has passed over the border line of treason."

The key to the power of private central bankers like Volcker and the IMF is the laundering of billions in revenue flows from international drug-trafficking. On March 13, Lyndon LaRouche issued the equivalent of a general staff order for a war on drugs—a shooting-war. "The international drug-traffic has become an evil and powerful government in its own right," he declared. "It represents today a financial, political, and military power greater than that of entire nations. It is a government which is making war against civilized nations, a government upon which we must declare war, a war which we must fight with the weapons of war, and a war which we must win in the same spirit the United States fought for the unconditional defeat of Nazism between 1941 and 1945." The full text is in *International*.

I also call your attention to our *International* lead story, dissecting the disaster facing the United States in the Middle East and Africa in the wake of the treatment accorded visiting Egyptian President Hosni Mubarak by IMF-lovers at the State Department.

Vin Berg

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Volcker's treason behind '30s-style Ohio bank run

by Chris White

Ohio Governor Richard Celeste's decreeing a "bank holiday" for 71 banks in that state, has resulted in an ominous run against the U.S. dollar in international exchange markets. Celeste's action is the first official bank holiday in the United States since the depths of the 1930s Depression.

The dollar dropped from a high of 3.37 West German deutschmarks, on Monday, March 18, to 2.21 by Thursday, March 21.

On Tuesday, as the dollar collapsed to 3.24 deutsche-marks, a London financial insider commented: "The U.S. recovery is magic. What is this great miracle? Even Silicon Valley is in trouble. The whole area of the U.S. from Pittsburgh to the Great Lakes has gone to the dogs. The U.S. economic base is crumbling, people abroad are very fearful."

In these deepening crisis conditions the role of Paul Volcker at the Federal Reserve System has passed over the border line of treason. Volcker's name is associated with a plan put forward by the International Monetary Fund to put the financially bankrupt United States into receivership under the control of the International Monetary Fund and the Bank for International Settlements (BIS), and to junk the bubbled U.S. dollar.

The plan, elaborated at last September's conference of the International Monetary Fund in Washington, D.C., surfaced again on March 18, under the combined names of Paul Volcker and Lamberto Dini, the Governor of the Banca d'Italia. They propose to subject the United States to the kind of "conditionalities" policies agreed on for the developing sector at the Rambouillet summit back in 1975.

Volcker proposes to use the crisis to hand over control of U.S. credit and budgetary policy to a supranational committee of experts, who would replace the sovereign government of the United States. The IMF executive will discuss the plan again April 9, before the IMF Interim Committee meeting April 16 in Washington, D.C.

Under this plan, and with Volcker's connivance, the United States dollar would be supplanted internationally by an alternate credit system based on the European Commission's European Currency Unit (ECU).

While the dollar is the principal currency of the nation-states' credit and trading system, the ECU, which the BIS has agreed to spread globally with the European Commission, would be tied to no nation-state. Instead, currency and credit policy would be run by the BIS, the EC, and a group of private banks, including Société Générale of Belgium, Lloyds Bank of London, Crédit Lyonnais of France, and 13 others, but so far no Americans. No national government would have a say.

BIS commitment to this dollar-replacement system was announced on Tuesday, March 19, even as the dollar was tumbling. Political support for the new system had been lined up last fall. At that time, Russia's leaders made arrangements to clear through the new system, working through Swiss banks, and the BIS. Volcker's agreements with the BIS and IMF will pull Western Europe into an expanded sphere of Soviet influence.

Behind the Ohio bank crisis, Volcker has made a deal to sell out the bankrupt U.S. dollar for a replacement credit

system, independent of the Western nations, but dominated by the Soviet Union.

The crisis confronting the U.S.

The United States is thus confronted with an increasingly urgent crisis in policy which has one of only two outcomes. Either the executive branch will intervene, on the basis of constitutional law, to reorganize the nation's currency and credit, as did Franklin D. Roosevelt at the beginning of his World War II economic mobilization; or, the identified "international institutions" will reorganize a bankrupt United States their way; a sovereign United States will no longer exist and Western Europe will have been pulled de facto into the Soviet camp. Volcker will have cleared the way for Russia's world dominion.

The issue is not the dollar and the bankrupt system per se. The March 16 London *Times* warned that the real issue behind the Ohio bank closings, is the economic crisis in U.S. agriculture and industry: "When the Midwest is suffering, and when Detroit and Pittsburgh are cutting production, the U.S. economic miracle begins to look more precarious than the foreign-exchange markets have assumed."

While the dollar has risen over the months since September to record levels against the deutschemark and other European currencies, that rise is merely indicative of a speculative bubble. In terms of purchasing power, one dollar in a U.S. supermarket buys what one deutschemark will buy in a West German store.

The bloated dollar has been used to purchase imports on the cheap, to sustain the appearance of what Volcker and Donald Regan call the economic miracle of the United States recovery. If these imports are discounted, production levels of, for example, automobiles, have continued their plunge downwards, from what the experts consider the "recession bottom of 1982." The United States is in full-fledged depression.

Collapsing production, and collapsing employment in production of physical goods, must support an ever higher burden of unpayable debt. As of now, every quarter the United States must roll over more debt than the physical wealth produced in a year. The United States is technically bankrupt.

'Is LaRouche right?'

Meanwhile, the combination of the Ohio banking crisis and the recent collapse of the dollar has caused the name of "Lyndon LaRouche" to take on new importance around Washington, D.C. During recent years, the general line of gossip against LaRouche around the nation's capital has been the charge that "LaRouche is a crisis-monger."

During the recent election campaign, LaRouche broadcast on national television forecasts of the crisis that is now emerging, and recommended how it could be reversed. A national economic emergency must be declared, Volcker's

Federal Reserve chopped down in its unconstitutional practice, and gold-backed credit provided for the nation's basic industries and agriculture:

Reported LaRouche:

"There is no need for this depression. By a few simple actions which I would take within the hour I were inaugurated President . . . I would set into motion the same general economic recovery which Roosevelt accomplished during the period between 1939 and 1943. If President Reagan would drop his silly Milton Friedman ideologies . . . he could do the same thing right now.

"The measures to be taken are basically these:

"1) Reverse the stupid decision which Nixon made back in August 1971, and put the U.S. dollar back on a gold-reserve basis, pricing monetary gold at about \$750 an ounce.

"2) Suspend the authority of the Federal Reserve to create and issue currency, and also its power to set interest-rates arbitrarily, or to operate an inflationary 'Keynesian multiplier' in the banking system.

"3) Submit an emergency bill to Congress, to authorize issue of \$500 billions of gold-reserve dollars, to be loaned to private banks at between 2% and 4% interest rates, using these loans for investments in basic economic infrastructure, in agriculture, in industry, and for export-financing.

"4) Meet with our friends in Latin American governments to negotiate restructuring the Latin American debts on terms to which leading forces of that continent have already agreed, and, at the same time negotiate trade-agreements which would create more than a million new jobs in the United States through those capital-goods exports.

"With these basic measures, the United States would be truly on the road to economic recovery—not poor President Reagan's fake, Hoover-style recovery."

Now, as Britain's Mrs. Margaret Thatcher has admitted publicly that she lied to President Reagan during her February visit to the U.S.A., and as the illusions of a growing "U.S. economic recovery" are discredited by the newly erupted crises of the dollar, some are whispering nervously, "Do you suppose that LaRouche has been right all along?"

The present international run against the dollar might be temporary, *EIR* analysts have emphasized. Even under the Carter administration's monetary and economic policies, which President Reagan has continued to support since spring of 1981, the deflationary collapse of the dollar which erupted on March 18 could be reversed temporarily by technical measures. If Paul Volcker and Donald Regan continue their present policies, a deep collapse of the dollar is almost certain, of course; however, even without breaking with IMF policies, the Reagan administration could reverse the collapse temporarily, by choosing measures which will set off a new round of hyperinflation in international exchange-markets.

But the political moves by the BIS and the IMF of the last days now indicate that the decision has been made to unleash the crisis against the U.S. dollar, and the United States.

Crops threatened by irrigation cutoff

by Nick Benton

Is Donald Hodel, the new Secretary of the Interior, trying to outgun the Agricultural Department in the effort to destroy American farm production? Hodel in mid-March suddenly cut off irrigation water to 42,000 acres of prime farmland on the westside of California's Central Valley. \$45 million of U.S. agricultural crops are immediately threatened by the move.

A spokesman for the Westlands Water District in Fresno, Calif., told *EIR* that the March 15 ruling to cut off the water flowing through the California Water Project aqueduct system came as "a total shock and surprise," and comes within days of the scheduled first spring plantings of \$45 million worth of cotton, tomatoes, onions, and other vegetable crops.

She said that the unilateral decision appeared to come "from the top," namely Interior Secretary Donald Hodel, and that it was an entirely unexpected response to a long-term problem with waste-water drainage in the district. Unless the secretary alters his decision within a matter of days, she said, the farmers in the district will be forced to go to court to save the spring planting. Otherwise, the valves will be turned, shutting off the water, by mid-April, and the entire planting will be lost. A team of the district's farmers was in Washington to try to reverse the decision, and to offer short- and long-term remedies for the waste water problem.

However, given the history of "environmental" and related pretexts for attacking farming in this area, it may be that only a strong political fight can turn the situation around. Fresno County, the nation's single largest agricultural producing county in cash value terms (\$1.2 billion gross annually), and the Westlands Water District includes 42,000 irrigated acres in the western part of the county, in particular, have been the target of zero-growth obstructionist campaigns for years.

The area is one of the exemplary capital-intensive agricultural regions in the nation, involving the vast California aqueduct, and family farms of 5,000-10,000 acres and more, utilizing the most advanced fertilizers, pesticides, and mechanization to produce massive yields. All of this is on top of a flatland that was once a lake, and before that part of the Pacific Ocean, and was semiarid desert until the aqueduct was completed in 1960.

Once the aqueduct was built, the region's productivity came under attack from the Cesar Chavez "farmworker" cult in the 1960s, which broadened into a major attack on University of California research programs into mechanization technologies for agriculture, applied with great success to this region in particular. Then the "Land for the People" operation sought, with the help of the Carter administration in the late 1970s, to impose an antiquated 160-acre limitation law in the region, which would have forced the break-up of the most productive family farms. Then came the ban on use of pesticides, especially DDT, based on fraudulent data promoted by "environmentalists." Later followed the Jerry Brown-led movement to kill the proposed California Peripheral Canal project.

The specifics behind Hodel's decision involve the need for waste-water disposal facilities in the Westlands Water District. Because of the "lake basin" geological characteristics of the valley, its topsoil sits on an impermeable clay layer at 20 to 40 feet. Due to salinity factors in the water, irrigation requires use of sufficient volumes of water to leach the impurities out of the topsoil, especially out of the "root zones." This water gets trapped above the clay layer, and even rises to the surface in some areas, and so must be disposed of.

Disposal has been accomplished by installation of an underground drain that gathers and carries the waste water from the Westlands district's affected 42,000 acres to the Kesterson Reservoir 90 miles north of the district.

The original plan, devised in 1970, was to extend the drain all the way into the San Francisco Bay delta, where the water would flow into the ocean. However, environmentalist obstruction blocked that plan, so that the drain, already under construction, had to stop short, and deposit the water in the Kesterson Reservoir, instead.

But environmentalist pressure asserted itself again to place the Kesterson Reservoir under the jurisdiction of the U.S. Fish and Wildlife agency, as a habitat for fish, waterfowl and vegetation. Needless to say, this created the pretext for the current cutoff of water to the district altogether, by virtually insuring that the wildlife that was encouraged to gather at the Kesterson Reservoir would suffer from the impurities in the waste water that was being drained into the site!

The salinium, boron, chromium and other impurities in the 7,000 acre feet of waste water flowing annually into the reservoir became concentrated in the vegetation there, which in turn was being eaten by the birds using the area as nesting grounds, as well as other wildlife.

Confronted with the effects of this scenario, the farmers of the Westlands district were told by the California Water Resources Control Board that they had five months to come up with a plan to clean up or close down the Kesterson Reservoir, and that they had three years to implement and complete the plan. While efforts were underway to look at alternatives for dealing with the waste water, such as drilling deep-well depositories beneath the clay layer, Interior's sudden decision to deny all federal water to the area came down.

Labor leader calls for freedom from the IMF, as bankers demand equity

by Carlos Cota

The leader of the Confederation of Workers of Mexico (CTM), Fidel Velázquez, in a surprising mid-March declaration said: "As long as the country is subject to economic pressures of the International Monetary Fund, there will be no margin to recover the purchasing power of the working classes," adding that the economy of the country "must be managed with greater independence respecting entities such as the International Monetary Fund."

This statement and in particular the mention of the IMF, which had not been directly named by the labor leader in more than a year and a half, marks the culmination of a series of protests by various economic sectors against the chaos reigning in Mexican national finance.

Although it is clear that this process of destruction of the economy is the work of the "visible hand" of international usury in the negotiations to "restructure" Mexico's onerous foreign debt, the bankers are asking for even more.

The Secretary of Finance and Public Credit found himself forced to "deny" the *Wall Street Journal's* report that Mexico had agreed to pay part of its debt with stock in the semi-public enterprises. A statement signed by Secretary Jesús Silva Herzog affirms that "at no moment has it been considered that the state sector will capitalize part of the existent debts to date," and that "the restructuring of the debt was done exclusively in financial terms." However, in concluding the communiqué, the finance secretary admitted: "It was incorporated in the last phase of negotiations with the creditor banks that, upon agreement of the parties and in specific cases, said debt may be capitalized. All this with strict adherence to the pertinent legislation."

This is in reality nothing but a "yes" from the Mexican government, and has a lot to do with the pressures of the creditor banks, who fear that negotiations may break down on the Mexican side under internal pressures.

In the same renegotiation process, which agreed on a packet of \$48.7 billion in 1984, only \$28.6 billion were restructured, leaving \$20 billion "pending" to be negotiated in the course of 1985. This "pending" amount mainly belongs to the oil company Petroleos Mexicanos, the Comisión Federal de Electricidad (electrical utility), Fertilizantes Mexicanos (fertilizer), and some steel industries such as Las Tru-

chas—precisely the firms which the *Wall Street Journal* picked out as appetizing for the creditors to seize as assets in payment for debt.

Businessmen protest, too

So far in the first quarter of 1985, all the economic indicators signal that the "predictions" of the economic cabinet of Mexico have gone haywire; the present year started with a skyrocketing of all the public services provided by the state, concluding in the increase in the constant devaluation of the peso from 17 to 21 centavos per day. The constant devaluation of the peso is officially called "slippage."

As was to be expected, with the new rate of slippage of the peso projected at 34%, the flight capital accelerated and brought as a consequence an abrupt rise in the interest rates, reaching around 54%. According to a study by the Confederation of Workers of Mexico (CTM) presented to President Miguel de la Madrid, in the first six months of 1984, the deposits of Mexicans in U.S. banks—which in totality equal 40% of the foreign debt of the country—increased by \$870 million.

The business sector has protested along with the labor unions. An authorized spokesman for the National Chamber of Industry of Transformation (CaNaInTra) presided over by Jacobo Zaidenweber, considered as the industrialist closest to the de la Madrid government, declared that the rise in interest rates is "all out of proportion." Seconding him, other organizations have said that the businessmen who have carefully prepared their predictions of cash flow now face a sudden substantial and unexpected increment in their financial costs, which is an even heavier blow to national productive plant. These brusque changes are outside the "gentlemen's agreement" reached at the end of 1984 which offered interest rates no higher than 35-40%.

Bankruptcies reported by national banking

Since 1983, the nationalized banks have lived in permanent anxiety. The high interest rates they must pay to savers upon receiving deposits has made it impossible for them to place credits with usurers, because the money is just too expensive. In the face of this situation, the Bank of Mexico

has come on the scene to "save" them by issuing its Treasury Certificates through which the commercial banks can obtain liquidity to deliver the interest rates agreed upon with the savers.

But this too has suddenly changed. In the first half of March the Bank of Mexico and the finance secretary announced that they would put into effect the decree on the obligatory purchase of their "monetary regulation bonds" for the amount of 250 billion pesos, explaining the procedure as a policy to "restrict circulating money."

The nationalized commercial banks reacted negatively to this measure. Among the opponents is Gustavo Romero Kolbeck, the current general manager of the Banco Obrero and an ex-director of the Bank of Mexico. The Banco Obrero is property of the CTM, the oil workers union, and the electrical workers union, among others.

Romero Kolbeck called the measure a "new banking reserve requirement," stating that it "will limit the liquidity of the banks and make the situation very tight from now until May." Romero Kolbeck said that "the national banks will limit the granting of all types of credit as a consequence of the lack of liquidity provoked by the acquisition of monetary regulation bonds."

At the time of these statements, an anonymous report started to circulate about the collapse of liquidity in the national commercial banking system. Up to March 14, 1985, the report says, commercial banking had acquired 187.5 billion pesos in monetary regulation bonds, which equal three quarters of the 250 billion pesos of forced acquisition. This amount means 84% of the 222.5 billion pesos of receipts during the months of January and February. But if to this is added the fact that commercial banking is obliged to deposit 10% of their receipts as a cash reserve in the Bank of Mexico, the total withdrawal of funds goes up to \$210 billion pesos, which represents 94% of what was taken in during January and February.

The report maintains that once the obligatory purchase of the monetary regulation bonds was concretized, the commercial banking system would only have at its disposal 12.5 billion pesos for its bimonthly receipts for loans to productive activities at a nominal rate of 60% and an effective rate over 90%. This means going back to the worst moments of 1983. The anonymous report concludes that commercial banking will only have available to finance productive investment what it can receive in the nine-and-a-half months to come, although at rising interest rates and discounting for the stiffer cash reserve requirement.

Speculative boom on stock market

Ever since the new investment company laws were approved by the national congress last December, permitting the creation of a parallel financial market, the commercial banks have suffered a permanent scarcity of liquidity while the stock houses have entered into a speculative spree since they are now permitted to process all kinds of capital, includ-

ing that coming from drug trafficking.

Insofar as the restrictive measures of the Bank of Mexico became known, the commercial banks flocked to buy Treasury Certificates, which the central bank was offering in an unusual amount: 145 billion pesos, placed at 91 and 28 days. Nonetheless, the stock brokerage firms, anticipating the commercial banks, bought up most of the 28-day certificates, demanding them at a rate lower than 60%. One brokerage house (which still maintains anonymity) offered 84% interest for the TCs it bought and for the rest that remained. This generated suspense in the market, since the Bank of Mexico accepted the transaction. Eight hours after the deal, which had already generated reports that the interest rates would skyrocket to over 80%, was closed, director of the Bank of Mexico Miguel Mancera, ordered the operation annulled.

But the fact is that the banks are dying of asphyxiation, a fact there are attempts to disguise as "restructuring" of the national banking system, where at this moment at least nine banks going bankrupt! On Monday, March 18 it was announced that the 29 existing banks would be reduced to 20, with the disappearance of several regional banks.

The "merged" banks (i.e., disappeared), are the Banco de Monterrey, which will become part of the Banco del Atlántico; the Banco Sofimex, which will become the Banco Central Hipotecario; the Banco Latino, which will merge with Banpaís; the Banco de Promoción y Fomento, which will join Bancremi; and Bancam which will turn into the Multibanco Comercial de México.

The Banco del Noroeste will absorb Unibanco; the Banco Mercantil de Monterrey will merge into Banco Regional del Norte; Banca Promex will absorb Banco Refaccionario de Jalisco; Banco del Centro will merge with Banca de Provincias, Banco de Oriente and Banco Continental Ganadero.

Say what one will, the merger does not follow any plan to rationalize and make the management of the national banking system more efficient, a plan which has been outstandingly non-existent up to now. The truth of the case is that all of the "merged" banks were those that did not manage to make the obligatory purchase of Monetary Regulation Bonds, and could not stand up to the competition of the stock brokerage firms, in their new role as parallel private banks.

Presidential displeasure

In the Thirty-Second National Congress of the Revolutionary Confederation of Workers and Peasants, (CROC), inaugurated by President Miguel de la Madrid, he said, "I am not happy with the economic situation, the country's economy requires changes. . . ."

Although the President did not clarify what type of change, all the Mexicans agreed with his unhappiness. The question which remains up in the air after the presidential declaration is whether in the near future the "structural" changes with which the monetarist madmen are destroying the Mexican economy will be imposed, or the changes asked by the powerful trade union leader Fidel Velázquez.

Indian space effort poised for takeoff

Ramtanu Maitra reports from New Delhi on the government's determination to develop a complete national space program by the 1990s.

Among the first acts of Prime Minister Rajiv Gandhi in forming the new Congress government in January was the establishment of a separate Ministry of Space. It was a timely boost to a program that has been one of the country's most effective, and one that will prove an increasingly visible factor in the country's development over the next 10 years.

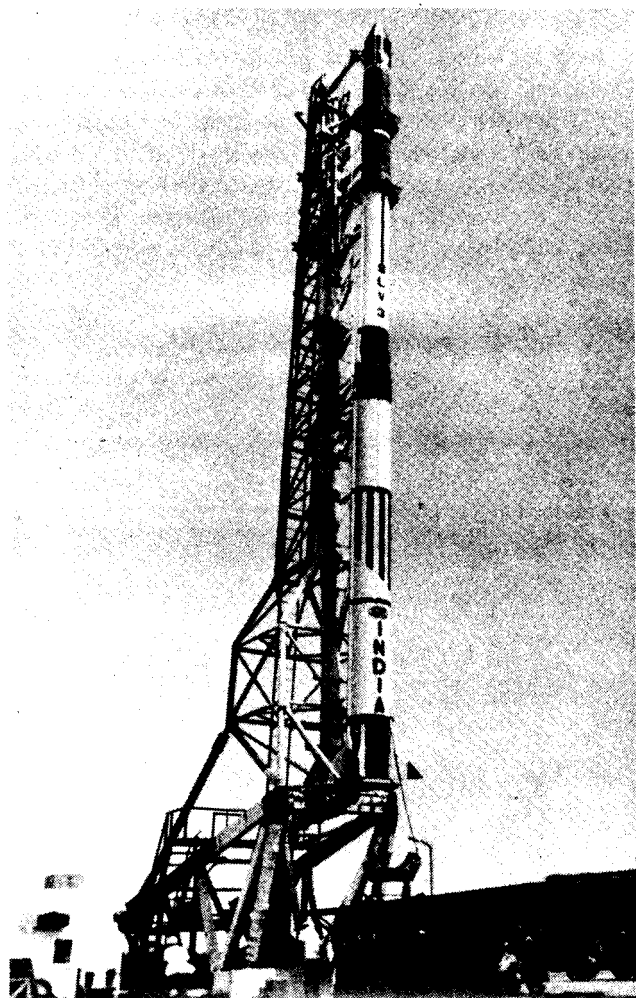
Not only are the space program's own requirements providing a direct spur to industry these days, but the program's applications in communications and remote sensing are coming to fruition—and this translates into an explosion of demand for user systems and technologies to provide the educational programming, handle the data flows, and so forth.

Within the next two years, the Indian National Satellite System (INSAT), which became operational in 1983 with the commissioning of the INSAT-1B, will be completed with the deployment of a second satellite, INSAT-1C, by the U.S. shuttle spacecraft. INSAT is a unique, multi-purpose satellite encompassing telecommunications and meteorological observation functions with a nationwide direct broadcasting capability within a single system.

In 1986, India's remote sensing program (IRS) will be made operational. The country's first remote sensing satellite, the ingeniously designed and built IRS-1A, will be put into a polar orbit by the Soviet Union. As in the case of INSAT, the ground systems and user technologies have been systematically developed over the past 10 years for this far-flung system.

By the early 1990s, India will have the capability to launch its own remote sensing satellites into polar orbits with the Polar Satellite Launch Vehicle (PSLV) now under development and scheduled for testing in 1988. In the early 1990s, India's next generation launch vehicle, the Geosynchronous Satellite Launch Vehicle (GSLV), capable of placing 1,000-kg-class satellites into the distant geosynchronous orbit, will be ready for use. The GSLV's development is timed to coincide with completion of the ISAT-II series of replacement satellites for INSAT to be designed and, this time, build indigenously. Achievement of self-reliance

By the end of the 1990s, a fully self-reliant capability will have been established in all components of the space program. The achievement is the product of dedicated work by teams of scientists and engineers inspired by the vision of the space program's architect, Dr. Vikram Sarabhai.



India's first domestically designed and manufactured rocket launch vehicle, the SL-3, shown here at its first launch on July 18, 1980.

As early as 1968, when the program was nascent, Dr. Sarabhai emphasized the direct benefits that space technology could provide in meteorology, geodesy, and communications, pointing out in particular that opting for satellite communications would involve only one-third the capital cost of conventional communications and allow India to "leap frog" into a position of dealing on equal terms with more developed nations.

From the beginning, the space effort had the full support of Prime Minister Jawaharlal Nehru, committed as he was to the use of science and technology to solve India's problems of poverty. But the individual whose indefatigable support during the critical period of the 1970s set the program on its present footing, was the late Prime Minister Indira Gandhi. It was by no means an accident that a major portion of the last speech she gave, on the night before her assassination, was devoted to a discussion of the significance of the space program and how it would help peasants, farmers, and villagers.

From the outset, the basic principle of India's program was self-reliance. Not in the sense of "reinventing the wheel," ISRO scientists explain, but in the sense that India must master all the essential technologies involved in being in space. India's space planners thus started work on all four of the basic fronts at once—applications, satellites, launch vehicles, and mission support. It was a carefully orchestrated process, projected over three decades.

Three-phase process

The first 10 years, during the 1960s, were a learning process. Under the leadership of Dr. Homi Bhabha, then chairman and the guiding spirit of the atomic energy pro-

gram, and Dr. Sarabhai, the space program was conceptualized and the people and expertise assembled. The Experimental Satellite Communication Earth Station (ESCES) was established at Ahmedabad in 1963 to develop ground support and applications know-how. The Thumba Equatorial Rocket Launching Station (TERLS) came up at the same time, to give impetus to work with sounding rockets.

Both projects involved international assistance: Given strict resource constraints, it was imperative to take maximum advantage of opportunities for international cooperation at each step consistent with achieving self-reliance. As the pace of activities accelerated, the Department of Atomic Energy established the Indian Space Research Organization (ISRO) to deal with all matters relating to space, and by 1972, an independent government Department of Space was set up to encompass ISRO.

During the 1970s, a series of time-bound projects and goals was defined. The key was to undertake a series of projects which would give crucial hands-on experience at minimal investment risk. The 1975-76 Satellite Instruction Television Experiment (SITE), using the U.S. geosynchronous satellite ATS-6, is a good example, as in the 1977-79 Satellite Telecommunications Experiments Project (STEP), using the Franco-German satellite *Symphonie*. All ground systems for these experiments were built and managed indigenously. The projects proved the need and feasibility of a satellite-based communications system in the country.

Similar, parallel steps were taken in satellite technology, beginning with India's first satellite, *Aryabhata*, in 1975. Work on launch vehicle technology also proceeded from the beginning in 1962 at the "test-tube" level. This area, where the technological complexity of the job is even greater than the cost considerations, undoubtedly presented the greatest challenge. With worldwide development tied so closely to military applications, the details of the technology are less readily available.

It is the project phase of the 1970s that shaped ISRO into the dynamic functioning team—managed by scientists and engineers, and with a consistent ratio of scientific and technical staff to administrators of more than two to one—that we know today. Besides building up capabilities in all the four basic areas, by the end of the decade ISRO had also developed a concrete notion of what users want and need. ISRO officials rightly look confidently toward the 1980s as the "operationalization" phase of India's space program.

Multiplier effect

Starting with a modest annual budget of \$20 million in 1962, the space program has jumped to what will be \$300 million annually under the Seventh Plan beginning in 1985-86. While not large in absolute terms in an annual budget of some \$60 billion, this 15-fold jump in the space budget gives an indication of the program's growing impact on the econ-

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omy. But what the numbers cannot show is the fact that in India the space program has had to develop the sophisticated industrial base it required. Whereas in Europe, the United States, or the Soviet Union a sophisticated industrial base had already been built up as a result of defense programs by the time of the postwar period, in India the program was launched in conditions of extremely weak economic infrastructure.

In 1978, the Department of Space took a policy decision that all space projects would make maximum use of Indian industry, but in the initial phase, ISRO was doing everything itself, in house. Gradually, capabilities were developed in industry such that an ISRO-made prototype could be reproduced in quantity on order, with close collaboration from ISRO. In the final phase, now beginning, ISRO will increasingly be giving only functional specifications to industry for a component or subsystem.

Where ISRO has not developed a needed technology itself, it has sought constructive technology transfer agreements. For instance, ISRO entered into an agreement with France to produce transducers where France agreed to give ISRO the technology on condition that the product would be exported to France for a stipulated time period. Now, under the terms of the agreement, the technology will be disseminated to industry and India will possess the capability to export transducers to the world market—not to mention the broader domestic market for control systems where lack of transducers has been a critical bottleneck.

ISRO has built a dynamic interface with Indian industry, which includes systematic technology transfer from ISRO to industry of technologies and systems for both space and non-space applications. So far more than 65 products and processes have been licensed to companies mainly in the areas of chemicals, electro-optics, electronics, and telecommunications, and another 25 are in the pipeline.

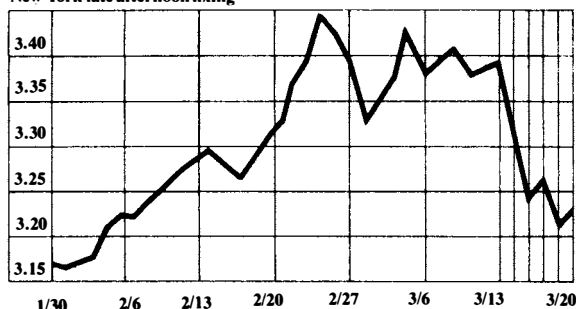
Moreover, within the past two to three years, the program's direct demands on industry have led to establishment of two complete chemical plants and new divisions within a number of private and public sector industrial corporations devoted exclusively to supplying the space program. An estimated 50-60 industries across the country are involved.

This "spinoff" effect will become increasingly visible, just as Dr. Sarabhai foresaw. Dedicating the Equatorial Launching Station in 1968, he emphasized the point: "I might illustrate this from experience which we are gaining in the development of rockets. This requires new disciplines and an understanding of materials and methods; of close tolerances and testing under extremes; the development of guidance and control and the use of advanced information techniques," said Dr. Sarabhai. "Indeed, I often feel that the discipline and the culture of the new world which emerges through the pursuit of activities of this type are among the most important from the standpoint of a developing nation."

Currency Rates

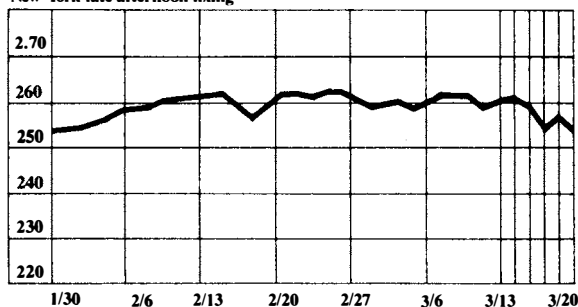
The dollar in deutschmarks

New York late afternoon fixing



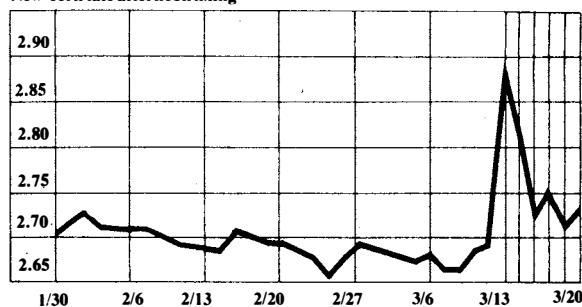
The dollar in yen

New York late afternoon fixing



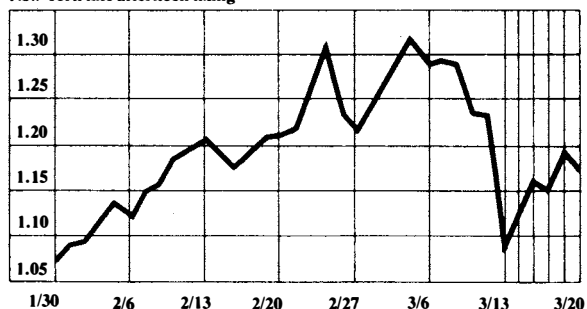
The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The 'recovery': Is the German industrial worker a dying species?

by Rainer Apel

When the official unemployment figures for the Federal Republic of Germany for the month of February were presented on March 1, the much-propagated hoax of the "recovery of the German economy" collapsed. With 2.6 million workers—that is, 10.5% of the total employable workforce—without jobs, official unemployment had reached its highest since 1948. Moreover, a further increase has been predicted by most of the country's economic forecasting agencies. In the dry language of the Munich-based IFO Institute: "It can be expected that, especially in the branches producing capital goods, productivity increases will be gained by reductions in the total number of workforce employed."

The truth is much worse. One has to look into the crisis sectors of West German industry to recognize it: The traditional centers of industrial production are the ones hit hardest by the depression—whole complexes for production of steel, from hard coal and lignite production to iron-ore processing are dying out. The Saarland, the industrial capacity of which is grouped around the ARBED steel-producing facility, is facing the loss of between 30,000 and 50,000 jobs in steel, its supplier industries, and in mining. Unemployment at the Saar is at an average of 14.2%—the second-highest among the ten West German states. In the capital of the state, Saarbrücken, 17.2% of the workforce is without a job.

In the Ruhr region, the industrial heartland of Germany, all major production centers have unemployment rates above the national average: Bochum, 15.4%, Dortmund, 17.1%, Duisburg, 16.4%, and Gelsenkirchen, 15.6%, for example. In Aachen, the center of lignite production, unemployment is at 12.2%.

In the city-state of Bremen, a crucial transshipment point for the west of Germany, the crisis in shipbuilding and the collapse of commerce in industrial goods has led to an unemployment rate of 14.7%. In the city-state of Hamburg, the huge world port at the mouth of the Elbe River, 12.6% are without a job.

The real figures

Even these figures are not revealing of the full truth, since there are an estimated 1.3 million additional unemployed

nationally who are not listed in the official statistics. This figure consists of youth who never found a job, women who have given up and retreated into their families, other categories of the employable workforce, and an increasing number of Germans who are employed by the "shadow economy," which combines the drug/organized crime scene, illegal work, and the ecologists' "alternate economy." The West German "shadow economy" is estimated to cover almost 10% of the active national economy!

All of this means that one can add a good 50% to the unemployment rates of most of the regions and cities. It means that most of the aforementioned cities may have a real unemployment rate of close to, or slightly above 20%.

Looking into specific sectors of the economy, the picture is even more horrifying. Construction is critical, for example. Of the 1.1 million workers in the construction branch, about half a million are either laid off or working short hours. About 200,000 will have no chance of returning to a job under the current circumstances.

This figure by itself pulls the hoax of the "recovery" to pieces, because the construction branch has always been said to be an indicator, something like the "locomotive factor," of the conjuncture defining the transition from recession to recovery.

In steel and in mining, unemployment has been kept "relatively low" in the past few years because of immense state subsidies paid by the national and regional governments. Right now, the government in Bonn, which has subscribed to the monetarist nonsense of budget balancing, wants to "phase out" these subsidies. This threatens an estimated 10% of the currently employed steel workforce, and 10% of the currently employed mining workforce with unemployment.

If the subsidies are phased out, then within one or two years, the unemployment rate in the aforementioned crisis regions and cities will be between 22% and 25%.

Yet, more is to come. The oligarchical European Commission in Brussels wants to "adjust European production capacities" in steel and mining. In the usages common to these fellows, as with the International Monetary Fund, "ad-

just" always means collapse. The Commission claims that another deep cut of 40% of European capacity in steel production has to occur in order to achieve "consolidated and stable levels of production" relative to putative demand. In addition, 150,000 miners have to be "adjusted" out of their jobs, according to the Commission—50,000 in West Germany alone. For the district of Aachen, the center of West German lignite production, this program means that 13,500 mining workers will be out of work, pushing the unemployment rate up to about 20%.

General impoverization

All of the foregoing, however, has been a mere counting of figures; nothing has been said in the official statistics about the bitter fact that 17% of all unemployed have already been without a job for more than two years, that these people and their families live on social welfare—at perhaps 50% of the average, normal income required to secure a decent minimum standard of living for a family.

Nor do the above statistics tell the story of the general trend which has seen the number of such long-term unemployed double in 1984, or of all those industrial apprentices who are currently being trained for a profession in steel or mining, but will never have any chance of finding a job under the circumstances.

A general process of impoverization, starting with the low-income families, has begun in West Germany. It is accompanied by political embitterment and a growing potential for social explosions.

Soviet blackmail potential

The dramatic employment situation in Germany can also be illustrated by looking at the sectors which have "blossomed" and have been allegedly carrying the so-called "recovery." The machine-building and machine-tool-building branches still managed to provide employment for 30,000 new workers in 1984. Great news? Well, in 1983, the same branches lost about the same number of old workers, which means employment has reached the level of 1982.

The question is whether employment will remain at this level—and there are plenty of doubts. These branches have profited from the very thin and temporary "competitive currency factor" which has driven the dollar's value up and the deutschemark's value down. There were numerous contracts with foreign purchasers in 1984 who bought more German machines for less dollars. However, the other news is that numerous companies have reached such a dangerous state of dependency that 30%—even 50%—of their production output depends on Soviet contracts. This opens the door to strategic blackmail.

Since the Bonn government extended official public support to the President Reagan's Strategic Defense Initiative, the Soviets have, on the one hand, waved the carrot of "big

new contracts in the new five-year plan" for the West German machine-building sector, and on the other hand, threatened that "future trade relations will depend on Bonn's general political conduct, especially on questions touching the strategic interests of the Soviet Union and her allies."

Thus, the Soviets have gained a crucial handle on one of the industrial sectors carrying the "recovery" in West Germany. The very idea that Soviet promises of contracts of about 18 billion deutschemarks in the next five-year plan, however vague those promises, might not come true, is making many managers in the machine-building branch very, very nervous.

Khomeini blackmail

Another client of the West German machine-building industry has been the genocidal regime in Ayatollah Khomeini's Iran, which has bought the largest proportion of the trucks produced in West Germany in the past two or three years. With a regime like that, stability of trade relations also depends on Bonn's "general political conduct"—as exemplified by the prominent preference given to relations with Iran by the Bonn Foreign Ministry of Hans-Dietrich Genscher. Any return to political morality in Bonn, that is, public denunciation of Khomeini's regime, means the end to many of these contracts with Iran, and thus the end to many jobs in West Germany, too.

The fact that Chancellor Kohl himself has subscribed to something like a housewife's version of the monetarist doctrine is making things even worse. He believes that he was voted into power by the electorate in March 1983 because he promised an upswing, the economic recovery. There is no such upswing, but since Kohl is still in power, he, not at all unlike the American President, believes there simply must be an upswing somewhere. The state and municipal elections in three of the ten West German states on March 10, which yielded losses of between 4% and 7% for Chancellor Kohl's Christian Democrats and led to an increase of votes for the opposition Social Democrats in the two important states of Saarland and Hesse, should have sent warning signals to Kohl. All preliminary election analyses list "protest votes against the economic policy of the Bonn government" on top of voters' preferential motives.

But Chancellor Kohl is not listening. Instead, his keynote address to the national convention of the Christian Democratic Party on March 20 contained the unbelievable sentence: "Fighting unemployment has never played a role at the beginning of any economic recovery."

Given the current trends, the crucial May 12 state elections in North Rhine-Westphalia, where most of the industrial crisis regions are located, must end in a catastrophic showing of the Christian Democrats. The economic depression, which has begun to hit fiercely especially in the past few weeks, is what is really up for a vote.

Chapter 11 for the United States?

The Swiss, Citibank, and the IMF have started a run on U.S. S&Ls which could spell a "monetary Pearl Harbor."

The March 4 collapse of the \$2 billion Ft. Lauderdale, Florida securities dealer, E.S.M., has caused runs on S&Ls which placed money with E.S.M. all over the United States.

E.S.M. took in some \$1.6 billion from S&Ls, municipalities, and other customers, and closed with less than \$1.3 billion in assets, leaving clients holding the bag for some \$300-600 million.

First to go was the \$1.8 billion Home State of Cincinnati. It was hit with a \$20 million deposit-run March 9 after E.S.M. collapsed, and had to close. Home State and its owner, Marvin L. Warner, had put over \$600 million into E.S.M. Securities, out of which Warner personally put in \$37 million.

This caused a generalized run on all 71 state-chartered S&Ls in Ohio yesterday, including Charter Oak, Molitor, Midwest, and others in Cincinnati. Depositors feared the state insurance fund was inadequate to back up other S&Ls, after Home went under with \$130 million in losses.

On March 15, Ohio Gov. Richard Celeste declared a three-day bank holiday for the state's S&Ls, closing them indefinitely as of this writing.

The shutdown of the weaker, productive sector of the U.S. banking system has been explicitly planned by the International Monetary Fund, as *EIR* has warned since February. On Feb. 12, we wrote: "*EIR* is expecting by March or April a rash of small and mid-sized bank bankruptcies due to collapse of the U.S. internal farm debt, U.S. oil and real estate sectors, on the Continental Illinois model. . . . The large banks, which are not hooked into

the bankrupt productive domestic U.S. economy so completely, are now in a cash-rich position to buy up the thousands of regional banks about to founder."

Citibank immediately bid for Home State and is now expected to buy the S&L, gaining a foothold in the Midwest. Suspiciously, the emergency forced two bills through the Ohio legislature, one of which will allow Citibank to buy up Home, because it allows banks in states contiguous, and then two states over (i.e., Pennsylvania, New York) to buy banks in Ohio.

The entire crisis seems to have been triggered by Swiss interests to turn the industrial heartland of the United States over to Citibank. Its new chairman, John Reed, is a director of the World Wildlife Fund, and as such, a close friend of Britain's Prince Philip and Holland's Prince Bernhard. The Fund and Citibank are committed to reducing credit in the United States, to reduce the American population.

E.S.M. itself was a pure dope-money laundry, the brainchild of Crédit Suisse-White Weld, the Swiss banking group which is accused by the U.S. government of taking billions in laundered money from the First National Bank of Boston. The March 17 *Houston Chronicle* reports that E.S.M. was founded by then White Weld head for Treasury "repos" (resale of securities) Alan Novick in 1976, with three local Florida brokers who lent their names, Ronnie Ewton (E), Robert Seneca (S), and George Mead (M). Novick was the brains behind E.S.M. until his death in November caused the firm to unravel.

E.S.M. was given most of its repo

business by Jimmy Carter's ambassador to Switzerland, Marvin L. Warner, whose son-in-law is Stephen Arky, Miami lawyer for E.S.M. and chum of Ewton. Warner, an Alabama-born Democratic financier and owner of the Birmingham Stallions pro football team, set up S&Ls and commodity firms in Ohio and Illinois. Warner was chief fundraiser for Trilateral Jimmy's 1976 presidential campaign.

While he was in Switzerland, Warner steered billions in repo business to E.S.M. in Florida, including that of his own S&L, Home State Savings in Cincinnati, Ohio, and that of S&Ls in cities around the nation. Just before E.S.M. went under, Warner pulled his personal money out.

The situation could spread. E.S.M. has other creditor S&Ls such as American S&L of Miami and Sun Federal S&L of Tallahassee, Florida; First Federal S&L of Big Springs, Texas; Queen City S&L of Plainfield, New Jersey; and Midland Commodities of Chicago, Illinois. Generalized runs on S&Ls could start anytime in these states. Sources at Prudential Bache say the brokerage has made a round of calls to tell clients to "be ready to pull out of S&Ls at a moment's notice" in neighboring Pennsylvania and other states.

E.S.M. also took money from cities such as Toledo and Memphis as well as Beaumont, Texas, Clark County, Nevada, Tulsa, Oklahoma, and Tempe, Arizona. The securities of these cities were downgraded by Standard and Poor's March 8.

Moreover, an ostensibly unrelated run has begun on Financial Corp. of America, the country's largest S&L in California, which was losing \$60 million in deposits a day the third week in March. *EIR* first exposed FCA's bankruptcy last summer. FCA has announced it expects to lose more than \$700 million in 1984.

It's official: U.S. a debtor nation.

It's part of a bubble that will burst, and that's what the Russians are counting on.

It's now official. What this magazine has reported to be the case for the last few months, is now officially recognized by the U.S. Department of Commerce. The United States is once again a net debtor nation on its current account.

This awesome shift, of historic proportions, was announced by Secretary of Commerce Malcolm Baldrige in a press conference on Monday, March 18. Not since 1913 has the United States been in such a position; 70 years of national progress, and development, have been officially wiped out.

The United States is on its way to becoming a colony again, of the same financial interests against which the first American Revolution was fought, and whose slavery system Abraham Lincoln abolished.

Baldrige reported that the United States is \$101.6 billion dollars in the hole.

Others, like the former head of the President's Council of Economic Advisers, the Harvard-roasted Marty Feldstein, didn't hesitate to jump in with more gratuitous advice. We should change our ways, he claimed, and should reconcile ourselves to putting aside, each year, a certain portion of our production of goods, to pay the charges incurred to the account of debt.

Paul Volcker, as befits the man who has, perhaps, done more than any other single individual, to bring this situation about, in his relatively brief term as the Chairman of the Federal Reserve Board, was somewhat more

modest. He thought America would have to alter its behavior. He should know. He's the biggest behavior modification expert the country has seen.

This magazine was the first to report it when, nearly three years ago, the United States became dependent, for the first time since World War I, on imported foreign capital. We also reported, first, last year, when we moved into the red.

But now, as usual, reality has run ahead of those who say they are in control of the country's economic policy. The United States is not simply a debtor, by a little bit. The United States is actually, technically, fully bankrupt. The continuation of the Carter-Volcker policies over the last four years has turned us into a debtor, and an insolvent debtor at that.

If this country were treated as a corporation, or bank, it would have been put into receivership.

Out of a world total debt conservatively estimated by this magazine to approximate more than \$20 trillion dollars, the United States owes \$6.8 trillion. That's not only foreign debt. The \$6.8 trillion includes all kinds of debt, consumer debt, corporate debt, bank debt, government debt.

We have to pay the equivalent of five times the deflated dollar value of the goods we physically produce to simply service that debt this year. That is about \$2 trillion. Every three months, the mass of debt the country is expected to service and rollover is in excess of the annual physical production of the country. A corporation, or bank,

trying to do that would have rolled belly-up a long time ago. Every average American is \$30,000 in debt. Every goods-producing American is expected to service over \$200,000 of debt every year.

The debt is obviously going to have to be reorganized. But if the United States is a debtor, if the nations of Ibero-America, Africa and Asia are debtors, if the nations of Europe are debtors, who is left to be the creditor?

The bankrupt United States is not alone. Every other nation in the world is in the same position. The world does not produce enough goods to service the more than \$5 trillion demanded as tribute on the total \$20 trillion worth of debt.

In this case, the creditor is not a nation, or even group of nations, but an autonomous group of international financial institutions, acting on behalf of other groups of large insurance companies, and family funds.

The names associated with this group are, for example, the International Monetary Fund, the executive arm of the creditors, and the Bank for International Settlements, the creditors' clearing institution, and the national banks they control, like the Federal Reserve.

The creditors, who represent no government or nation, but only their own paper, intend to put the nations into receivership, to revive a new form of feudalism, based on Babylonian forms of usury, running a society of debt-slaves.

What will happen to this bubble? What happened to every bubble in human history: It will burst—sooner, rather than later, if the Carter-Volcker policies are allowed to continue. And that's exactly what the Russians are counting on, if Baldrige, and his friends in the economic division of the administration, only had the wit to see it.

Business Briefs

Trade War

Citibank's Wriston to head U.S. Trade Dept.?

If just-retired Citibank chairman Walter Wriston is named to succeed Bill Brock as U.S. Special Trade Representative, as the *New York Times* mooted on March 22, trade war between the United States and its allies in Western Europe, Asia, and Ibero-America is about to begin in earnest.

Wriston is an architect of the "Fortress America" policy of the British "Ditchley Group"—pulling the United States out of world markets and bringing all the cash back home. According to the *Times*, Wriston will be hand-picked by his Wall Street buddy Donald Regan, the White House chief of staff. The *Times* reports that Wriston "has been a frequent visitor to the White House and is one of a small group of business leaders who counsel the President on economic matters."

East-West Trade

Enthusiasts predict a spring trade 'thaw'

The U.S. Commerce Department announced on March 20 that Secretary Malcolm Baldrige will meet in May with Soviet Trade Minister Nikolai Patolichev, the first high-level meeting on trade between the two countries in seven years.

The bid to revive East-West trade is coming from Control Data Corp. and related Soviet-linked firms and lobby groups. William C. Norris, chairman of Control Data, told a conference on East-West trade at Duke University on March 21 that "spring" is coming. "There are some warming currents, and there are reasons to believe the climate will continue to moderate, albeit at a slow pace," he said.

The conference on "East-West Multi-national Co-Ventures" was co-sponsored by the Austria-based International Institute for Applied Systems Analysis (IIASA), Duke University, Case Western Reserve University, and Ohio State University. The Reagan

administration had withdrawn American funding from IIASA when it discovered that the Soviet KGB was using it as a cover for intelligence operations and to tap into Western computer data bases. IIASA was founded by Eastern Establishment Brahmin McGeorge Bundy and KGB official Dzhemal Gvishiani during the 1960s.

Organizers for the conference circulated a document claiming that expanded trade with the East bloc is critical because "the so-called smokestack industries" of the United States have been hit by the "worst recession since the Great Depression." Record bankruptcies and the vast Third World debt are putting heavy pressure on the nation's banks, and "an increasing number of American companies are looking for new markets in unlikely places such as the Soviet Union and Eastern Europe."

Domestic Credit

Ohio S&L problems could spread

Maryland Savings and Loan banks are paying some of the highest rates of S&Ls nationally, in a desperate bid to keep depositors, because the state-chartered S&Ls, like those in Ohio, are not federally insured. Meanwhile in Massachusetts, some privately insured S&Ls are threatened with runs, and are taking steps to get federal insurance. The FDIC reports a "dramatic" increase in inquiries from Massachusetts S&Ls, from zero to 15 applications in one week.

In Oklahoma, state bank examiner Empe announced on March 21 that 25% of his state's 310 state banks have substandard loan portfolios.

Dope, Inc.

Caracas magazine joins attack on Cisneros clan

The current issue of *Resumen*, a Caracas monthly, runs a two-page editorial denouncing the wealthy Cisneros family for

abusing public and private power through its attacks upon *EIR* and the book *Narcotráfico, SA (Dope, Inc.)*. Four *EIR* correspondents were expelled from Venezuela Feb. 7, under orders of the Cisneroses, for circulating the best-selling book describing the role of this elite family—and its northern friends like David Rockefeller—in the Ibero-American drug trade. The expulsion and subsequent banning of the book created a scandal throughout the continent.

At issue, said *Resumen*, is not whether the book's charges are true, but how the Cisneros family used the government for its private ends in this case, meeting with President Jaime Lusinchi and government ministers, accusing everyone from their commercial enemies to Interior Minister Octavio Lepage of being behind *EIR*'s attack. The Cisneroses, according to *Resumen*, bought off judges, the political police, attorneys—and still no one defended the *EIR* journalists when they were illegally deported.

Banking Secrecy

Swiss to discuss U.S. access to bank documents

Six Swiss government officials are scheduled to be in Washington, D.C. March 26-28 for "consultations on judicial assistance, a mechanism that would allow U.S. authorities to get their hands on documents and testimony in Switzerland," a Swiss government official declared. "Were Swiss banks involved, or used, in certain ways? That is the question to be discussed."

The idea for the discussions was initiated by the United States last year as part of consultations in the Marc Rich case, which involved the financial swindles of a fugitive from American justice who had taken residence in Zug, Switzerland. "There is a difference in principles between the Americans and the Swiss about how that case could be solved," the official said.

Rich is connected financially to, among others, the Atlantic Richfield Oil Company of Kissinger Associates director Robert O. Anderson.

U.S. government and legislative officials have indicated that discussions with Swiss officials would involve wider aspects of Swiss banking secrecy regulations and the international drug trade and dirty-money laundering. The Swiss official said these issues would come up "indirectly."

The Swiss delegation is headed by the director of the legal department of the foreign ministry, Herr Kraft, and will have representatives from the Swiss equivalent of the Department of Justice and the Treasury. It will meet with American counterparts under the direction of the legal division of the State Department.

Industrial Production

Falling prices for U.S. producers' goods

While President Reagan watches the paper dollar recovery, prices received by producers of all real goods are collapsing this year the way farmers' prices have been collapsing for some time—bankrupting the productive part of the U.S. economy. Industrial purchasing departments surveyed by the *Wall Street Journal* said, "We're in a buyers' market and will be for the rest of 1985" for industrial materials.

Prices have fallen recently on oil, plastic, paper, and building materials. Purchasers for Kaiser Aluminum and Bechtel expect no more than 2% cost increases in industrial materials they buy for all of 1985, well below the rate of inflation. "Suppliers are on the defensive" said Bechtel's buyer.

Budget Deficit

Senators call for cuts in farm, student loans

Senators Patrick Moynihan (D-N.Y.) and Frank Lautenberg (D-N.J.) called on March 19 for the U.S. government to slash the federal deficit by selling off its portfolio of \$245 billion in loans to farmers, students, veter-

ans, and small businesses. The portfolio is expected to grow to \$280 billion by October 1986.

The loans would be sold to private institutions such as the Student Loan Marketing Association. Moynihan claims that this would slash the deficit by \$145 billion over three years, "a way of converting an asset that is questionable, to cash in the register."

Because many of the loans are risky and carry low interest rates, they would have to be sold at a deep discount from face value and the move would end up costing the government money and hurting the debtors, Sen. Slade Gorton (R-Wash.) pointed out.

The Southwest

Lending policies of Texas banks under fire

First City Bancorp of Houston, Texas, one of the biggest lenders in the state, has disclosed that internal controls and lending policies at three of its largest bank subsidiaries were deemed "inadequate" by federal regulators. First City, with assets of \$17.3 billion, disclosed in its annual report that the U.S. Comptroller of the Currency had taken disciplinary action to force two subsidiaries to write down problem oil loans, and the Federal Reserve moved against a third subsidiary. The regulators' actions are expected to affect stock and bond ratings of the banks and of Bancorp holding company.

The *Houston Post* reported on March 19 that problem loans and charges of money-laundering will hurt all Texas bank stocks. Texas Commerce Bancshares is in trouble because of \$51 million in problem loans to directors Pat R. Rutherford, Jr., and R.W. Moncrief, and may face civil penalties. First City Bancorp's First City National Bank of El Paso has been connected to a money-laundering scheme.

Duff & Phelps has downgraded its rating of Texas Commerce Bancshares' senior debt due to a "large and significant" drop in expected first-quarter earnings. TCB's debt issues had been on the firm's "watch list" due to concerns about asset quality which had been slipping moderately.

Briefly

● **NUCLEAR ENERGY** development in Argentina is seriously threatened by budget cuts, Alberto Constantini, the director of the Nuclear Energy Commission, declared. Reduction of the Commission's budget to \$420 million will mean that work on the Atuch II nuclear plant and the Arroyito heavy water plant cannot be completed. All research and work on pilot plants, including cyclotron production, will have to be halted, and many physicists will have to be fired.

● **A SPECIAL** prosecutor will be appointed in Ohio to investigate the circumstances surrounding the closing of Marvin Warner's Home State Savings Bank. A special legislative investigating committee and a Republican Party investigating team may also be named to look into the ties between Warner and Ohio Gov. Richard Celeste. Celeste co-signed a loan with Warner; his campaign manager became the chief lobbyist for Home State Savings Bank after leaving Celeste; and a fundraiser was held for Celeste at Warner's farm. Yet the appointment of the special prosecutor had to be approved by Celeste himself!

● **LLOYDS OF LONDON** insurance company chairman Peter Miller called on Britain to become a full member of the European Monetary System, in a March 20 speech in London. Lloyds complains that the pound sterling's fluctuations vis-à-vis the EMS currencies are causing too many accounting problems. The Bank for International Settlements is proposing that the United States join the EMS for the same reason.

● **ARGENTINE FARMERS** organized a 1,000-car caravan into Buenos Aires in mid-March to protest government austerity policies which are destroying agriculture. Although police prevented them from entering the capital, they promised future nation-wide action if President Alfonsín does not respond to their demands for immediate changes in credit and tax policies.

Laser technologies and the next industrial revolution

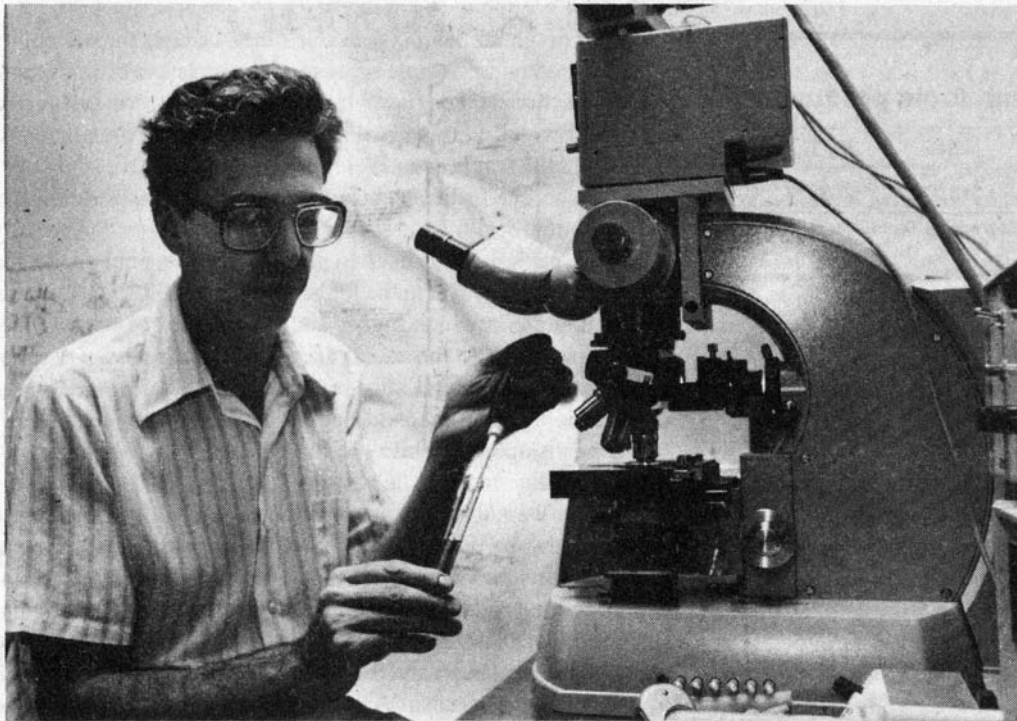
by Carol White

Nearly two years ago, in June of 1983, *EIR* issued a report, *The Potential Economic Impact of Relativistic Beam Technology*. The research team of economists and scientists anticipated that a massive influx of productivity into the economy would follow from implementation on a crash basis of what is now known as President Reagan's Strategic Defense Initiative (SDI).

The study compared the revival of the U.S. economy during World War II to the anticipated economic stimulus from the widespread introduction of lasers into the production of capital goods—in particular the production of machine tools. From 1939 to 1945, the output of goods production more than doubled. While it is true that some of this was accomplished through the use of idle capacity, the ability to achieve a total war mobilization at that time was accomplished primarily because of the widespread electrification of the economy. This not only allowed significant increases in agricultural productivity, but also the development of the highly energy-intensive aluminum industry. Materials such as magnesium and synthetic rubber were developed, as well as the potential for the civilian use of nuclear power.

We estimated that a crash program for the development of beam weapons would be the peacetime equivalent of the World War II economic mobilization, so that over the next decade the array of technologies associated with lasers and plasmas would cause a four-fold increase of economic productivity. A rough estimate suggested the increase of four million jobs per year, elimination of the U.S. trade deficit within a two-year period, and a rise in real per capita income by 5% per year.

However, as the study pointed out, only a cheap credit policy would allow spinoffs from the beam-weapons program to have a significant impact on the economy—turning the present worsening recession into a real economic revival. Over the past two years, the Strategic Defense program itself has achieved impressive successes both in intensifying the frequency and power of lasers, and in solving certain key problems in focusing and targeting. *EIR's* original study warned of the need for a spectacular increase in electrification of the economy by the sixth



Los Alamos/Fred Rick

The technological spinoffs from the beam-weapon defense program can transform the world economy, extending the frontiers of research into materials processing and medicine. Shown is a scientist from Los Alamos Scientific Laboratory removing a sample from a test tube, in a technique for precise measurement of minute substances.

year of a program to reorganize production around laser and plasma technologies. Even with the automated production of nuclear plants and the introduction of magneto-hydrodynamic augmentation of electricity production, a huge bottleneck was foreseen.

Now, of course, as the nuclear industry itself is virtually being shut down, this problem will assume even graver proportions. In fact, even a modest upswing in production based upon existing technologies will reveal an immediately dangerous shortfall in the production of electricity. We must look to scientific breakthroughs in energy production, using fusion as well as fission reactors, to give us a solution to this serious bottleneck. Here again, the monetary policies being imposed upon the country have led to the short-sighted practice of cost-cutting by reducing government sponsorship of the non-military fusion and space budget, thereby slowing down or even halting the pace of developments which might otherwise bail us out of the impending power shortfall.

It is clear from the overall continued decline in productivity of the U.S. economy, that the continued high-interest and associated policies of Federal Reserve Board chairman Paul Volcker have in fact blocked the kind of takeoff which we might have anticipated from the stimulus generated to the economy by the President's SDI. These policies have hindered the assimilation of the spinoff benefits from the SDI program, which would more than pay for the program through the increased tax revenue which would become available as the economy received a "shot in the arm." Conversely, the failure to provide for the assimilation of these technologies is symptomatic of the destruction of the nation's in-depth

war-fighting capability. It was the interplay of military and domestic policy which defined the military and industrial hegemony of the United States during the Second World War.

The report which follows assesses the actual impact of laser and related breakthroughs on the economy, and the potential which these give for an industrial takeoff—provided the vicious policies of Paul Volcker now suppressing industrial growth are reversed.

The assimilation of new technology

Lasers are a key element in any effective antiballistic-missile system because of the speed with which they can deliver energy on target, their ability to concentrate that energy to deliver a knock-out punch, and the more subtle effects which are possible by "tuning" the delivery of a graduated series of shock waves to a target in order to render it dysfunctional through induced phase changes. One of the key elements of laser targeting is of course the alignment and focusing of the beam. These systems demand the most advanced computer controls and diagnostic capabilities. Not only must the beam be able to pinpoint its target, but it must be able to discriminate between live missiles and drones. All of these elements of the system, applied to production, imply greatly enhanced capabilities.

As the Japanese experience presently shows, we are on the verge of a revolution in robotics which can introduce the automated factory. The wedding of advances engineered through the SDI to these systems will continually upgrade

FIGURE 1

Number of U.S. machine tools produced

1972	1980	1981	1982	1983	1984
132,889	203,193	188,769	118,172	150,837	164,590

Sources: U.N., National Association of Machine Tool Builders

FIGURE 2

Number of units of lasers sold worldwide

Type of laser	1983	1984
HeNe	113,285	212,395
Ion	10,387	10,765
HeCd	1,077	1,430
Dye	655	739
CO ₂	1,664	2,224
Solidstate (YAG and Ruby lasers)	4,203	4,451
Diode	496,400	979,300
Excimer	355	397
TOTAL	628,026	1,211,791

60% of laser sales worldwide are by U.S. companies. Source: *Lasers and Applications*

FIGURE 3

Number of lasers sold to metal-working industry

Laser Type	1982	1983	1984
CO ₂	550	725	942
Solidstate (YAG)	600	630	733
Excimer	3	6	
TOTAL	1,150	1,358	1,681

FIGURE 4

Laser system consumption by type of industry (worldwide)

(in millions of dollars)

Type of industry	1983	1984
Printing/xerography	805	1,095
Optical communications	797	1,067
Color separations	505	570
Tactical military	307	316
Therapeutic medical	199	261
Metrology	203	248
Materials processing	186	233
Audiodesk	105	160
R&D	94	109
Agriculture and construction	76	86
TOTAL	3,442	4,376

their potentialities. At the same time, we have the possibility of introducing a whole array of new metals and ceramics into production. To engineer most efficiently the kind of industrial revolution this implies, will demand real time diagnostics of the sort being developed through the SDI.

The health of any economy is immediately dependent upon the health of its capital goods sector—and especially those capital goods used to produce more capital goods and infrastructure. But in the longer run, its viability is a function of the rate at which higher and higher rates of productivity are infused into the economy, through a rapid rate of introduction and assimilation of new technologies. Each new technology is in a sense a singularity. Whether or not it “flies” depends upon the ability of the system as a whole to assimilate such.

As we noted, the present financial manipulations of the economy by Paul Volcker and the Eastern Establishment banking strata which he represents, are deliberately strangling the productive economy in order to favor the speculative “black” economy typified by the illegal drug trade, the gambling casinos, and the real estate swindles through which they launder its cash. And this of course is coupled with the depression of world trade through the same policies by the World Bank and the International Monetary Fund. The effect of these policies on machine-tool production can be seen in Figure 1.

To judge the impact of high interest rates, look at the cost of leasing laser equipment today. The standard leasing arrangement is for a three to five year period, at an average cost of 2% over the prime rate—a leasing cost today of about 12.5%. For the entire period between 1940 and 1960, interest rates did not rise above 4%. If we compare the cost to industry of a laser leased at today's prices, with that at a reduced 4% rate, the result is that the “tax” which industry is now paying to financial speculators is preventing any rapid modernization from taking place. Financed over five years, a \$200,000 machine now costs \$376,714, as compared to \$243,331 at the lower rate. The additional \$133,381 is a 55% add-on to the cost of the machine. Similarly a \$500,000 purchase today costs more than a quarter of a million dollars extra.

But there are other factors which also determine the rate at which new technologies are assimilated into an economy. Chief among them is perhaps the morale of the population. During the Second World War, the urgency of the task of meeting the goals of war production introduced a “crash program” mentality which mobilized the creative energies of the whole population. Countless inventions at the shop-floor-level must take place to upgrade the efficiency of any new invention and adapt its design to the specific tasks at hand.

Also there is a necessary density which must be reached before a new technology really takes hold. There was a phase change at the end of the 19th century from a steam-powered economy to one dominated by electricity, but this only occurred over time. It was first necessary to introduce a suffi-

cient number of motors into the economy to cheapen the cost of production and allow their assimilation on a volume basis. It would seem that we are at the point now where, provided the appropriate changes are effected in credit and related policies, laser technology is at a takeoff point—with the potentialities much as we predicted them two years ago. The laser industry is still small, but in the last two years, by any measure, it has registered real growth. People in the field estimate that about 20-30% of lasers used in machine tooling are used in the aerospace and defense industries, while the rest are spread throughout the economy.

Between 1983 and 1984 total laser output doubled—although it should be borne in mind that most of the growth was in diode lasers, which are the cheapest, costing between \$10 and \$100 apiece. Nonetheless all areas of laser production were up. One of the fastest growing areas for lasers is in the field of communications. AT&T has replaced copper-wires by 700 miles of fiber optics on the east coast of the United States. This fiber optic carries a laser beam which transmits sound at a greatly reduced cost and enhanced speed of transmission. This system will be extended to the west coast.

While metal-working consumes only a small amount of world laser output (it ranks only seventh among laser users in industry), the rate of growth in this sector was 18% in 1983 over 1982, and it increased 24% in 1984 over 1983. Total sales for worldwide laser systems (i.e., machines incorporating lasers) were \$3.442 billion in 1983 and \$4.376 billion in 1984. The United States would then have produced \$22.50 billion in laser systems in 1984. Since total machine-tool sales were \$2,650 in 1984, a fair estimate would be that laser machine tools accounted for 4% of these sales. The automation of laser production itself, which depends upon the total parameters of laser use, will of course benefit every particular application. One way of cheapening the cost of using a laser machining device is the proliferation of laser job shops around the country, particularly in the northeastern United States. This makes lasers available for the small batch, 10,000 parts-to-be-welded per month, type of job.

The laser tool

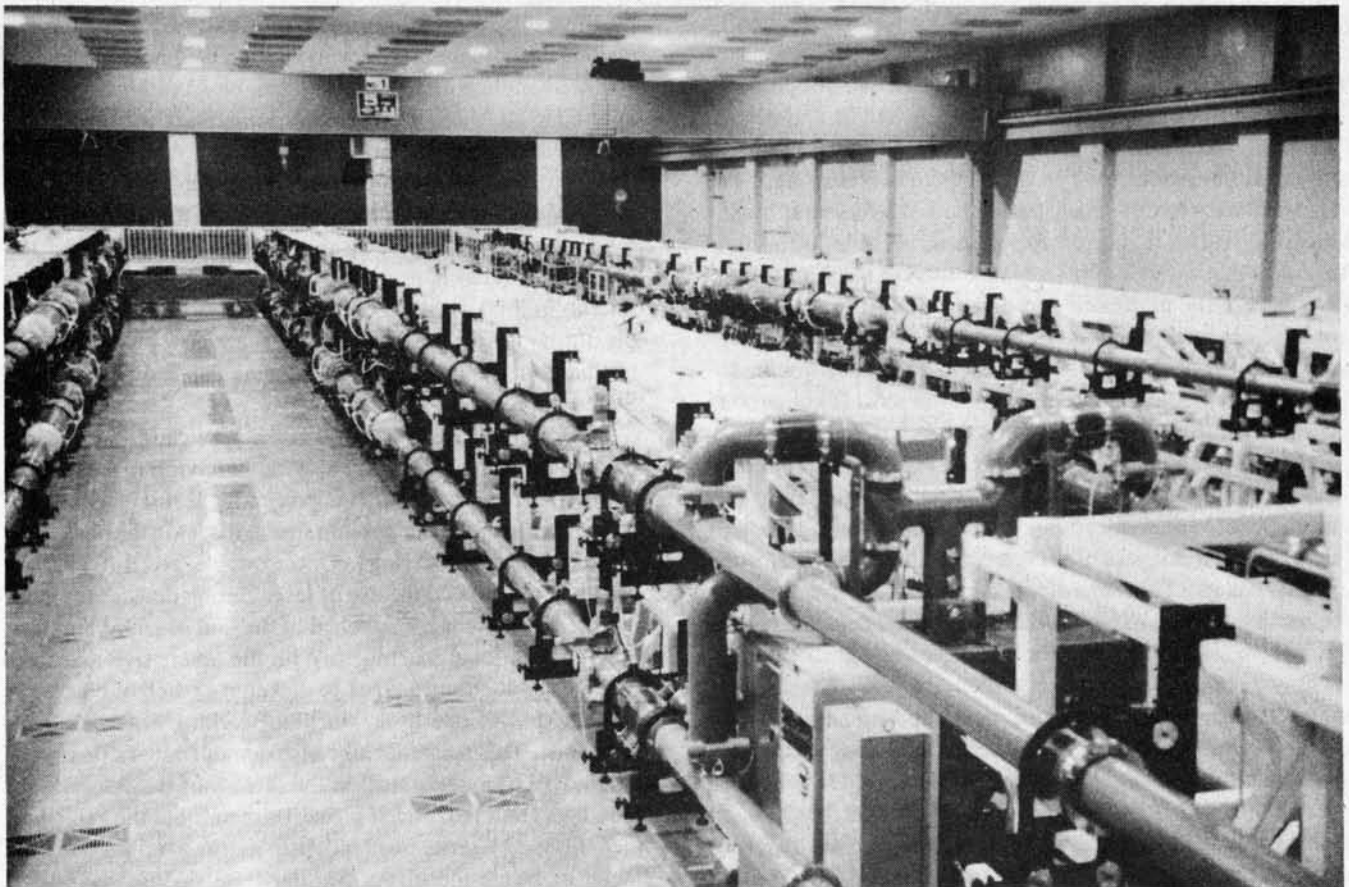
While lasers in themselves would not now be the tool of choice for many cutting jobs, they are already demonstrating their value not only for their ability to concentrate energy at high densities, but for their ability to be applied flexibly to varied jobs, from cutting to welding and plating. Best of all, this same flexibility can be put to use in designing and redesigning machine tools with minimum effort. For example, where a punch press is designed to punch holes in pre-assigned places, based upon the dies which are inserted in the press, the die itself must be changed at a cost of several weeks' time and several tens of thousands of dollars, in order to modify the distance between the holes. With a laser, one need only insert a new program into the machine console.

And of course the laser is capable of extraordinary precision. Laser machines now in use can drill holes that are 3/1,000 of an inch in diameter. A drill bit would break were it applied to such small holes. One application which is under proprietary wraps at the moment is the making of semiconductor chips for computers, which benefits from the capability of a laser to etch lines at hair thickness. At the moment they are operating in the range of a couple of micrometers. What is needed is an etching line of less than a micron in thickness. To do this it is necessary to go beyond the ultraviolet range. Excimer lasers are now producing cuts of a half micron in width. This is being pursued in the United States and Japan.

One immediate advantage of the application of lasers to machining is the ability to cut without having to adapt a die to the shape being cut. This is especially useful in the case of etching rectangular shapes into steel balls, as in the placement of stems on ball bearings. One example given to *EIR* researchers contrasted the use of laser cutting devices for making the blades that are attached to the end of jack-hammers, with conventional machines. With the latter, five machines worked for 40 hours a week to make up a batch of blades, as compared with one laser machine working only one eight hour shift. This laser machine also demonstrates a flexibility which will become typical in the factory of the future. It not only cuts teeth into sliced pieces of metal, but the same tool then fuses the serrated metal strip into a straight piece of metal to create the blade. Similar time savings have been reported by General Electric, up to as much as 98%. Lasers can also be used to make nugget welds, which, unlike electric-arc welding, do not require copper flux. With frequent welding, a \$150,000 laser will pay for itself in one year simply by eliminating the copper.

Laser cutting of aluminum and copper has been especially problematic, since these metals tend to absorb the applied heat. But during the past year, with enhanced laser focusing, a YAG laser (a neodymium-doped yttrium-aluminum-garnet laser) has been developed which can cut these metals. It is superior as a cutting instrument to its more high-powered cousin, the carbon-dioxide laser, because of its higher frequency. Coherent-General laser of Palo Alto has found a method of concentrating the energy of the YAG laser at its center, thereby considerably magnifying the energy density which its beam can develop, while maintaining a fine incision. In the coming period we can anticipate large-scale adaptation of methods now being developed to achieve precision targeting of beam weapons, and to achieve further energy densification of lasers at the point of production.

In the area of robotics, while the Japanese are in the lead, Westinghouse has devised a laser-robot hookup which works along a monorail 40 feet long. Another Westinghouse experimental set-up uses a 25 kilowatt laser to feed six work stations. As a metal-working tool, the laser beam is piped throughout the shop from one central laser source.



NSIPS

The Gekko XII glass laser in Osaka, Japan.

New materials: the case of zirconium

One of the most significant elements of the new industrial revolution will be the introduction of new materials into production. One of the main bottlenecks preventing leaps in productivity comes from the limits imposed upon the efficiency of machines by the inability of the materials of which they are composed to tolerate high temperatures or extreme variation in temperature. Other problems are durability and resistance to corrosion. It is the latter, for example, which prevents the use of hydrogen as a replacement for petrochemicals.

Materials are also the limiting factor in a large array of higher-temperature processes using lasers, plasmas, and advanced nuclear technologies, which should otherwise be commercially available, but are not economically attractive under current depression conditions. The SDI program and its space infrastructure will push currently available alloys and ceramics to their limit, while also requiring the development of new materials. The nuclear reactor in space program, for example, demands reactors that are both compact and efficient. This means that they must be able to operate at a higher temperature. This program is already transforming the state of the art in materials.

Over the past two years, this nuclear reactor development program has again become a focus for NASA, the Department of Defense, and the Department of Energy. Not, as in the past, for propulsion, but for space-power production for laser, particle beam, radar, and other military systems. This tri-agency SP-100 program, and a parallel effort which will develop power sources larger than the 100 kilowatt SO-100 program, are resurrecting the materials work stopped in the early 1970s. One material coming to the fore is partially stabilized zirconium, a ceramic originally developed in 1977 by an Australian firm, Nilcra Ceramics, and patented in the United States in 1981. The three U.S. government agencies are presently considering use of some form of zirconium to strengthen refractory metals slated for use in the SDI space nuclear reactors, against thermal shock.

Pure zirconium is a ceramic with a high melting point. While it is immune to chemical attack, in its pure form it is very brittle. At 1,090° centigrade it undergoes a change in its crystal structure, which usually results in cracking and then the decomposition of the material. Recently it has been found that alloying zirconium with magnesia, calcia or yttria produces a material which can withstand 300,000 pounds per square inch of pressure. Materials such as zirconium can only

be introduced into production as methods of handling them become available. Lasers are an essential element in this configuration, because they are able to cut through such materials. For example, the ribs of aircraft are made with the super-hard metal titanium, which is easily cut with a laser, but otherwise requires the exertion of tremendous force.

The SP-100 program has plans to use one of two heat-resistant metal alloys for the fabrication of heat pipes. One of these, tantalum, will be doped with zirconium. This metal has a melting point at 3,269° centigrade. The application of the design features developed by the SP-100 program to the development of a second generation of commercial nuclear reactors, particularly in the design of high temperature gas reactors, to give greater efficiencies of power generation, is essential if we are not to be held back by a severe power shortage. And of course the greater thermal efficiencies would significantly cheapen the cost of power generation.

Energy efficiency would also be achieved by the use of hydrogen gas as a fuel. The cost of cracking water to produce hydrogen is directly dependent upon the heat at which the process takes place. This in turn depends upon a heat source as well as upon the availability of heat- and corrosion-resistant materials. It is foolishly wasteful to burn petrochemicals, which are potentially limited and are only now in apparent oversupply because of the present severe contraction of production. Partially stabilized zirconium (PSZ) has recently shown in successful laboratory tests that it can withstand the necessary high temperatures. What is lacking is the heat source itself: The present sabotage of the commercial nuclear power program has not only stopped the building of nuclear reactors in general, but it has prevented the development of the high-temperature gas reactor, which could provide a cheap source of high-temperature process heat.

One immediate spinoff from this work is the development of internal combustion and Stirling cycle external combustion engines which could at least double the efficiency of current engines, because they operate at higher temperatures. The U.S. Army Tank and Automotive Command is funding research and development at Cummins Engine Co., in Columbus, Indiana for the development of an adiabatic diesel engine. The goal of this research is the production of 70% thermal efficiency as opposed to the 30% efficiency of current diesels.

This advance is made possible by the development of ceramics which have properties like those of steel, except that they can withstand the higher operating temperatures required to attain the desired thermal efficiencies. The optimal ceramic for use in engines and the one that the Army-Cummins program is built around turns out to be partially stabilized zirconium.

In laboratory tests so far, the Cummins engine has achieved a thermal efficiency of 48%. Cummins drove a truck with one of these engines 10,000 miles, with reportedly excellent results. The engine does not require a radiator to carry away

heat. Cummins has dispensed altogether with 360 parts in addition to the radiator, by making cylinder linings, piston caps, valve guides, valve seats, and so on out of PSZ, so that the engine can operate with cylinder head temperatures of 760-870° centigrade. This produced a savings of 420 pounds in the weight of the engine, as compared to a water-cooled diesel of the same power.

The Army is interested in the engine because radiators are the most vulnerable spot in a tank. In order for the radiator to dissipate heat from the engine, it cannot be heavily armored. The result is that a single projectile into the lightly armored radiator stops a tank dead. Reportedly the temperatures in the combustion chamber are so high that one could use rags for fuel, not to mention kerosene. Cummins is now trying to use the PSZ to eliminate the need for oil, to further reduce heat loss, and to raise the thermal efficiency even more. They plan to use solid lubricants for point contact and leave the lubrication of the pistons and other moving parts to the circulating fuel itself. The Japanese are already making replacement engine parts out of PSZ, but do not appear to be working on a new engine design.

Making new alloys with plasmas

High-quality metal alloys are made today in electric arc furnaces which operate at about 1,650° centigrade. Research in fusion energy and plasma physics over the past two decades has opened up the use of plasmas at an order of magnitude higher temperature, where more materials can be alloyed to steel. The most advanced plasma steelmaking process in the world is nearing commercial demonstration in New Jersey by a private company. Only the underinvestment in the steel industry over the last decade, and now the current outright demolition of capacity by the major steel producers, has prevented this revolutionary new technology from placing the United States in world leadership in this crucial materials field.

The plasma furnace uses a high-temperature inert gas that has been ionized, consisting of positively and negatively charged particles. At 20,000°, no material could contain this hot gas, so as in fusion experiments, magnets surround the furnace to hold the plasma in the shape of a cone. Pellets of the materials to be refined are dropped into the furnace from the top, and in the 45 hundredths of a second it takes the pellet to fall to the bottom of the furnace, the material has been refined. At these increased temperatures, alloys with barium and tungsten can be created.

These super-hard materials can be used for tool steel, which cannot be cut even with a diamond. Rather than changing the tool in an automatic lathe, for example, after each eight-hour shift, this new alloy enables you to extend the life of the tool from seven to ten times. The barium and tungsten alloys can withstand temperatures up to 2,210° centigrade, compared to the 1,650° of today's tool steels, and are oxygen-resistant.

As the Japanese experience shows, we are on the verge of a revolution in robotics which can introduce the automated factory. The wedding of advances engineered through the SDI to these systems will continually upgrade their potentialities.

We can expect a significant stimulus to the design of new materials to come from the need to improve laser optics in beam weapons. In the middle of February, the Los Alamos National Laboratory began a joint \$3 million program with other laboratories and industry to develop improved optical coatings for use in defense weapons systems. In order to at least double the currently available power of lasers for military applications without damaging their optics, basic research in materials, laser-material interaction, and chemistry will have to be performed.

As in many other fields of SDI-funded research, there will be numerous applications in industry from the technology developed through this program. An understanding of how lasers interact with the coating materials on their optical components in different kinds of environments will allow the development of new coatings tailored for specific uses. These new materials will extend the range of lasers used in industry. Lasers depend upon mirrors which amplify the reflected laser beam in their internal design. Large mirrors located in space will also be used to target laser beams propagated through space.

The SDI office has asked Los Alamos to develop materials that will enable mirrors to withstand a factor of two or more power than laser optics can withstand today. In order to do that, scientists will have to first develop an understanding of how coatings which are less than a millionth of an inch thick, react when exposed to corrosive chemicals and intense radiation, since SDI lasers and external mirrors could find themselves in hostile environments. Scientists estimate that the thin-film coatings, which are usually metallic oxides and fluorides evaporated onto a base material, can be made from 10 to 100 times more damage resistant.

Of course, the converse is also true. Increase in knowledge of how lasers interact with materials will improve the ability to kill missiles efficiently, which after all is the point of the SDI program. In some industrial processes such as laser welding, laser-induced "damage" is also the aim of the process. In many cases today, getting the weld desired is a hit-or-miss estimate, in terms of the length of the pulse or

power level of the laser itself. If materials specialists understood more precisely how the laser "damages" the materials being welded, the laser pulse could be shaped for precision applications.

For example, when the laser is applied to a material, it creates a plasma vapor at the surface. At high power densities, a plasma wave propagates back up the laser beam. Up to a certain level, this plasma wave radiates heat back to the target material, enhancing the welding. Too high a power density can form that plasma into a shock wave, which can block the laser and reduce the efficiency of the energy coupling between the laser and material. It is also the case that the functioning of lasers themselves for industrial purposes could be improved by an in-depth understanding of laser-materials as the carbon dioxide laser, which produces its coherent light through a chemical reaction. The reaction can damage the optical components of the laser, causing clouding and other problems.

There could also be significant improvements made in the use of lasers in chemistry—such as isotope separation, creating more powerful agents to clean up radioactive waste, and other processing techniques. In these situations, the chemical interaction of the laser and material to be processed can produce a drift of chemical reactants out of the chamber where the laser chemistry is taking place, back to the laser, causing damage. The use of lasers in chemistry and the use of chemical lasers would both benefit from a scientific understanding of how the laser couples its energy to create various chemical reactions. Although industry may not use lasers at the power level that the SDI program is examining, if the one-shot threshold for optical damage is improved for military applications, it will also improve the reliability of multi-shot industrial processes at the lower power levels.

Other spinoffs

While superconductors have existed for the past two decades, the expanded demand for their development in connection with the use of large accelerators to project electron beams, should have a revolutionizing impact on production similar to the earlier development of semiconductors. A superconductor, when cooled to near absolute zero, is capable of transmitting large electric currents without any significant level of resistance. The mechanical analogy would be to a frictionless machine, because without resistance there is no heat loss in the operation of the circuit. The only loss in transmitting the electricity then would come from the energy cost for maintaining the superconductor at cryogenic (near zero) temperatures. At 99% efficiencies, this can be made practicable.

The SDI program depends upon vastly expanded computer capabilities, in order to process the vast amount of information necessary in real time. One line of development is in optical computers, and along with this is further devel-

opment of what are called systolic systems, that is computers which can carry out many parallel functions at one time. A further line of development would be use of organic chips; however, these have such fine-scale gauges that messages would have to be conveyed at x-ray frequencies. The development of organic material capable of sustaining x-ray irradiation without damage is now being worked on with genetic engineering techniques. For more than two decades, the power of computers has been increased every year by about a factor of 10. This steady advance in computing power has been almost entirely due to improvements in computer hardware, by reducing the scale of circuitry. Obviously, any such computer developments immediately impact the potentialities for the fully automatic factory.

A new development has recently occurred within the domain of linear programming, which may vastly improve the speed of computation. The claim is made by the author of this new system, Narendra Karmarkar, a mathematician now working at Bell Labs, that while the number of computations needed to solve linear programming problems with the simplex method can grow exponentially with the number of variables involved, with this new method the number of calculations only grows in direct proportion to the number of variables involved.

It was of course the Apollo project which gave the greatest stimulus to the computer revolution, with the development of semiconductors cheaply enough to become commercially feasible. It has been estimated that for every dollar spent by NASA, \$10 was returned to the economy. The SDI has a far wider technology mandate. Over the past year, NASA has once again geared up its apparatus for reaching industry to transfer space-program developed technologies. The SDI office, on the NASA model, has started to hold workshops with potential industrial contractors who will be researching and building the future defensive systems. In addition to briefing the contractors themselves, the SDI office could begin to establish pathways for non-defense corporations to become involved in the transfer of new technology as it develops.

All of this can and will occur only in an economic climate in which new capital investment is being made at an accelerated rate, as opposed to the present system, in which existing capital infrastructure, as in the steel industry, is being destroyed without replacement.

The staff team involved in this portion of the research included Marsha Freeman, Richard Freeman, Charles Stevens, and Robert Gallagher.

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Medical and chemical technology spinoffs of directed-energy research

by Wolfgang Lillge, M.D. and John Grauerholz, M.D.

Research into lasers and other directed-energy technologies has placed us on the verge of fundamental breakthroughs in biology and chemistry, which will dramatically transform medicine and industrial chemistry. Technologies presently available and soon to come on line are but the tip of the iceberg of the most profound change since the introduction of the heat-powered engine which drove the industrial revolution. Already the use of lasers has profoundly altered medical practice in many specialty areas, primarily as a surgical tool.

Some of the most promising areas now being explored in laser technology involve rapid, highly specific, and sensitive diagnostic techniques, which minimize time and in some cases potential risks to the patient.

One device now passing from the purely research phase into medical application is the flow cytometer. In this machine, cells or individual molecules are suspended in liquid and pass through a flow chamber at rates up to 20,000 cells a second. The cells are illuminated by lasers of different frequencies as they pass through the chamber and the absorption or scattering of the laser light, or the fluorescence of molecules excited by the lasers is measured.

Los Alamos National Laboratory recently announced the development of an instrument called an angular scanning CIDS spectrometer. CIDS stands for circular intensity differential scattering; the device measures the scattering of left and right polarized laser light by viruses and bacteria. This instrument can identify viruses in a few minutes, instead of the 2-14 days currently required, and in combination with the flow cytometer can identify bacteria in less than an hour.

The potential of this technology can be grasped from the fact that clinical microbiology laboratories in the United States generate \$30 million a week in the process of isolating and identifying micro-organisms—viruses, bacteria, fungi, and protozoa—from patients suspected of, or known to be, suffering from an infectious disease. Because of the time required by current techniques, the results are generally not available until after treatment has already begun, or treatment may be delayed, with sometimes serious consequences, until the diagnosis can be established. With this technology, a precise diagnosis can be rapidly established, thus avoiding delay or possible mistreatment.

Another application of the flow cytometer is the detection and isolation of cancerous and pre-cancerous cells. Alterations in cells can be identified rapidly and with a high degree of specificity, utilizing a technique called laser immunofluorescence which detects antibodies bound to cell surface antigens. Antigens are generally protein molecules, sometimes combined with sugars, which form part of the membranes of cells. These antigens stimulate the immune system to produce proteins, called antibodies, which bind to them. A number of present diagnostic tests involve using antibodies labeled with radioactive isotopes or enzymes to bind to the surface antigens, and then assaying for binding by measuring radioactivity or enzyme activity. These tests require multiple steps and the use of expensive radio-isotopes. The flow cytometer uses a photometer to measure the intrinsic fluorescence of antigen-antibody complexes with a sensitivity two orders of magnitude greater than the isotope technique, known as radioimmunoassay, and requires only one step prior to running the specimen through the cytometer.

Another use of the flow cytometer, with longer-range implications, is a project of Los Alamos National Laboratory and Lawrence Livermore Laboratory to stockpile a complete library of the human genetic code. The library would be a repository of complete genes and fragments of genes, the pieces of the genetic code that determine the characteristics of an organism. These fragments are separated in the flow cytometer and can then be inserted into bacteria by genetic engineering to produce quantities of the gene product. This library is three-quarters complete and will be finished in another six months.

The flow cytometer can isolate individual cells in a miniscule, electrically charged drop of water, and separate them from other cells electrically. Currently Los Alamos scientists are working on the detection of single molecules by their fluorescence pattern after laser excitation, and subsequent isolation of these individual molecules in 1 picoliter (.000000000001 liter) of liquid.

Another development which promises to have a major impact on one of America's foremost health problems is a product of research on high-energy particle accelerators. This is the use of high flux, monochromatic x-rays, produced by a machine called a synchrotron, for visualizing the arteries

of the heart. Presently this is done by cutting down on an artery and threading a catheter into the heart and then injecting dye into the coronary arteries. There are a number of complications associated with coronary angiography—as this technique is known—including possible heart attack and sudden death. By using the synchrotron x-rays and image enhancement techniques, the same information can be obtained with only a small injection in an arm vein. This would make angiography feasible as a screening technique for asymptomatic patients who are at risk of coronary disease by family history or other factors. The first human studies of this technique are scheduled late this year at Stanford.

X-ray microscopy and holography

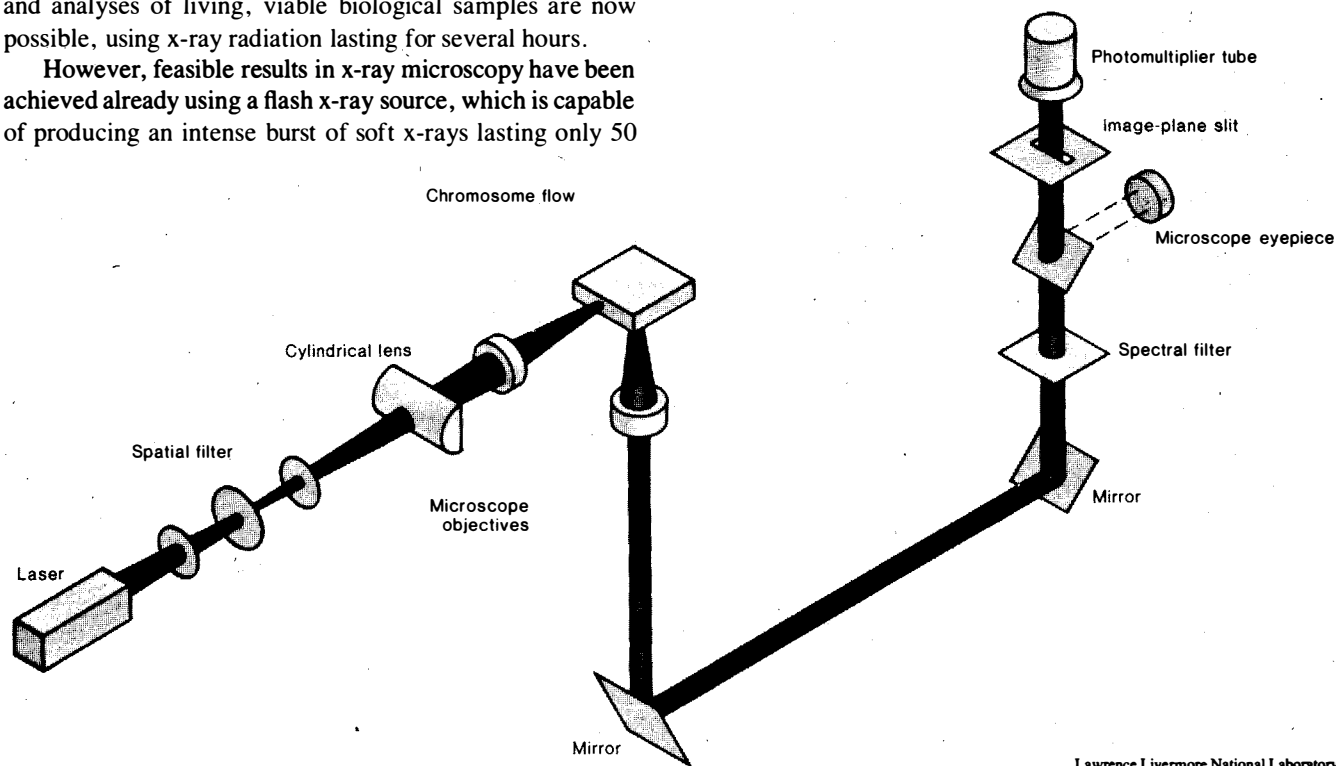
In recent years significant progress has been made in imaging of hydrated organic specimens with x-rays, and it might not take long to produce three-dimensional x-ray holograms of fresh living matter with a resolution and contrast not known before. This would overcome the essential disadvantage of today's electron microscopy, which images only dead matter. Important work on x-ray imaging was done at the State University of New York at Stony Brook, Brookhaven National Laboratory, the Los Alamos National Laboratory, as well as other research facilities in the United States and West Germany. Because soft x-rays are not significantly altered by the presence of air and water, dynamic experiments and analyses of living, viable biological samples are now possible, using x-ray radiation lasting for several hours.

However, feasible results in x-ray microscopy have been achieved already using a flash x-ray source, which is capable of producing an intense burst of soft x-rays lasting only 50

nanoseconds. Further progress in terms of resolution and contrast is expected when it is possible to tune the x-ray source to specific absorption edges of a particular biological element, generating images of cell structures containing a concentration of such elements.

Even more promising results could be obtained in studying cell structures with x-ray laser holography which produces three-dimensional images of samples. Experiments done at Livermore and Brookhaven show that this technology is within reach. In summer and fall of this year, a new series of holographic experiments will be conducted, and the scientists involved hope to reach down to a wavelength of 300 Angstrom units, which results in a resolution roughly corresponding to the size of a cell. To achieve greater magnification, it is necessary to develop coherent x-ray laser sources with smaller wavelengths, which seems to be only a question of time. It is an exciting idea to imagine that you can actually see in real time three-dimensional processes as they occur in the microscopic and sub-microscopic realm. This will open up research areas in biology and medicine which were not hitherto accessible, especially concerning structures and changes of structures accompanying living processes, with nanometer space resolution and picosecond time resolution.

A hologram is created when a reference x-ray laser beam is correlated to a beam penetrating the specimen, where this



In the slit-scan flow cytometer, cells or molecules are suspended in liquid, then illuminated by lasers, making possible the detailed study of the genetic code and much more precise and speedy diagnosis of disease than previous methods allowed. This simplified diagram shows how chromosomes stained with a fluorescent dye flow through a narrow tube past an intense blue laser light, which excites fluorescence from the illuminated region of each chromosome. This is focused by a microscope and separated by a spectral filter.

latter beam is scattered and absorbed by the molecules. A "wave front reconstruction" is accomplished either by coherent illumination of the hologram or by an equivalent computer analysis.

A 'new window' into the human body

Nuclear Magnetic Resonance (NMR) imaging is the one technology in medical diagnostics which very well might prove to be also an efficient means in therapy, especially for treatment of cancer. NMR as a diagnostic tool for non x-ray imaging of anatomic structures of the body has become more and more widespread among medical institutions worldwide. In NMR scanning, a strong magnetic field is imposed on the organism, aligning the spins of the hydrogen protons in water and other substances, which allows the observation of absorption and emission characteristics of these protons, when a second field in the radio frequency range is imposed. A computer can reassemble all these data to a precise image of the tissue in question.

It was learned that a tumor absorbs and emits energy at frequencies slightly different from normal tissue. It is possible—and Dr. James Frazer at the Texas Medical Center is working on this—to visualize tumor tissue on a screen and then increase the amount of energy being radiated into the tumor. The effect is that the tumor tissue is selectively heated up, killing the tumor cells without affecting the healthy tissue. In this way, the NMR machine can be used both as a diagnostic and therapeutic means.

If this kind of hyperthermia treatment of cancer is accompanied with chemotherapy and/or radiation, the effect is even more dramatic.

A limiting factor of NMR technology so far is interpreting the massive amount of data received. It might be possible now to use NASA computer technology from the Landsat image-processing used to compose satellite photos of the surface of the earth. When NMR scans were experimentally fed into the Landsat computer last year, they were analysed just as if they were earthly landscapes and multispectral NMR images were reduced into a single, realistic color composite. This project is a collaborative effort by physicians and engineers from NASA's Kennedy Space Center, the University of Florida, and the Washington University Medical Center in St. Louis.

The computer-generated colors will make the image look as real as possible and enhance the information that was recorded in the NMR process. One of the researchers involved in this project commented, "Satellite imaging has opened a new window into the human body for physicians."

The use of lasers in surgery is now widespread and provides the only therapy for some conditions. Diabetic retinopathy, for example, was untreatable 10 years ago, but now lasers seal the hemorrhaging blood vessels that once led inevitably to blindness. Most medical lasers generate heat in the tissues on which they are used and this heat is used to destroy the tissue—in the case of tumors—or to coagulate or "weld"

the tissue, as in the treatment of retinal detachment in the eye.

The problem with this heating effect in blood vessels is that it increases the tendency for blood to clot at the treated site, which is precisely what one wishes to avoid in coronary arteries. The other problem is perforation of the delicate arteries by the laser energy. Now a significant development is unfolding in the area of laser surgery of coronary artery disease, one of the leading causes of death and disability in the United States. A new laser, known as an excimer or excited dimer laser, eliminates the problems which make current medical lasers unsuitable for treatment of coronary artery disease.

The excimer laser produces short, intense bursts of ultra-violet light which shatter the molecules of the atherosclerotic plaque, without heating the surrounding tissue. The bursts of light create shock waves which break the chemical bonds of the plaque molecules and vaporize the plaque into carbon dioxide, hydrogen, and other fragments. Each burst cuts away microns (1/1,000 of a millimeter) of tissue with great precision, thus reducing the possibility of perforation. The pulses are extremely short, lasting from 10 billionths of a second to 100 billionths of a second.

The laser is incorporated into a 1.5 millimeter diameter catheter, containing three bendable glass fibers, known as fiberoptic elements. One fiberoptic element carries the laser energy; another shines a light on the catheter tip; the third provides a view of the area in front of the catheter.

The estimated cost of the perfected laser-fiberoptic device is \$100,000, and a patient could have his coronary arteries cleaned out in a few minutes and might not even have to stay overnight in the hospital. When one considers that 170,000 patients underwent coronary artery bypass surgery in 1982, at an average cost per person of \$20,000, the potential savings are enormous. More importantly, a great many patients who could not tolerate surgery because of the severity of their disease could be treated by this method.

Coronary artery disease most often strikes middle-aged men in the prime of their productive lives. Screening by synchrotron angiography and treatment by fiberoptic lasers could result in the prolongation of millions of productive lives at relatively low cost, and the virtual elimination of one of the major killer diseases of our time. The laser used in the initial experiments was designed for remote atmospheric sensing by NASA.

On a more prosaic level, reports from a French group indicate that a CO₂ laser beam could be the most effective method of treating tooth decay. Laser treatment of dental caries produces a chemical and physical barrier to acidic decay and the formation of a tough pulp scar.

Laser chemistry

Since the development of laser technology in the 1950s, attempts have been made to use lasers in chemical applications. However, so far only in a few areas of chemistry are

lasers actually applied on a broader scale. The main argument against them is that investment in laser-produced photons is not economical; traditional methods, although much less efficient, are considered to be superior. This may have been true until some years ago, but now efficient lasers of all different wavelengths and intensities are available, so that a reconsideration of potential applications of lasers in the chemical and pharmaceutical industry is overdue.

One of the most obvious applications of laser-generated photons is the production of Vitamin D, which the human body itself synthesizes in the skin by means of the ultraviolet spectrum of sunlight. The method to apply laser light in this process was developed already in 1982 at the National Research Council in Ottawa, Canada, but has not been used. "It is commercially not feasible," commented Dr. Peter Hackett, the chief researcher at the NRC in a telephone interview.

Actually, laser application in Vitamin D production could serve as a paradigm for other areas. It works as follows: A laser beam of a specific frequency will selectively excite only one of the reacting molecules, and a second laser at a different frequency inhibits the creation of an intermediate product, which would impurify the substrate. Laser application leads here to a yield of up to 80% of the end product, instead of a yield of only 35% with the traditional arc lamp as a light source. A similar process could be applied to produce the hormone prostaglandine, which is important in many metabolic processes in the human body.

A broad area of potential laser application is also the production of antibiotics, most of which are still produced now by rather expensive, inefficient means.

In fact, the only broader scale use of lasers is in the field of isotope separation, especially used for the separation of uranium atoms. One of the processes in use exploits the fact that U_{235} absorbs energy of laser light at a different wavelength than U_{238} , so that by means of an ion extractor based on electromagnetic fields, you can separate the two ions. Two other processes with significantly higher efficiency than the old, energy-intensive method are known; however, all industrial-scale application capabilities are now under strict classification for military reasons.

The purification of chemical products with lasers proves to be a very efficient method, utilizing the different absorption pattern of the impurifying substances in materials, which should have a high grade of purity.

Basic research must be directed specifically to study the effects of tuned lasers upon molecules and molecule combinations, to be able to apply photons in a way that controlled changes in these molecules occur. So far these processes are poorly understood, as tuned energy applied to specific chemical bonds for instance, is redistributed too quickly over the whole molecule, before it can effect the wanted result. Some knowledge of these effects, a kind of fluorescence generated by specific resonance frequencies in atoms, is so far only used to study the reaction of certain chemical processes at the laboratory level.

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U.S. cold shoulder to President Mubarak threatens Soviet victory in Mideast

The regime of the new Soviet "Czar," Mikhail Gorbachov, has joined with Syria and Israel's Sharon faction, in expressing shameless delight at the insulting reception given to Egypt's President Hosni Mubarak, during the Egyptian President's recent visit to Washington, D.C. U.S. State Department bungling in the treatment given to President Mubarak, has been read in London, Moscow, Damascus, and Libya, as proof that the way is now clear to an early assassination or overthrow of President Mubarak, and the way thus cleared for an early Soviet-directed Qaddafi takeover of Chad, Sudan, and Egypt.

Already, during President Reagan's first administration, U.S. friends among African governments were savagely undermined through the role of Secretary of State George Shultz and then-Treasury Secretary Donald Regan in organizing U.S. support for IMF policies. IMF conditionalities unleashed threatened insurrections against governments formerly friendly to the United States, and increased the influence of Qaddafi and direct Soviet influence. Similar State Department policies towards Israel, virtually completed the shut-down of the goods-producing sector of the bankrupt Israeli economy, and thus increased the power of the international, Bronfman-Safra-Riklis-Max Fisher, Kissinger-linked cabal behind former Israeli Defense Minister Ariel Sharon. With the Israeli shekel now almost worthless, desperate Israelis are finding it difficult to resist the cabal's revival of the formerly rejected proposal of gangster-boss Meyer Lansky: to turn Israel into a "new Venice" of casino-gambling; offshore (drug-money) banking, and kindred mob enterprises. The State Department's actions cut the legs out from under those Israeli factions which formerly hoped for peace with their Arab neighbors. The mob-linked crazies rallied behind

Meshulam Riklis's favorite, Sharon, are now in the saddle. The carving up of the remains of butchered Lebanon, between vultures of the "Greater Syria" and "Greater Israel" factions, is now being unleashed afresh. Longstanding U.S. relations to Saudi Arabia are being eroded. The shattered remains of former U.S. influence in the Middle East and Africa now hang by the threads called Yasser Arafat, King Hussein, and President Mubarak; the U.S. State Department has moved to cut those threads.

The most immediate threat of overthrow of the present government of Egypt comes from the rapidly deteriorating situation in President Gaafar Numayri's Sudan. Were the present destabilization of Sudan to continue, the danger of an insurgency inside Egypt itself would be immediate and awesome.

Sudan has been a key target of Soviet strategic operations since 1974-75, when Secretary of State Henry Kissinger's British-directed bungling in the Horn of Africa, threw Ethiopia into Soviet, Cuban, and East German hands. Since then, the most visible part of the Soviet threat to Sudan has been run through Hitler-admirer Col. Muammar Qaddafi. Recent U.S. backing for IMF actions against Sudan, have fostered increased internal insurgency within that nation; the assignment of the London-based former CIA operative, Miles Copeland, as adviser to the Sudan government, has been of immense assistance to Qaddafi's, and Soviet, plans.

We do not overestimate the significance of Miles Copeland. During early 1982, Copeland bragged that it was he who had corrupted and bought up former *EIR* Middle East specialist Robert Dreyfuss; Dreyfuss's files confirm the close relationship which had developed between himself and Copeland. More recently, the corrupted Dreyfuss has been asso-

ciated with some very dirty operations against the opponents of Iranian dictator Ayatollah Khomeini. It was to Dreyfuss that Copeland bragged of Copeland's own continuing close personal relations with KGB Gen. Harold "Kim" Philby, and offered to arrange an *EIR* interview with Philby in Moscow. Copeland continues to be under counterintelligence investigation as a suspected accomplice of the same Soviet mole-cell as Philby, Burgess, Maclean, Blunt, et al.

Since Copeland was attached to the Numayri government, some very strange and wicked turns have developed. With encouragement from either wicked or simply stupid U.S. foreign-policy channels, President Numayri has been encouraged to align himself with Qaddafi-linked Soviet assets among Sudan's "Islamic fundamentalists." As a result, Sudan is on the verge of being torn apart.

If Sudan falls under Soviet control, as Copeland's influence is leading it, Moscow will control Libya, most of Chad (at least), Sudan, and Ethiopia: surrounding and isolating Egypt. This is President Mubarak's greatest cause for concern at the present time.

The problem at the White House

Many readers will ask the question: "Doesn't the President know about these potential catastrophes?" We at *EIR* ask the same question many times. There is every indication

that the President does not know some of the most important facts bearing upon major policy decisions. There is nothing shocking in that observation; this is a problem which faces the chief executive of any extensive organization.

Every chief executive spends most of his hours in an environment in which the scheduling of appointments and flow of information are under the control of his staff. Whether that staff has the best or the worst of motives, such a staff can not avoid attempting to control the chief executive by selecting the executive's appointments and tailoring the flow of information. Effective executives are those who understand this problem, and who develop alternate channels of private intelligence, which enable the executive to double-check the activities of his staff.

There are two additional problems.

Every U.S. federal administration is only elected on the basis of back-room agreements with power-blocs; and, the power of a President to get legislation through the Congress and to keep the liberal news-media from lynching the administration in some newly manufactured "Watergate"-style scandal, depends upon deals struck with elements of the Liberal Establishment. That is generally the way in which a Henry A. Kissinger long despised by President Reagan, managed to get inside the administration, even into the President's Foreign Intelligence Advisory Board. These "deals"

President Mubarak's diplomatic offensive

Feb. 21—Mubarak sends an envoy to Israeli Prime Minister Shimon Peres, who is in Bucharest at the time, carrying a letter "of utmost importance."

March 7—Mubarak arrives in Paris. The French foreign ministry issues a statement calling for a greater European role in the Mideast peace effort, suggesting that Mubarak has placed too much emphasis on Washington.

March 9—Arrives in United States.

March 11—Meetings with Secretary of State George Shultz, Secretary of Defense Caspar Weinberger. Addresses a conference of major Jewish organizations.

March 12—Meeting with President Reagan at the White House.

March 13—Luncheon with the U.S.-Egyptian Chamber of Commerce. Speech to the Press Club.

March 14—Arrives in London for meetings with Prime Minister Margaret Thatcher and Queen Elizabeth.

March 16—Arrives in the Federal Republic of Germany, meets with Chancellor Helmut Kohl.

March 16—Arrives in Rome.

March 17—Returns to Cairo, where he tells the press that "President Reagan has neither been negative nor positive" toward his initiative. The Europeans needed "a little more time to consider the issue before making any decisions," but Chancellor Kohl committed himself "to push forward the Egyptian initiative" within the European Community.

Goes to the Soviet embassy to sign condolence book for Konstantin Chernenko and to meet with the Soviet ambassador. Mubarak issues a statement calling for an "international peace conference"—along the lines of what Moscow has been demanding.

March 18—Goes to Amman to meet King Hussein, then flies to Baghdad to meet with President Saddam Hussein. This is the first visit to Baghdad by an Egyptian President since the 1979 Camp David accords.

create boundaries around any President's ability to make domestic and foreign policies. So, Presidents, sometimes reluctantly, turn a blind eye to facts which might lead them to breaking their deals with the Liberal Establishment. The President says once, words to the effect, "I don't wish to hear that brought up again!" and the President's staff and other advisers are careful to see that the unpleasant facts are not brought into the Oval Office.

There is a third major problem, closely related to the first two. Every faction in government develops scenarios for increasing its factional position in government. These scenarios, "game plans," usually cover a period of several or more years. This leads to the circumstance, in which leading representatives of such factions reply to a proposal for urgent policy-action: "Generally, you're right, but the time-table doesn't allow us to to act on that at this time." Federal bureaucrats hate any crisis which might occur earlier than the "game plan's" time-table calls for the kinds of policy-actions such a crisis implies. Federal bureaucrats resent deeply people who present facts proving that a crisis is arriving earlier than the adopted time-table plans for such a crisis.

This fear of "premature" crises results in some exotic rationalizations, whenever the bureaucrats can not avoid the facts which show a "premature crisis" to be exploding in their faces.

The bureaucrat who is of the slimier type, attempts to refute such facts by citing the opinion of some mysterious cult-deity referred to as "We think." "We don't think that any

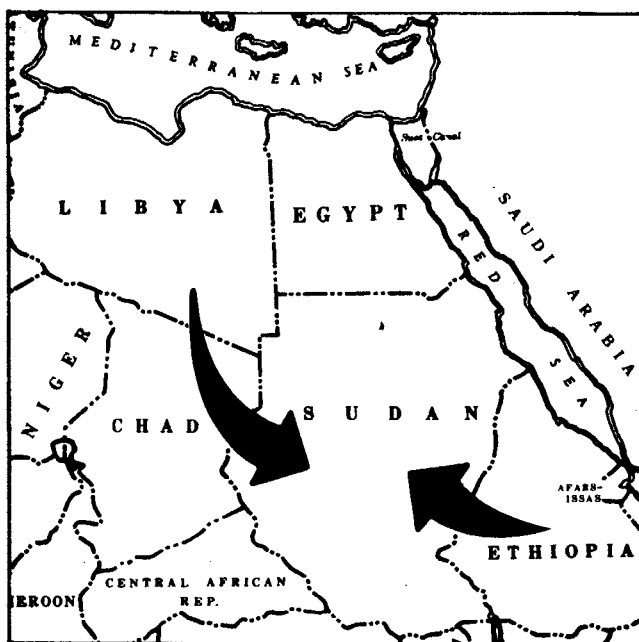
such crisis is to be expected. Our sources tell us. . . ." This is usually followed by a brusque, "I don't have any more time to discuss the matter, but feel free to contact me in a month or two if you have something more reliable to report."

The better grade of bureaucrat avoids such slimy evasions of fact. "Yes, I admit that the facts tend to suggest a serious crisis. Your facts are right, as far as they go. What you obviously don't know, is that we have the situation under control for the next few months, so that there is no need for any significant shifts in policy at this time." They admit that the crisis exists, but insist that various measures of "damage control" will minimize the effects of the crisis to the point that early shifts in policy will not be required.

Sometimes, these gentlemen's estimates turn out to be more or less accurate; the particular threat, as narrowly defined, is prevented from exploding into a major crisis, by methods of "damage control." Yet, even when they appear to have been right, they are also proven to be dangerously mistaken. "Damage control" usually means trading-away some significant advantage to the enemy, as the price for buying the enemy's temporary forbearance. Several successive instances of such "damage-control" action have the net effect of dangerously and substantially weakening the U.S. strategic position over the medium-term, up to the point that the U.S. position becomes so much weakened, that no further "damage control" is possible. Typical is, "It's true that . . . is a major problem; but, we have a few chits in that situation, so we don't expect . . . 's appointment to become a major problem." Sooner or later, the supply of "chits" is used up.

In nearly every case, the reason the most honest sort of bureaucrat substitutes "damage control" for facing a breaking crisis, is that either that bureaucrat's faction, or the White House itself, has some current agreement with the Liberal Establishment, either directly or indirectly. They recognize the potential menace of the crisis, but they consider tolerating the crisis a lesser price than appearing to break an existing deal with the Liberal Establishment. So, the response to undeniable facts, is often: "Your facts and general conclusions are right, but we can't change our policy at this time, because. . . Besides, we have 'damage control' in place, enough to keep this situation under control."

Apart from the fact that the President, like many chief executives of public and private life, is often lied to, or—the same thing—facts are suppressed which he ought to know, Washington finds various ways of avoiding facts which threaten to upset adopted policies. Since nearly all of the major news-media in the United States are controlled by the Liberal Establishment, there is little free press to call the President's attention to the suicidal potentials of capitulating to policy-agreements negotiated with the Liberal Establishment. This is the case with current U.S. monetary and economic policies, and policies for various parts of Asia, the Middle East, Africa, Europe, Ibero-America. As a result, the President, and many among his better advisers, are themselves more or



Soviet thrusts into Sudan

Soviet press denounces President Mubarak

March 8—*Pravda* criticizes the meeting between King Hussein of Jordan and President Mubarak in Al Ghurdaqah, Egypt. Headlined "To the Detriment of the Palestinians' Interests," the TASS wire from Cairo reports that the two leaders discussed the Feb. 11 Amman agreement between Hussein and Yasser Arafat, which "provoked the sharp condemnation of anti-imperialist forces in the Arab east. . . . H. Mubarak, in his statement, noted that he and King Hussein have the same view regarding the need to 'initiate a dialogue' between the U.S. administration and a Jordanian-Palestinian delegation."

TASS from Damascus adds that the Syrian Ba'ath Party leadership has issued a statement denouncing the Hussein-Arafat agreements and the proposals of Mubarak.

March 9—*Pravda's* Cairo correspondent reports on Mubarak's trip to the United States and other Western countries, quoting criticism of it from Arab newspapers. "The

Syrian newspaper *Tishrin* writes that the Arab world is particularly alarmed by the fact that on the basis of the Amman agreement, it is planned to hold direct talks with Israel in Washington or Cairo in the future with a view to 'settling the Palestinian problem.' This is nothing more than the continuation of the course toward separate actions. . . ."

March 15—TASS quotes the Soviet weekly *New Times* attacking the Amman accords. "On Feb. 24, the weekly points out, Egyptian President Mubarak backed the idea of holding direct talks between a joint Jordanian-Palestinian delegation and Israel. . . . The 'Mubarak initiative' was assessed in the Middle East as a call for capitulation to the United States and Israel. . . . fraught with the aggravation of the situation in the region, as Camp David brought about the war in Lebanon, since its aim, as before, is to hinder the solution of the key problem in the conflict, the problem of the exercise of the national rights of the Palestinian people."

March 17—Radio Moscow in repeated broadcasts throughout the day plays up the left-wing pro-Soviet opposition to Mubarak, the Egyptian National Progressive Party, quoting its leader's praise for the Soviet Union's "commitment to support nationalist and liberation movements in Asia, Africa and Latin America."

less honestly self-misled as to the nature and importance of numerous major developments. This is the case with the Middle East and African crises, to which the case of Egypt's President Mubarak is central.

Israel and U.S. policy

The chief source of U.S. policy failures in the Middle East region, is Washington's failure to understand Israeli policy-shaping. Although an important Israeli minority, chiefly those of German-Jewish and Polish-Yiddish-Renaissance extractions, are committed to a state of Israel consistent with European Judeo-Christian culture, the mythical version of Holocaust and the monstrous reality of Nazi mass-murder which lends credibility to that myth, promotes the racist sort of a "Jews against the world" outlook; this latter outlook implies that Israel can not pledge itself to the risks of durable alliance with any among the goyim, that Israel must survive by aid of playing all major and lesser powers against one another, with little Israel imitating the "great games" played more or less successfully over centuries by "little Venice." The latter, presently dominant faction in Israel, therefore has an absolutely unprincipled foreign policy, in which the pres-

ent shift of Israeli policy, tilting away from the United States toward increased collaboration with the fanatically anti-Semitic ruling faction in Moscow today, is merely a matter of this Israeli faction's efforts to imitate a Venetian style in real politiking. The former "Kosher Communists" of Europe and the Americas, whose family traditions of affection toward Moscow date from the Hitler period, play a key part in expanding the Israeli secret channels into Moscow, which never ceased to exist during any part of the postwar period.

Even less well understood, generally speaking, is the extent, depth, and nature of close collaboration between the Assad brothers' Sufi Syrian intelligence-service and the presently dominant political faction of Kissinger's cronies in Israel. The current efforts of some U.S. State Department circles, to have Syria taken off the list of nations associated with international terrorism, is an echo of the closer collaboration presently developing between the Assad brothers and Kissinger's cronies. No matter what butchery is exchanged between Israelis and the Assads' agencies and their assets, the "Greater Israel" faction is in close collaboration with Assad's "Greater Syria" operation, for joint carving-up of the remains of butchered Lebanon.

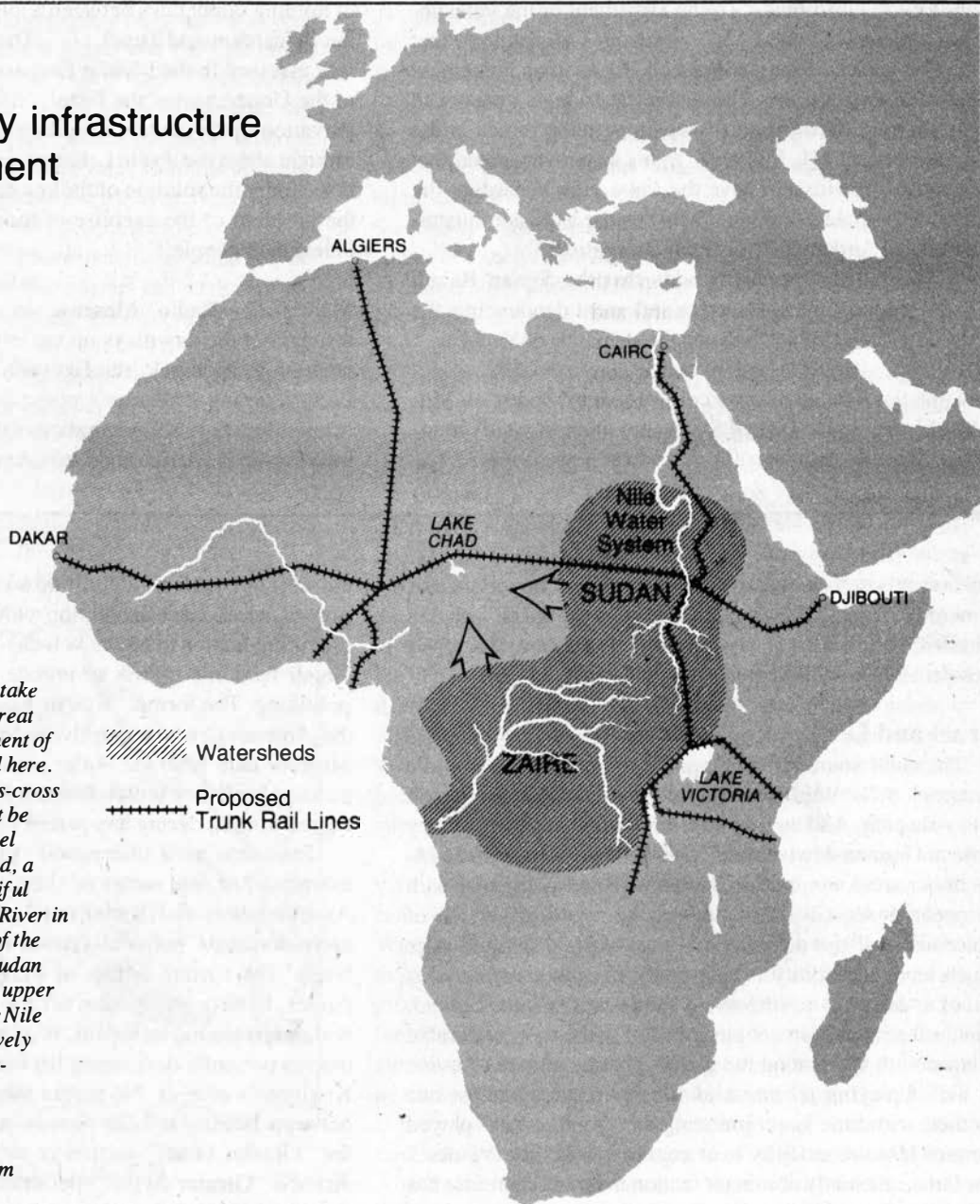
The butchery of all of the relatively moderate leaders of Arafat's circles in the PLO, is an example of this collaboration between Kissinger's cronies and Syrian intelligence. In each case, the assassination itself is directed by Syrian intelligence. The tracking of the victim is aided by the fact that most representatives of the PLO travel with AMEX credit-cards, so that the Safra family's computer-files provide up-to-date records of the past, present, and planned travels and favorite hotels and restaurants of PLO figures. The conduiting of this and related information to an assassination-team run by Damascus, aids greatly in targeting the victim.

Meanwhile, all terrorism throughout the Islamic world,

and international terrorism throughout the world, are either directly run by Syrian intelligence and its networks, or are operating in close collaboration with Syrian-run terrorist organizations. Just as the Mossad intervenes to protect Qaddafi, so the Mossad is well-informed of the details of most Syrian-linked terrorist operations, which Mossad agents and assets combined penetrate very efficiently from inside East Germany's intelligence services, as well as in Syria and the West.

Or, inside the Khomeini dictatorship of Iran. Although the Khomeini dictatorship is controlled top-down, primarily by Soviet Politburo member Geidar Aliyev's Tashkent-trained

Africa: priority infrastructure for development



The United States should take leadership in initiating Great Projects for the development of Africa, like those mapped here. Trunk rail lines must criss-cross the continent. Water must be diverted into the arid Sahel region, around Lake Chad, a seasonal lake, from plentiful watersheds of the Congo River in Zaire and the highlands of the Lake Victoria-southern Sudan region. The waters of the upper Nile—the Blue and White Nile rivers—can be cooperatively developed in a rich water-management program.

Source: *The Independent Democrats' 1984 Platform*

mullahs, the United States has what it believes to be "assets" planted in those premises, and the Israelis have Rafsanjani, among others, with the Israeli assets inside the Iranian dictatorship and the Savama intelligence service playing both the Soviet and smaller U.S. side simultaneously.

The fact that Israel could be working to relative Soviet advantage, against the U.S. position in the Middle East and Africa, is otherwise to be blamed less upon the Israelis than upon the United States' own foreign-policy establishment. Our U.S. State Department, aided by former CIA men of the Miles Copeland stripe, has contributed to undermining the U.S. position in the Middle East, usually to the immediate advantage of certain factions of British intelligence. The weakening of the U.S. strategic position in the Middle East and Africa, combined with U.S. State Department actions undermining the viable features of the Israeli economy, have placed Israel under the mob-linked gang of Kissinger's cronies, while Israel adapts to improved relations with a Soviet power which Israel not unjustly views as about to assimilate the entire Middle East into the Soviet sphere of "New Yalta" influence.

The United States should take leadership in initiating such projects, but should also encourage our allies to contribute their fair share of participation in this common effort. Such development of the agricultural and logistical base of Africa is the only set of measures adequate to reverse the rapidly deteriorating situation in that continent as a whole. The substitution of mere "damage control" for such bold measures, would be a pathetic, even pathological, exercise in strategic futility.

Admittedly, at present, the deployment of major engineering projects of this sort as a form of foreign aid, is prohibited by existing U.S. policy, and hated fanatically by those State Department malthusians who liberally "regret the necessity" of allowing famines and epidemics to effect the projected halving of the present population of black Africa. However, the U.S. government has the constitutional power to change a policy totally and abruptly, especially if it is a very wicked policy violently contrary to vital U.S. strategic interests.

In the meantime, the very least the U.S. government must do immediately, is to issue widely circulated declarations of fulsome praise for the statesmanlike thinking and dedication of such African and Middle East leaders as Egypt's President Hosni Mubarak. If we do not move in that direction, President Mubarak will either soon be assassinated or his government overthrown. After that were to occur, no further exercises in "damage control" would prevent the Soviets from rapidly gobbling up all of Africa as a sphere of Soviet imperial strategic influence.

This mob-linked faction of Kissinger's Israeli cronies, has made a special agreement with the Socialist International government of France, under which France has virtually abandoned its traditional policies toward de Gaulle's "francophone Africa," and has turned over these assets to Israel.

The Mitterrand government's African concessions to the Mossad and to Qaddafi are properly to be seen as of one piece. Desperate African governments, both Arab and black African, turn desperately toward the Reagan administration for close relations with the United States. The State Department, and official U.S. government support for IMF policies, intervenes; the Reagan administration's intent to deploy a more enlightened U.S. Africa policy continues to be limited to ineffectual, if often well-meaning gestures. Meanwhile, the heavy contamination of U.S. intelligence sources, by excessive reliance upon Israeli sources and by the Liberal Establishment's influence, saturates policy-shaping Washington with calculated disinformation from contaminated intelligence and diplomatic sources.

U.S. Africa policy

Whether the Soviets gobble up Africa, or not, will be determined by what the United States does, or fails to do, in efforts to strengthen the strategic position of chiefly three key African nations, Nigeria, Egypt, and Algeria. If all three of these nations are destabilized, or if either Egypt or Nigeria is destabilized, the U.S. will be condemned to watch impotently as Moscow gobbles up all of the Middle East and Africa into the Soviet imperial sphere of strategic influence. Without the following bold measures, none of the three keystone nations can be saved.

1) Low-cost special development credits for Africa.

This involves no transfer of funds to any of these nations. All that is required is a line of credit for purchasing from an approved list of U.S.-manufactured goods and engineering services. The shopping-list can be limited to the following: (a) emergency food-aid; (b) agricultural development projects, such as the successful new agro-industrial complexes already being built in Egypt; (c) major projects for improvement of basic economic infrastructure in such categories as fresh-water management, major arteries of transportation and ports, production and distribution of energy-supplies.

2) Several trunk railway systems for Africa.

An east-west trunk railway link, from Dakar to Djibouti, through Chad. A north-south trunk railway link, across the Sahara, from the coastal railway system of Morocco-Algeria-Tunis, to the Dakar-Djibouti trunk. Improvement and extension of the Egypt-Sudan railway system, south into Kenya, Uganda, and Tanzania.

3) Three major freshwater management systems.

West sub-Saharan Africa. Moving the surplus water collected in a Zaïrean catch-basin into the region around Lake Chad. A Nile water-management system, created under multi-national treaty authority, and including water-management in southern Sudan, running into the Victoria system.

A proposed strategic operation against the Western Hemisphere's drug-traffic

by Lyndon H. LaRouche, Jr.

These remarks were delivered to the Mexico City conference on fighting the illegal drug traffic, sponsored by EIR on March 13.

Distinguished members of this conference! I take this opportunity to communicate my great respect for the President of Mexico, and to acknowledge the debt we all owe to those hundreds of soldiers of the Republic who have already lost their lives fighting against the international drug-traffickers.

Not long after his first inauguration in 1981, President Ronald Reagan adopted the kind of policy which my associates and I had been recommending since 1978, a War on Drugs. Since the President's second inauguration, this past January, he has escalated his commitment to fighting and winning that War against Drugs. Naturally, some influential persons and institutions inside the United States, are not in sympathy with the President's War on Drugs; but, the President is stubbornly determined to win the War on Drugs, and there are many in our government who are in enthusiastic support of the President's policy.

It is clear to the governments fighting the international drug-traffickers, that the drug-traffic could never be defeated if each of our nations tried to fight this evil independently of the other nations of this Hemisphere. If the drug-traffickers' laboratories are shut down in Colombia, new laboratories open up in Brazil. If the route into Florida and Georgia is attacked heavily enough, the drug-traffickers reopen routes into California, through Belize and Mexico. If Mexico shuts down drug-routes through its territory, the drug-traffickers will use Pacific routes into the U.S. states of Washington and Oregon, through the marijuana-traffickers of Hawaii.

The greatest political threat to democracy in Venezuela, Colombia, Peru, and other countries, is the use of the billions of revenues held by the drug-traffickers to fund terrorist armies, and to bring corrupted military officers into right-wing coup plots directed by former officials of the Nazi regime of Germany. The ability of governments to resist these bloody threats is undermined by the increase of the number of officials of governments, political parties, and private institutions, who are bribed by the drug-traffickers. It is impossible to break the ominously increasing political power of the drug-

traffickers in Mexico, Colombia, Venezuela, and other countries, without capturing the billions of dollars of drug-revenues run through corrupt banking institutions.

Without help of closer cooperation between the United States, Mexico, Colombia, Venezuela, and other nations of this Hemisphere, neither the United States nor any of the other republics could defeat the monstrosly powerful complex of criminal, financial, and political forces who are behind the international drug-traffic. The purpose of my remarks today, is to outline to you a proposed war-plan, for cooperative action against the international drug-traffickers, by the governments of this Hemisphere committed to that action.

The speaker's qualifications

Before I outline that proposed war-plan itself, it is useful, and perhaps necessary, that I identify briefly my qualifications in this connection.

Since 1975, I have become an increasingly controversial public figure internationally. I became controversial, originally, because of a campaign I launched in April 1975, for reforms of the international monetary system consistent with high rates of capital-goods exports from industrialized nations essential to economic progress among the developing nations. As one of the most powerful bankers in Europe said a little over a year ago, "LaRouche's plan for monetary reform would work, but we don't like it much." Since spring 1982, I have come under increasingly violent attack by the Soviet government for my part in proposing the Strategic Defense Initiative which President Reagan announced on March 23, 1983. The most violent attacks upon me have been launched since May 1978, because of my demand that a War on Drugs be launched by all civilized nations, and because of the work of my associates in exposing the powerful financial interests of Europe, Asia, and the Americas who were collecting the major portion of the hundreds of billions of dollars gained by the international drug-traffic.

My part in the War against Drugs began during the summer of 1977, as an indirect result of my being on the same Baader-Meinhof assassination-list with two West German-figures, Jürgen Ponto of the Dresdner Bank and Hans-Martin

Schleyer of the Mercedes-Benz interests. To keep me alive, my associates retained the expert services of Col. Mitchell WerBell; the specialists associated with me in our publishing activities consulted with Colonel WerBell and other specialists on the nature of the three-way connection among the drug-traffic, international terrorism, and certain wicked and politically powerful financial interests. With indispensable help from law-enforcement officials of many nations, my associates in 1978 produced the famous textbook on the war against drugs, *Dope, Inc.*

It was the publication of *Dope, Inc.* which caused the beginning of violent attacks upon me by the Heritage Foundation and by business associates of Robert Vesco, in May

The international drug-traffic has become an evil and powerful government in its own right, a financial, political, and military power greater than that of entire nations. It is a government which is making war against civilized nations, a government upon which we must declare war, a war which we must fight with the weapons of war and which we must win in the same spirit the United States fought for the unconditional defeat of Nazism.

1978. Most of the attacks upon me and my associates in the U.S., European, and Caribbean television and news media, from 1978 to the most recent weeks, are directed by persons and agencies which are proven members or political allies of the international drug-traffickers, or simply corrupt elements of political parties and governments under the control of the drug-trafficking interests.

At the same time that the drug-traffickers attack me and my associates so violently, the law-enforcement and other agencies of governments and private institutions, have recognized that the publications with which I am associated will publish the truth about the drug problem when even most of the major news media not controlled by the drug-lobby are afraid to do so. With assistance of information reported to us by law-enforcement and other agencies of concerned governments in many parts of the world, the specialists associated with my publication, *Executive Intelligence Review*, have become leading experts in the investigation of the interna-

tional drug-trafficking and its connections to finance and terrorism. Also, over the past seven years, experience has shown that investigation of the source of the lies published against me and my activities, in various parts of the world, is usually a part or a political ally of the drug-traffic. Investigation of the sources of such attacks has uncovered information concerning the drug-traffic and international terrorism which has proven helpful to law-enforcement agencies in various governments.

Also, through my own work, and that of my collaborators, in designing a proposed strategic ballistic missile defense, my attention has been drawn to existing kinds of military capabilities which represent exactly the kinds of technology we need for detecting and destroying the production, processing, and transportation of marijuana, cocaine, and opiates. The republics of the Americas possess the technology needed to locate and to confirm sites used for growing and processing these crops, to monitor routes used for transport of these drugs, and to destroy quickly and mercilessly the vulnerable major elements of these facilities and activities.

The war-plan

That indicates the nature of my expert qualifications in this subject. Now, I outline to you my proposed war-plan for our War against Drugs.

1) What we are fighting, is not only the effects of the use of these drugs on their victims. The international drug-traffic has become an evil and powerful government in its own right. It represents today a financial, political, and military power greater than that of entire nations within the Americas. It is a government which is making war against civilized nations, a government upon which we must declare war, a war which we must fight with the weapons of war, and a war which we must win in the same spirit the United States fought for the unconditional defeat of Nazism between 1941 and 1945. Law-enforcement methods, by themselves, will fail; even joint law-enforcement efforts by the nations bordering the Caribbean would fail. The nations of Central and South America will each and all either fall under bloody, Nazi-like dictatorships, or will be destroyed through more or less perpetual civil war, unless the international drug-traffic's invasion of this Hemisphere is crushed by the methods and weapons of war.

2) Law-enforcement methods must support the military side of the War on Drugs. The mandate given to law-enforcement forces deployed in support of this war, must be the principle that collaboration with the drug-traffic or with the financier or political forces of the international drug-traffickers, is treason in time of war.

A) Any person caught in trafficking of drugs, is to be classed as either a traitor in time of war, or as the foreign spy of an enemy power.

B) Any person purchasing unlawful substances,

A treaty of alliance for conduct of war, should be established between the United States and the governments of Ibero-American states. The provisions should define joint military and law-enforcement actions that do not subvert the national sovereignty of any of the allied nations on whose territory military operations are conducted.

or advocating the legalization of traffic in such substances, or advocating leniency in anti-drug military or law-enforcement policy toward the production or trafficking in drugs, is guilty of the crime of giving aid and comfort to the enemy in time of war.

3) A treaty of alliance for conduct of war, should be established between the United States and the governments of Ibero-American states which join the War on Drugs alliance to which the President of Mexico has subscribed. Other states should be encouraged to join that military alliance.

4) Under the auspices of this treaty, provisions for actions of a joint military command should be elaborated. These provisions should define principles of common action, to the effect that necessary forms of joint military and law-enforcement action do not subvert the national sovereignty of any of the allied nations on whose territory military operations are conducted. These provisions should include the following:

A) The establishment of bilateral military task-forces, pairwise, among the allied nations;

B) The establishment of a Common Command, assigned to provide specified classes of assistance, as such may be requested by designated agencies of either any of the member states, or of the bilateral command of any two states;

C) Under the Common Command, there should be established a central anti-drug intelligence agency, operating in the mode of the intelligence and planning function of a military general staff, and providing the functions of a combat war-room;

D) Rules governing the activities of foreign nationals assigned to provide technical advice and services on the sovereign territory of members of the alliance.

5) In general, insofar as each member nation has the means to do so, military and related actions of warfare

against targets of the War on Drugs, should be conducted by assigned forces of the nation on whose territory the action occurs. It were preferred, where practicable, to provide the member nation essential supplementary equipment and support personnel, rather than have foreign technical-assistance personnel engaged in combat-functions. Insofar as possible:

A) Combat military-type functions of foreign personnel supplied should be restricted to operation of detection systems, and to operation of certain types of aircraft and anti-aircraft systems provided to supplement the capabilities of national forces; and

B) Reasonable extension of intelligence technical advice and services supplied as allied personnel to appropriate elements of field-operations.

6) Technologies appropriate to detection and confirmation of growing, processing, and transport of drugs, including satellite-based and aircraft-based systems of detection, should be supplied with assistance of the United States. As soon as the growing of a relevant crop is confirmed for any area, military airborne assault should be deployed immediately for the destruction of that crop, and military ground-forces with close air-support deployed to inspect the same area and to conduct such supplementary operations as may be required. The object is to eliminate every field of marijuana, opium, and cocaine, in the Americas, excepting those fields properly licensed by governments.

7) With aid of the same technologies, processing-centers must be detected and confirmed, and each destroyed promptly in the same manner as fields growing relevant crops.

8) Borders among the allied nations, and borders with other nations, must be virtually hermetically sealed against drug-traffic across borders. All unlogged aircraft flying across borders or across the Caribbean waters, which fail to land according to instructions, are to be shot down by military action. A thorough search of all sea, truck, rail, and other transport, including inbound container traffic, is to be effected at all borders and other points of customs-inspection. Massive concentration with aid of military forces must be made in border-crossing areas, and along relevant arteries of internal highway and water-borne transport.

9) A system of total regulation of financial institutions, to the effect of detecting deposits, outbound transfers, and inbound transfers of funds, which might be reasonably suspected of being funds secured from drug-trafficking, must be established and maintained.

10) All real-estate, business enterprises, financial institutions, and personal funds, shown to be employed in the growing, processing, transport, or sale of unlawful drugs, should be taken into military custody immediately, and confiscated in the manner of military actions in time of war. All business and ownership records of entities used by the drug-traffickers, and all persons associated with operations and ownership of such entities, should be classed either as suspects or material witnesses.

11) The primary objective of the War on Drugs, is military in nature: to destroy the enemy quasi-state, the international drug-trafficking interest, by destroying or confiscating that quasi-state's economic and financial resources, by disbanding business and political associations associated with the drug-trafficking interest, by confiscating the wealth accumulated through complicity with the drug-traffickers' operations, and by detaining, as "prisoners of war" or as traitors or spies, all persons aiding the drug-trafficking interest.

12) Special attention should be concentrated on those banks, insurance enterprises, and other business institutions which are in fact elements of an international financial cartel coordinating the flow of hundreds of billions annually of revenues from the international drug-traffic. Such entities should be classed as outlaws according to the "crimes against humanity" doctrine elaborated at the postwar Nuremberg Tribunal, and all business relations with such entities should be prohibited according to the terms of prohibition against trading with the enemy in time of war.

13) The conduct of the War on Drugs within the Americas has two general phases. The first object is to eradicate all unlicensed growing of marijuana, opium, and cocaine within the Americas, and to destroy at the same time all principal conduits within the Hemisphere for import and

British East India Company opium production;

D) The increase of production of drugs in parts of Africa.

Once all significant production of drugs in the Americas is exterminated, the War on Drugs enters a second phase, in which the war concentrates on combatting the conduiting of drugs from sources outside the Hemisphere.

14) One of the worst problems we continue to face in combatting drug-trafficking, especially since political developments of the 1977-81 period, is the increasing corruption of governmental agencies and personnel, as well as influential political factions, by politically powerful financial interests associated with either the drug-trafficking as such, or powerful financial and business interests associated with conduiting the revenues of the drug-trafficking. For this and related reasons, ordinary law-enforcement methods of combatting the drug-traffic fail. In addition to corruption of governmental agencies, the drug-traffickers are protected by the growing of powerful groups which advocate either legalization of the drug-traffic, or which campaign more or less efficiently to prevent effective forms of enforcement of laws against the usage and trafficking in drugs. Investigation has shown that the associations engaged in such advocacy are political arms of the financial interests associated with the conduiting of revenues from the drug traffic, and that they are therefore to be treated in the manner Nazi-sympathizer operations were treated in the United States during World War II.

15) The War on Drugs should include agreed provisions for allotment of confiscated billions of dollars of assets of the drug-trafficking interests to beneficial purposes of economic development, in basic economic infrastructure, agriculture, and goods-producing industry. These measures should apply the right of sovereign states to taking title of the foreign as well as domestic holdings of their nationals, respecting the lawful obligations of those nationals to the state. The fact that ill-gotten gains are transferred to accounts in foreign banks, or real-estate holdings in foreign nations, does not place those holdings beyond reach of recovery by the state of that national.

On the issue of the international drug-traffic, all honorable governments of Central and South America share a common purpose and avowed common interest with the government of the United States. By fighting this necessary war, as allies, we may reasonably hope to improve greatly the cooperation among the allies, in many important matters beyond the immediate issue of this war itself. Whenever allies join, as comrades-in-arms, to fight a great evil, this often proves itself the best way to promote a sense of common interest and common purpose in other matters. Many difficulties among the states of this Hemisphere, which have resisted cooperative efforts at solution, should begin to become solvable, as we experience the comradeship of the War on Drugs.

The drug-traffickers are protected by the growing of powerful groups which advocate either legalization of the drug-traffic, or which campaign to prevent effective forms of enforcement of laws against the usage and trafficking in drugs and are therefore to be treated in the manner Nazi-sympathizer operations were treated during World War II.

distribution of drugs from major drug producing regions of other parts of the world. These other areas are, in present order of rank:

A) The Southeast Asia Golden Triangle, still the major and growing source of opium and its derivatives;

B) The Golden Crescent, which is a much-smaller producer than the Golden Triangle, but which has growing importance as a channel for conduiting Golden-Triangle opium into the Mediterranean drug-conduits;

C) The recently rapid revival of opium production in southern India and Sri Lanka, a revival of the old

'A perverse power above governments'

On March 13, Executive Intelligence Review held an international seminar in Mexico City on how to defeat the drug trade and its companion, narco-terrorism. The seminar was keynoted by the presentation of the foregoing "strategic multinational war plan against drugs" for the Americas, prepared by EIR founder Lyndon H. LaRouche.

Robyn Quijano, EIR's Latin America editor and also the editor of the recently released Spanish-language version of the book Dope, Inc., addressed the phenomenon of Nazi-Communism lying behind the international drug networks, using the case study of Colombian dope king Carlos Lehder as exemplary. Rome correspondent Leonardo Servadio spoke of the role of the European black oligarchy in deploying the drug trade against the modern nation-state and, in particular, against Augustinian currents within the Catholic Church. The other major presentation at the seminar was given by EIR counterintelligence editor Jeffrey Steinberg, who told the audience of primarily diplomats, security specialists and government officials that the drug trade represents a deliberate assault by the oligarchies of the West and of the U.S.S.R. upon the republics of the United States and Ibero-America.

The following is a translation of a page-one article written by Efrain Salazar and carried by the Mexican daily El Sol de Mexico on March 18, 1985.

The international drug trade has become a powerful and perverse government unto itself. It represents a greater financial, political, and military power than that of several American nations, against which mere law-enforcement methods will fail, Mr. Jeffrey Steinberg asserted yesterday during a press conference in a hotel in the center of the capital city.

He added that the major threat to democracy in Venezuela, Colombia, Peru, and other countries is that the drug traffickers are using their billions of dollars of profits (\$12 billion from 1982 to the present time) to pay for terrorist armies and to attract corrupt military men into right-wing coup conspiracies.

Mr. Jeffrey Steinberg, counterintelligence director for

Executive Intelligence Review, revealed that there exists worldwide "a three-fold connection between the drug trade, international terrorism, and certain perverse financial interests with political power," and proposed an alliance between the United States and the countries of Latin America to "declare war on the drug trade, which must be carried out with the weapons of war."

He declared his respect for President Miguel de la Madrid, whose government has stuck to its battle against the international drug trade, and acknowledged "the debt we have with those hundreds of soldiers of Mexico who have given up their lives fighting against the international drug traffickers."

In the press conference, mention was made of the book *Narcotráfico, S.A. (Dope Inc.)*, [commissioned] by Lyndon H. LaRouche, Jr., in which concrete charges are made against political and financial personalities from across the continent. Participating in the conference was EIR's Director of [Mexican] Political Affairs Hector Apolinar, and Carlos Mendez and Lucia López de Mendez, formerly correspondents in Venezuela who were kidnapped by those who wanted to prevent the circulation of the book *Narcotráfico, S.A.*

They insisted that the economic power of the international drug mafias enables them to speculate with the economies of the Latin American countries and "to easily blackmail them."

They warned that "it is impossible to break the growing political power of the drug traffickers in Mexico, Colombia, Venezuela, and other countries, without seizing the thousands and millions of dollars from the processing and sale of drugs that are laundered through corrupt banking institutions."

They asserted that the charges of *Executive Intelligence Review* regarding the relations of former Colombian President Alfonso López Michelsen with international drug traffickers caused the downfall of that politician who—the speakers charged—at the time was the contact chosen by the Colombian mafia to propose to President Belisario Betancur that he decree "an unconditional pardon for the crimes committed by the drug traffickers, an amnesty," in exchange for which they would reinvest the illicit profits previous "washed" in banks like First Interamericas Bank. . . .

And, in a document signed by Lyndon H. LaRouche, they presented a "battle plan of 15 points" for "the war on drugs," in which it is stated that the drug trade "is a government at war against civilized nations, a government against which we must declare war, a war which we must conduct with the weapons of war," since "police methods by themselves will fail."

They pointed out, for example, that the Colombian mafia uses Mexico as its trafficking route to the United States, and that if these routes are shut down, "the drug traffickers will open others."

Finally, they declared that the FBI is the most corrupt police institution in the hemisphere, some of whose agents support organized crime.

Sir Geoffrey Howe leads British charge against U.S. strategic defense effort

by Laurent Murawiec

"You chose dishonor to avoid war. You will have war and dishonor," Sir Winston Churchill lashed out at Neville Chamberlain and the Foreign Office ministers and civil servants who returned from their Munich talks with Adolf Hitler and Benito Mussolini. The same should be directed today at Foreign Office chief Sir Geoffrey Howe and his governmental head Margaret Thatcher, after Howe finally threw off the mask of diplomatic cant and rhetorical niceties on the subject of the Strategic Defense Initiative (SDI).

On March 15, speaking to the Royal United Services Institute, a prestigious military think-tank in London—a location designed to give maximal airing to his views—the British Foreign Secretary blasted the SDI policy of the Reagan administration in terms and with arguments entirely culled from the editorial articles of *Pravda*, the broadsides of the Pugwash movement of Malthusian pseudo-scientists, and the Peace Movement's own propaganda.

He spoke of the "danger of creating a new Maginot Line of the 21st century, liable to be outflanked by relatively simpler and demonstrably cheaper counter-measures," an outright lie squarely denied by facts of scientific life. "We must take care that political decisions are not pre-empted by the march of technology, still less by premature attempts to predict a route at this stage," Howe also said, expressing sentiments of horror typical of the British oligarchy at the thought indeed that a 'science driver' could determine strategic and economic policies, as it did at the time of NASA. At that point Britain intervened to terminate the space effort.

"Rather than die by the nuclear sword, we have lived by the shield of deterrence," he ignorantly said, conveniently forgetting the innumerable 'holes' in the shield, the collapse of confidence in the strategy—and Soviet efforts of 20 years to break the apparent deadlock of deterrence through development of beam weapons. "Even if the research shows promise," he added, "the case for proceeding will have to be weighed in the light of the wider strategic implications of moving down the defensive road." In short, even when defense against thermonuclear missiles becomes possible, the "strategic implication," i.e., the MAD doctrine so fanatically adhered to by Howe's policy-masters, should take prec-

edence. What Mrs. Thatcher's foreign affairs man also fears is that "research may acquire an unstoppable momentum of its own, even though the case for stopping may strengthen with the passage of years."

Howe further pleaded coyly for adjusting Western politico-Soviet "perceptions." "President Reagan has repeatedly made it clear that he does not seek superiority. But we would have to ensure that the perceptions of others were not different."

In short, the Orwellian tone notwithstanding, Howe delivered a blistering attack on the totality of the strategic conception expounded since March 23, 1983 by President Reagan and Defense Secretary Caspar Weinberger. *Strategic war has been declared by Britain's government against American strategy.*

Delivering to the Soviets

The timing of Mrs. Thatcher's right-hand man's aggression against President Reagan is no less remarkable. On Dec. 15, while Chernenko lay dying, his apparent and singularly advertised Mikhail Gorbachov arrived in London, flanked by top Soviet beam-weapon scientist E. Velikhov. Thatcher stated "I like him, I can do business with him" at the conclusion of his voyage, a replication of Khrushchev's 1955 trip to London. And business with Mr. Gorbachev Mrs. Thatcher certainly did.

Days later, the British prime minister flew to Washington to try and force upon President Reagan the shackles of "arms control," "respect for the ABM Treaty," and submit the SDI development to a virtual veto. "Mrs. Thatcher, in her disastrous behavior at the Camp David meeting with the President, has thrown away the best possibilities for the next four years of Anglo-American cooperation," a British source commented at the time.

The same source added that "our greatest fear is that the Russians will pull the plug on Chernenko a few days before the resumption of the Geneva talks, Gorbachov will be installed firmly in control, and his influence on Mrs. Thatcher is so great, the Russians hope, that Moscow can swing Eu-

rope, with her help, against the U.S. and the SDI.”

When she addressed a joint session of Congress on Feb. 20, Mrs. Thatcher kept some diplomatic prudence. Her policy purpose was still, on the one hand, to rally Western Europe around her own Camp David “Four Point Program,” and prevent the motion expressed by Chancellor Helmut Kohl of Germany during his pro-SDI speech at the Wehrkunde Society in Munich on Feb. 10, from gaining ground, and, on the other hand, to lull Reagan and the U.S. administration into a false sense of security around purported British “support” for “the research phase” of the SDI. Her speech carefully nurtured the ambiguity of the “special relationship,” while preparations were being made in Europe by British diplomacy to throw all caution to the winds and come out squarely on the Soviet side of the fence.

The decision had clearly been taken by the Royal Family by the time they sent Mrs. Thatcher to Chernenko’s funeral on March 13. She admitted to having discussed the matter with the new Soviet leader. Shortly after that, British military intelligence reports were leaked in the London press according to which “Britain does not accept American claims that a huge phased-array radar installation which the Soviet Union is building in central Siberia is a clear breach of the 1972 ABM Treaty.”

The *Times* of London concluded its editorial attacking Howe’s outburst as “a political act whose consequences, if they are only half as damaging as they now appear, could well go down in history as one of the most ill-fated British decisions since the era of appeasement.” Further, Howe’s speech “may have done untold damage to the cohesion of the Atlantic Alliance. . . . it was mealy-mouthed, muddled in conception, negative, Luddite, ill-informed and in effect if not in intention, a ‘wrecking amendment’ to the whole plan. In the circumstances of Geneva, it might more appropriately be described as the ‘Gorbachov amendment.’ Sir Geoffrey has handed Mr. Gorbachov all the best lines with which to oppose SDI and drive a wedge between Europe and America. . . .”

Luddite alliance

What can be added to the scathing analysis of the London *Times*’ editor concerns the unanswered question: *Why* did Her Majesty’s Government decide at such a crucial strategic juncture to jump ship on the issue rightly considered the most fundamental by Washington, Moscow, and the world as a whole? Why should Britain refuse assured survival, the technological revolution brought about by the SDI, the perspective of strategic stability, and that of finally being able to defend Europe against overwhelming Soviet superiority? What is considered of higher value than such objectives in London (the alibis of ignorance, stupidity, confusion, and opportunism must all be brushed aside, their relevance in particular cases notwithstanding)?

In the last few days, former British defense Minister Denis Healey stated in the House of Commons (March 10)

that “the NATO Alliance could break up if the U.S. insisted on pursuing the SDI. . . .” and that “if the so-called ‘Star Wars’ research risked deep cuts in the nuclear stockpile, then Europe should be prepared to *stage an almighty row with the Americans.*” Is it not precisely what Howe did—to the comforting applause of Thatcher herself on March 19 in the same House? Former Prime Minister Edward Heath stated on March 12 that the SDI would be “decoupling, destabilizing, and a diversion of resources,” during a speech at the influential Royal Institute of International Affairs. In Parliament, Thatcher even lost her nerve, as well as good form, when she assaulted the London *Times* editorial.

The Bishop of Bath and Wells in the U.K. sent a letter to the *Times*’ editor blaming the latter’s “hysterical reaction to Sir Geoffrey Howe’s most welcome speech” which “voiced the feelings of millions of Americans, Russians, and British.”

Former Chief Defense Adviser Sir Ronald Mason also spoke of an “emotional, almost hysterical outburst” to characterize the *Times* piece. Mason has been one of the individuals most intimately involved in plotting a decoupled European reaction against the SDI.

A grand alliance of Conservatives, Labourites, Liberals and Social-Democrats, the Church of England and the Royal Society of Sciences has thus coalesced to stop the SDI. “Luddites” is the most precise characterization of the policy intent, the strategy behind it being the formation of a British-led European bloc, decoupled and independent from the United States. Immediately, Thatcher’s impudent coup aims at delivering a death blow to Reagan’s strategy: Drop the SDI or lose Europe, is her message, repeated by the myriad mouthpieces of the British oligarchy’s mainstream current.

Total review needed

President Reagan is going to have to review all strategies in the light of the implications or Mrs. Thatcher’s betrayal. All illusions have to be swept aside, not only concerning strategic and military policy, *but also in the field in which Thatcher claims most expertise and greatest influence on Reagan—economics.* And the State Department’s unforgivable lie that “no major differences existed” between Washington and London on the SDI as of nearly a week after Howe’s speech must be overruled.

In Europe, Howe’s éclat has suddenly reinvigorated not only the Soviet ‘negotiating’ posture at Geneva, but also those appeasers willing to drop any defense for the sake of pleasing Moscow—as exemplified by Germany’s Foreign Minister’s immediate public testimony. It begs the same critical reexamination: British strategy for all practical purposes must be considered an adjunct to the Soviet grand design of decoupling Europe.

In Britain, those minority figures who have for some months supported Britain’s joining of the SDI are placed squarely in front of their responsibilities. Chamberlain gave Adolf Hitler the ammunition to start World War Two. Will London give Gorbachov’s victory in Europe without a fight?

'Final solution' for Turks in Bulgaria signals redrawing of the Balkan map

by Konstantin George

The Bulgarian Party leadership under Todor Zhivkov—who has ruled Bulgaria for over 30 years, since 1954—in a series of speeches on March 8 has openly declared, under the name of “rebulgarization,” a racist Inquisition against the country’s Turkish minority who comprise up to 10% of Bulgaria’s 9 million population. The launching of the campaign in 1985—which happens to be the 800th anniversary of the founding of the 2nd “Greater” Bulgarian Kingdom in 1185, and for which Bulgaria is planning a big “Jubilee” celebration—presages a Soviet-sponsored redrawing of the Balkan map which would feature a resurrected “Greater Bulgaria” as the key Pan-Slavic Soviet controlled piece on the Balkan chessboard.

“Rebulgarization” is the official name now being given to the Nazi racist policies and anti-Turkish pogrom which has been sweeping Bulgaria for months, where Turkish families have been forced to change both their first and family names by “Bulgarianizing” them. Hundreds of ethnic Turks have been killed by the Bulgarian Police and Army to date as a result of this outburst of enforced “racial purity”. (See *EIR*, Feb. 11, “Moscow’s ‘Greater Bulgaria’ project sets pogroms against Turk minority”).

For months, the pogrom had raged “quietly”—without publicity. That changed, all at once in early March, on the eve of the installation of the former Andropov protégé, Mikhail Gorbachov, as the new Soviet General Secretary.

On March 8, key party leaders—including the Number 2 man after Zhivkov himself—Prime Minister Grisha Filipov (known as “the Russian,” not only for having spent a good portion of his life in the Soviet Union, but for once having advocated Bulgaria’s incorporation into the Soviet Union), who spoke, not far from the Turkish border in the Black Sea port city of Burgas; Interior Minister Dimitar Stoyanov, who spoke in the ancient Bulgarian capital of Turnovo; and Central Committee Secretaries Vasil Tsanev and Dimitar Stanishev, to name but some. All spoke with one voice—literally, from identical prepared speeches—proclaiming one message: the “final solution” through forced “rebulgarization” of the Turkish minority.

Typical of the provocative and expansionist speeches was that of Central Committee Secretary Dimitar Stanishev, who spoke in Blagoevgrad, the capital of Bulgarian Macedonia—Stanishev’s home region—which adjoins the Yugoslav Republic of Macedonia and the Greek province of Macedonia.

Yugoslav and Greek Macedonia are among territories bordering on Bulgaria coveted by the Bulgarian and Soviet leaderships under their thinly veiled policy of promoting a so-called “Greater Bulgaria.” The dismemberment of Yugoslavia and its apportionment among Bulgaria, Albania, Austria, Hungary and Italian financial interests centered in Venice is key to the whole scheme. For this reason, the Stanishev speech was read immediately with alarm by the Yugoslav national news agency, Tanjug, which saw it not only as an outrage against the Turkish minority and Turkey but a not-so-hidden stab at Yugoslavia.

The Nazi character of the Stanishev speech—and every other speech of the day—is self-evident from the following quotes, printed on March 9 in *Pirisko Delo*, the regional party newspaper of Bulgarian Macedonia. Stanishev declared that the State campaign to change “Turkish-Arabic names” is “spontaneous and all-encompassing,” and is moving “like an avalanche throughout the nation.” The Turkish minority, says Stanishev, has “wisely and farsightedly made their historic choice . . . in accordance with the interests of the Bulgarian nation” and they have been “born again as new human beings.”

“Greater Bulgaria” territorial expansionist drives, historically, have always been the policy behind pogroms, massacres, and expulsions of the Turkish minority. The period of the Russo-Turkish War from 1876-78, forms a classic example. In those years, 1 million ethnic Turks were driven out of Bulgaria, of whom 350,000 were killed. The war ended with the Treaty of San Stefano, dictated by Tsarist Russia in 1878, that established a “Greater Bulgaria” which—albeit for less than a year—as a Russian Pan-Slavic surrogate, briefly ruled most of the Balkan Peninsula. In the postwar Stalin era, marked in the Balkans by Soviet demands for Istanbul (Constantinople) and the Turkish Straits, and Bulgarian de-

mands for Yugoslav and Greek Macedonia, hundreds of thousands of Bulgarian Turks were expelled, or emigrated to Turkey.

As these historical examples demonstrate, and, as has been the case in the past 15-20 years with Bulgaria's documented key role in international arms smuggling, narcotics traffic, and the 1981 attempt to murder the Pope, behind every Bulgarian operation of these sorts, is the guiding "hidden hand" of Imperial Russia.

The Bulgarian 'blood and soil' doctrine

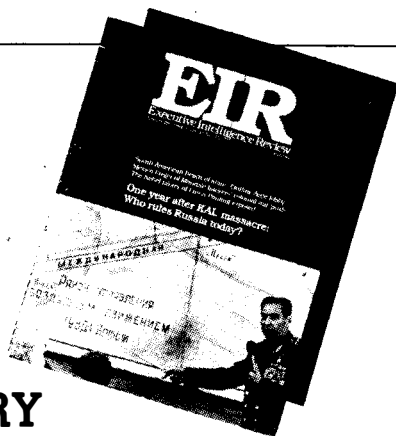
In formulations identical to Stanishev, Prime Minister Filipov, Interior Minister Stoyanov, brutally rejected Turkey's call for talks on the matter, including working out a possible solution allowing for at least partial emigration to Turkey of the persecuted Turkish minority: "There are no negotiations with Turkey, and there won't be any negotiations with Turkey, because there exists no part of the Bulgarian people which belongs to another nation."

This language was, if anything, surpassed in sadism by Interior Minister Dimiter Stoyanov's address in Turnovo—the ancient capital of Bulgaria, considered by Bulgarian mystical doctrine to be "the Bulgarian Rome"—a regional center, northeast of Sofia, near the Danube. The words of Stoyanov, a 1972 Andropov-era graduate of the KGB School in Moscow, and named interior minister in April 1973 (it was at the Soviet Central Committee Plenum of April 27, 1973 that Yuri Andropov as KGB Chief, was, together with Andrei Gromyko, made a Politburo member) speak for themselves:

"All of our compatriots who resumed again their Bulgarian names, are Bulgarians, although some of them have not yet recovered their national consciousness. . . . There are no Turks in Bulgaria. . . . Clearly and categorically, I want to state, and this must be understood by everyone of you, there will be no emigration to Turkey."

These speeches mark only the beginning of what will be a prolific outpouring of Greater Bulgarian and Pan-Slavic chauvinism. On Feb. 18, the Bulgarian Politburo, led by Zhivkov, signed a statement, printed in the Party newspaper, *Rabotnichesko Delo*, proclaiming April 6 the 1,100th anniversary of the death of St. Methodius, a day of national celebration, to reinforce the "Slavic" and "non-Western" character of Bulgaria. Later this year, there will be big Party and Bulgarian Orthodox Church-sponsored celebrations marking the 800th anniversary of the 2nd Bulgarian Empire which began in 1185—some 20 years before the Venice-launched 4th Crusade which sacked Constantinople, the capital of the then crumbling Byzantine Empire.

The 2nd Bulgarian Empire and the 4th Crusade were key components of Venetian policy of that era, and the transfer of power and ruling families from Constantinople to Venice. In short order, as any map of that period will show, the Greek-speaking world of the Eastern Mediterranean was partitioned, in Hitler-Stalin Pact fashion, between the possessions of Venice and the 2nd Bulgarian Empire.



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SEPT. 25: *EIR* publishes its evaluation: "The most important economic and military changes in the Soviet Union have been done under the guidance of Ogarkov. It is unlikely that he would have been demoted just at the point that the reorganization process is to be completed."

OCT. 12: Ogarkov resurfaces for a meeting with East German party chief Erich Honecker. Western news services learn that he has been named commander of the Western Theater of War.

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The worst choice for U.S. ambassador

The most important U.S. ally in Europe deserves a U.S. ambassador who is not a traitor to his country and the alliance.

Amid a raging battle in Germany over the Reagan administration's beam-weapon defense program, *EIR* sponsored a March 19 press conference here to present damaging information on the personal character and history of Richard Burt, reported likely to be the new U.S. ambassador to the Federal Republic of Germany. The question of who becomes the next ambassador might very well decide the outcome of the indicated battle.

George Gregory opened the press conference before members of the foreign and domestic press corps by saying that *EIR's* information on Burt shows him to be the worst possible choice for the vacant post. Everything about the young Burt marks him as a security risk.

- In 1977, at the tender age of 30, Burt became one of four board members of the British International Institute for Strategic Studies (IISS), working with Brig.-Gen. Kenneth Hunt and the Institute's German director, Christoph Bertram. The IISS has long led the opposition to President Reagan's Strategic Defense Initiative.

- Burt personally is known to be an opponent of the new U.S. defense policy.

- In the recent past, he leaked security-relevant material to the *New York Times*, his former employer.

- His appointment to posts in the past led to heated debates in congressional offices and during confirmation hearings, because some U.S. law-

makers viewed him as at least a security risk, and possible worse.

In 1979, when Richard Burt worked for the *New York Times*, he published the fact that the United States was installing radar stations in Norway to monitor all Soviet deployments in the area. In February 1982, when Burt was head of the department of political-military affairs at the U.S. State Department, a group of 13 senators used that earlier article to force a security investigation of Burt by the CIA. Even Stansfield Turner, head of the CIA under Carter, had earlier declared that Burt's action had made it impossible for U.S. security agencies to work properly. An investigation was initiated. Whether it was completed, or what its results were, is not known.

In February 1983, after one year of back and forth around such matters, Burt was appointed to his present post, assistant secretary of state for European affairs.

In the spring of 1984, Norwegian diplomat Arne Treholt was arrested and put on trial for being a Soviet agent. Treholt was a member of Norway's United Nations delegation in New York at the time that Richard Burt worked for the *New York Times*. During recent months, as his trial got under way in Oslo, Treholt made the interesting remark that while he gave some probably secret material to the Soviet Union, some of the things he gave to the Soviets they could have read in the *New York Times*.

One may take that several ways, of course.

When Burt worked for the *New York Times*, his intimate friend, *Times* reporter Leslie Gelb, was assistant secretary for politico-military affairs at the State Department under the Carter administration. Gelb has since been declared *persona non grata* at his old office, his picture removed from the hall displaying other former heads of the department "for cause"—revealing important aspects of secret U.S. wartime contingency plans.

Burt's girlfriend during his tenure at the *Times* was Judith Miller, now a correspondent for the *New York Times* in Cairo. She was a speaker at at least one conference organized by the Communist Party U.S.A. in New York City during that period.

Gregory concluded his remarks with the statement: "These are only a few indications why Richard Burt would not be the appropriate person for the post of U.S. ambassador in Germany."

EIR's Hartmut Cramer then spoke, pointing out that in this critical period, everything has to be done to secure the closest possible U.S.-German cooperation on the Strategic Defense Initiative. Yet, Burt's closest German friends are Hans Jochen Vogel, Egon Bahr, and Horst Ehmke, the staunchest representatives of the pro-Soviet wing of the Social Democratic Party, and the most vociferous opponents of the SDI on the German side.

That Arthur Burns, the retiring U.S. ambassador, supported the choice of Burt to replace him practically seals the case. Burns's own tenure was a calculated disaster for U.S.-German relations, as he promoted the fanatically pro-Soviet, neo-Nazi Green Party and strategic "decoupling" of the United States from Europe. That would be the *best* one might expect from Richard Burt.

Toward a Swiss 'recentering'

Swiss banks are betting on the popular backlash against right and left extremes in the March 10 elections.

The recent *cantonales* (county) elections confirmed not only a collapse of the Socialist Party, but a strong rejection of the "extremes," the Communist Party (PCF) (fallen to 12.5% of the votes) and Jean-Marie Le Pen's extreme right-wing National Front. The French electorate—disgusted by both the Socialist "rigor" and right-wing "liberal" austerity programs—declared its will to be "governed by the center." With the scare around Le Pen and the PCF over, President François Mitterrand and the Swiss interests which control large chunks of the opposition are now both trying to bet on this *recentrage*.

There is nothing wrong per se with such a centrist "democratic pact" or a "republican majority gathering," as this scheme is variously labeled, but behind these nice words, other things are meant: the Swiss banks' economic policy of industrial dismantling, financial austerity and counterculture—a policy of destruction of the nation-state.

Beyond the statements of various political headquarters, let us examine the analysis of two "experts" reflecting the views of Mitterrand's advisers and the financial forces which inspire them. Alain Touraine, the sociologist of a new "Democratic Party" and an ex-leader of the Communist Youth, and Messrs. Jean Riboud, François Dalle, and André Bettencourt, the extremely wealthy financial junta which controls the Paris leftist daily *Libération*.

On March 12, Alain Touraine wrote in *Le Matin de Paris*, "From now on, the Socialist party is certain of a heavy

defeat, unless it adopts a realist centrist policy." Touraine, a leader of the Saint-Simon Foundation, a Swiss and Anglo-American joint venture, supports Prime Minister Laurent Fabius's "modernization program" and calls on the Socialists to rally a "pragmatic and realist center." On March 7, Premier Fabius in Toulouse and new-left Agriculture Minister Michel Rocard both called for an "anti-racist majority republican gathering." More and more mentioned is an allegedly "deep wish" of the French to see together, in the same government, the "prima donnas" of the opinion polls: Simone Veil and Raymond Barre for the right wing, Michel Rocard, Laurent Fabius, and Education Minister Jean-Pierre Chevènement for the Socialists.

Serge July, in *Libération*, considered the election to be "a cocktail of rejections," and concluded: "Both left-wing and right-wing majorities seem to be condemned. Not because of the President's machiavellianism, but because it is a deeper movement of our society." So again, the myth of recentering. In that sense, if Le Pen's operation (and, more, the operations around the bogeyman Le Pen) has failed to be effective directly, it has been used as a foil to mobilize the French population around this new "center."

Now, what is this new "center"? Behind his "democratic pact," Michel Rocard emphasizes the necessity of returning to the "great economic equilibriums," i.e., of imposing the Swiss banks' austerity. And such is the content of the new "common pro-

gram" of Messrs. Barre, Rocard, Delors, Fabius, and Chevènement: the Swiss banks' financial policy.

The top man of the Soviets in France, the "red billionaire" Jean-Baptiste Doumeng, announced recently that Mitterrand's next premier, after the 1986 general elections, will be André Bettencourt. True, Mitterrand, Doumeng, and Bettencourt have the same Vichyite past. But Doumeng, a personal friend of Gorbachov, is also the ally of the Swiss banks and of the grain cartels; he is the number one grain contractor with the Soviet Union, and a kind of bridge between Russian and Swiss circles. As for Bettencourt, his wife Liliane-Schueller, one of the richest women in Europe, owns 25% of the Swiss agro-food giant Nestlé. Mrs. Bettencourt's father, Eugène Schueller, was the founder of the "Cagoule," ("Hood"), an extreme right-wing terrorist organization before World War II. After the war, Mitterrand worked for the same interests, his boss none other than Bettencourt.

François Dalle, the boss of another Franco-Swiss company, L'Oréal, just authored a destruction plan for the French auto industry. And linked to the same crowd are Jean Riboud, the filthy-rich chairman of Schlumberger, the world's largest oil technologies company, and his brother Antoine Riboud, head of the BSN-Gervais-Danone agro-food complex.

Things are similar on the right-wing side of the coin, as Raymond Barre's case shows: A representative of Swiss insurance, Barre advocates the same austerity policies, wholeheartedly supports the International Monetary Fund and Bank for International Settlements, and touts an entente with Moscow. Barre is just another bridge between Geneva or Zurich and Moscow.

Africa could reclaim the desert

U.S. Vice-President Bush's note of technological optimism must be joined to the elimination of IMF Malthusianism.

At the United Nations conference on the Africa emergency, U.S. Vice-President George Bush noted that in the 1930s, when the U.S. Central Plains underwent dust-bowl conditions similar to areas of the Sahel today, "farmers lived in a half-lit world beneath the dust clouds of the expanding desert." People said the land would never again produce crops. They were wrong, he said. An important part of the food America is now supplying came from what was once the dust bowl. With more research, Africa too could reclaim its once-productive land.

Bush announced that the United States was prepared to donate half of the emergency food aid needed this year, about 3 million tons, and called on "all concerned [to] put aside political differences to bring relief to those in need," addressing both the Ethiopian government and the secessionist movements in Eritrea and Tigre provinces.

In fact, as the U.N. secretary general says, the current famine is on the verge of killing more people than have lost their lives in any war in history. But this will not be stopped unless the technological optimism shown by Bush is joined with eliminating the Malthusian approach of the International Monetary Fund, which is driving people into starvation faster than food aid can succor them.

Bush's comments on desertification were the first statement in years from a leading Western politician to point out that desertification is not an inevitable, irreversible process. But his call for the "introduction of capitalist-

based economies which encouraged people to grow their own food" evades the crucial issue. The desert cannot be stopped unless a massive program of infrastructure development is begun in an emergency, military fashion—a program blocked by the IMF.

As the U.N. Food and Agriculture Organization (FAO) has warned in its latest report, "The African food emergency is worsening." The FAO reports that although there are fewer countries [21] affected this year, "the crisis is more severe in terms of human suffering and lost production opportunities," aggravated by ecological crisis and spreading disease. In eastern Africa, food supply problems have been worsened by a devastating plague of army worms. Ironically, winds which have brought rain to eastern Africa have also brought brown moths, which lay eggs over a wide area. The larvae hatch within less than a week, and begin eating their way through all tender vegetation in their path. In Kenya, 90,000 acres of farmland were destroyed by the pest. In Tanzania, seven of the country's 22 regions face disaster.

The FAO reports that the food crisis is most acute in Chad, Ethiopia, Mali, Mozambique, Niger, and Sudan. In Ethiopia, there is an acute shortage of supplementary food for drought-affected children. In Mali, half a million people have begun moving south in search of food and water. One million face starvation. In Mozambique, nutrition levels have deteriorated. In Niger, almost no grazing is left for cattle. In Sudan, the refugee

influx is worsening the grave food shortage.

Africa's economic crisis, which led to this disaster, is getting worse because of the IMF's demands for austerity, devaluation, and higher prices for essential items like gasoline.

- Sudan devalued its currency by 48% in February, on demand of the IMF and has just increased the price of oil by 70%, also demanded by the IMF. In Khartoum, factories are closed due to lack of fuel, raw materials, and spare parts.

- Chad, one of the countries facing acute crisis, has been told by the IMF and World Bank its debt of about \$11 million will not be rescheduled.

- Sierra Leone has allowed its currency to float, a de facto devaluation, after the visit of an IMF delegation in January.

- Zambia is discussing with the IMF, which is demanding reductions in subsidies.

Opposition to such measures is usually behind the scenes. The only recent exception has been Nigeria. The Nigerian chief of staff, Maj. Gen. Tunde Idiagbon, said recently that the conditions given by the IMF were unacceptable, and declared, "I don't like the International Monetary Fund both in principle and practice." He said that Nigeria would continue to negotiate until the IMF agreed with the terms of the Nigerian government.

Tanzanian President Nyerere, speaking in London, said that Africa's debt burden was "intolerable," and that African countries need time and resources to emerge from their crisis. "It is not a rhetorical question when I ask, should we let our people starve so that we can pay our debts? . . . Repaying debts is a matter of honor. . . . But before you can pay, you have to live."

Battering-ram against Danish farming

Behind the new Green Party, naturally enough, stands some very blue blood.

On Sunday, March 17, the head of the newly formed Green Party of Denmark, Poul Holm, suddenly burst onto the Danish scene with radio, TV, and newspaper interviews announcing that the Party had received the support of 1% of the population in a national opinion poll. A vote of 2% in national elections, which will probably take place in 1986, would put the Danish Greens into parliament.

This new Green Party, which filed the necessary signatures for party registration in December 1984, has been created as a battering-ram for use against Denmark's highly capital-intensive agricultural capacity. Its major focus is on the environmental "damage" done by modern Danish farming methods, some of the most intensive and productive in the world. It wants to foster a "new way of thinking on our farms," toward more labor-intensive, small-scale farming.

The Green Party is being supported in this effort by the media and by a constellation of other environmental groups which have carried out massively publicized campaigns against "chicken concentration camps," against taking piglets away from their mothers, and against the use of fertilizer and pesticides.

Naturally, behind the green of this "grassroots" movement stands some very blue blood.

The network of environmental groups which have created the Greens and their witch-hunt against agriculture features the Danish branch of the English Prince Philip's World Wildlife Fund (WWF), headed by Prince

Henrik, consort to Queen Margrethe. The Green program is directed at agriculture precisely because it is the "population control" program of the oligarchy which Prince Henrik and Prince Philip represent. Henrik recently published an article in the WWF newsletter suggesting that Denmark return to the 1880 population level of 2 million—one-half its current population!

Although for public relations reasons, Green Party head Holm is preparing to attack the WWF as a gaggle of elites wearing the furs of endangered species, Holm is a member of the WWF himself!

In an interview with an American journalist, he revealed much. Holm is a 20-year veteran of the Royal Navy, retiring 10 years ago with the rank of commander—not your average unwashed greenie! "Oh, I served on the Royal Yacht where I sang, danced, and played cards with the Queen, the Prince, and the Queen Mother," he reported. "The Queen Mother even taught me a special game of dice."

Holm also interfaces with the other environmentalist lobbies in Denmark. Holm is the Copenhagen representative of Denmark's Naturfredningsforening (the Danish Society for the Conservation of Nature) which has taken the lead in recent years in pushing the hoax that nitrogen wastes from capital-intensive farms have "poisoned" Denmark's coastal areas and its drinking water. This 74-year old Society was formed at the same time that other conservation societies, all run by the same Western oligarchy and

all quite openly pushing the "conservation of nature" along side the "conservation of the white Anglo-Saxon race."

A spokesman for the Danish Society remarked that the elites and the nobility in Denmark were always prominent in the Society until 10 years ago, when young environmentalists turned it in a much more activist direction. Ten years back is when Holm was deployed into the Danish Society. The Danish Society now has 200,000 members, out of a total population of 4 million.

Holm is also associated with the "animal rights" movement, which, with the complicity of the state-run media, has carried out a propaganda campaign of enormous proportions against modern chicken- and pig-farming methods, charging that farmers are practicing "cruelty" to animals. Night after night, Danish viewers are treated to "horror" stories about chicken concentration camps and abnormal pig behavior.

Pork exports are currently the mainstay of the Danish agricultural economy.

Little wonder that a leading spokesman for the Danish Society for Animal Welfare remarked, "The time is mature now for a Green Party in Denmark."

The Danish Green Party participates in the International Group of the Green Parties in Europe—which is flagshipped by the terrorist-sympathizing German Green Party. It has advanced the KGB-authored proposal for a Nordic Nuclear Free Zone. It wants Denmark to leave the European Economic Community because of the EEC's "philosophy of more growth and more production of food," and it hopes to "stimulate the United Nations to more power over the world," the "world federalism" of the oligarchs.

Dope and anthropology are scored

The Pope had two messages for Colombia's bishops—fight drug trafficking, and put social justice ahead of debt.

Pope John Paul II issued a new and vigorous condemnation of drug trafficking when a group of Colombian bishops visited him in Rome in the first week of March. After recalling the difficult situation in which the bishops of that country have to work, thanks also to the spread of false "anthropological" positions by persons and groups which pretend to interpret the true cultural values of the people, the Pope denounced the drug traffickers who in the "indigenous regions disrupt the life of these populations to drag them into the filthy drug traffic."

During the same period the vice-president of the Colombian National Anti-Drug Coalition, Maximiliano Londoño, reached Rome on one leg of a European tour, to bring the message of the new offensive against drug trafficking launched by the various anti-drug coalitions around the world.

Londoño, in an interview with Vatican Radio, reported on the important conference against drugs which opened in Mexico City on March 13, and on the proposal presented by the American politician Lyndon LaRouche (see page 36) to use the military and tighter coordination between the governments of the Western hemisphere to combat drug running.

As Londoño explained, for many Latin American governments the war on drugs is a life or death matter for those countries' democracies, given the attempt by the drug-runners to install dictatorial governments on the model of the "cocaine generals" who

seized power in 1980 in Bolivia.

The Church shares this concern, attested by the document presented by the permanent committee of the Colombian Bishops' Conference which met right after the bishops met the Pope. The Colombian prelates honed in on the crimes of kidnaping, extortion, and homicide: "Kidnaping destroys the economy of persons and the nation, insofar as it discourages productive work to the point of making it impossible, while it obliges one to transfer one's goods and even one's person abroad, in search of greater security. It is a cruel assault against the legitimate property of persons and families, with the anti-social and anti-patriotic aggravating factor that frequently the product of this criminal industry is destined to the subversion of public order, i.e., to the ruin of Colombia."

The bishops made a moving appeal for action to save their country: "No more silence, nor passivity, nor tolerance, which could become complicity in the face of crimes that not only are an outrage against, but indeed destabilize and destroy Colombia." To stop the dismantling of the state, the bishops asked, more incisive measures and more severe penalties, noting that "there are obviously unpunished crimes, and revelations of excessive softness and even growing venality are not rare. Certainly praiseworthy is the opinion campaign conducted with no holds barred, and completely supported by citizen solidarity, to end the criminal industry which trafficks with

liberty and with life."

During the Vatican discussion with the Colombian Church, a specially convened plenary assembly in Rome of the members of the Swiss Bishops' Conference went almost unnoticed. The chairman, Mons. Henri Schwery, told the press that "the Holy Father wanted to meet with us to conclude the dialogue initiated with the Conference of Bishops at Einsiedeln, on June 1 of last year," where the Pope had scored the cynicism of financial power and asked believers and Catholics in particular to never separate morality from economics. Since then, the U.S. Treasury and numerous law enforcement bodies have charged Swiss banking with massive laundering of illegal-drug gains.

Last Feb. 23, the Pope had received a first Colombian group of bishops, and stressed the need to guarantee a more just social order internationally to construct real peace in their country. To that appeal the bishops of CELAM, the Latin American Bishops' Conference, responded in their recently concluded plenary assembly.

The assembly especially stressed "the dramatic situation going on in the continent because of the economic crisis owing to the enormous foreign debts." "From 1979 onward," the document goes on, "the economic situation of the Latin American continent not only did not improve, but the process of impoverishment is getting worse every day."

Among the motives for concern were indicated: "The numerous attacks on the Holy See, above all via the media and penetration by religious sects." The reference is to various pseudo-religious groups, such as the National Action Party (PAN) of Mexico, and the Brazil-centered Tradition, Family, and Property cult, present all over the continent.

Who wants the casinos?

Kissinger's "alemanista" friends are openly touting gambling as the quick way to loot Mexico and pay the debt.

The Hotel Operators Society thinks it has glimpsed the opportunity to legalize casinos in the midst of the economic crisis. Even though Mexico is now one of the hottest centers of discussion and combat against drug trafficking and its international networks, and even though everyone knows that casinos go hand in hand with the narcotics trade, for the last two months once again the discussion about how nice it would be to legalize casinos in the tourist centers has been unleashed in Mexico.

Since February, the president of the Hotel and Motel Association of the Federal District, Roberto Zapata, asked city magistrate Ramón Aguirre Velázquez, whether he would discuss the possibility of opening up casinos at least in the District. He insisted that all the arguments against this "haven't the slightest validity." He went on to declare it was utterly "false that casinos are a hotbed for prostitution and that they are economic necessities for the population, for unemployment.

"I believe," he went on, "that gambling itself could generate city, and state revenues and even public works. Well, now, I believe that without diminishing nor justifying the actions that were taken in 1934 to abolish the casinos, which in that epoch were possibly justified, today circumstances have changed, since there are regulations and systems which totally protect us from the causes which led our government in that time to take this attitude."

In 1934, then President of Mexi-

co, General Lázaro Cárdenas, abolished and constitutionally forbade the establishment of casinos and gambling in Mexico. His arguments were moral and economic, given that the casinos were basically in the hands of foreigners dedicated to corrupting the country. In Article 4 of Mexican Federal Law on Games and Lotteries it was stipulated that "no house or open or closed place can be established where betting games are practiced." Article 8 of the same law indicates that "the Secretary of the Interior shall close every closed or open locale where prohibited games or games with betting and lotteries which do not have legal authorization. . . ."

Nonetheless, there has been more than one attempt to change these articles. Now the arguments which are being given are totally "Kissingerian": that it will lead to a greater attraction for foreign tourism, but above all because *a large part of the profits which these casinos generate can be used to pay off the public foreign debt.* And, with legalized gambling in our country, so the argument goes, many of the people who take their dollars and go lose them in Las Vegas, Reno, Atlantic City, or Panama, would keep them and lose them here at home.

These are the cynical arguments of the "alemanista" mafia (so named because ex-President Miguel Alemán Valdes was the equivalent of crime kingpin Meyer Lansky in the United States), which is pressuring the Mexican government to agree to bend over even further before the International

Monetary Fund, and change Mexican law to suit its insatiable demands.

In mid-March, the debate over legalizing casinos came back in force, above all after Henry Kissinger and David Rockefeller both dropped in on President Miguel de la Madrid, and after the oil prices which are Mexico's major source of hard currency fell. The government then announced even more drastic austerity measures.

"In this respect [the debt] not only does the government have the obligation to put into motion the measures to liquidate such an enormous debt, but this responsibility must be shared among all the Mexicans. The solution is right at hand, since by the same criteria that the official sector has been authorizing for years the functioning of racetracks, pelota courts, as well as the National Lottery and Sports Betting, which are games of hazard, it should allow the installation of casinos in strategic points of the national territory.

"We make a cordial appeal to the various sectors of national activity for the government to authorize the setting up of casino, so that the profits that these turn out will be applied to paying the foreign debt. We would be astonished at the rapidity with which this debt would be liquidated, thus avoiding the shame of leaving a nation mortgaged forever to future generations," read the editorial of the magazine *Siempre* on March 30.

Facing this offensive, the Secretary of Tourism, Antonio Enríquez Savignac, said on March 18 in Mérida, Yucatán, that on the question of installing casinos "the last word has still not been spoken."

He called for "studies to be carried out, an analysis with the Interior Department to find out everything concerning the opening of gambling houses in the country."

The new plot of the 'cocaine colonels'

The threat by the Nazi drug mafia to Bolivia threatens to usher in a wave of bloody coups throughout South America.

The "cocaine colonels" who ruled Bolivia in 1980 and 1981 are preparing to install a bloody dictatorship again, Bolivian sources report—after Moscow's local leftists and the international banks finish off the anti-drug government of President Siles Zuazo. According to these reports, this time the drug mob doesn't plan to make the same mistake they did the last time—when some of the opposition was left alive.

This is no simple "local affair." The drug mafia's strategy is to use the Bolivian chaos to set off a chain of civil wars and bloody coups throughout the Andean region, along the lines advocated by Colombia's Hitler-loving mafioso, Carlos Lehder.

The immediate crisis in Bolivia began two weeks ago, when the Bolivian Workers Federation (COB) began a general strike, demanding economic changes. The combination of a collapsed productive economy with billions of illegal dollars from the cocaine trade had sent inflation into the stratosphere—but not worker's wages. Some now estimate Bolivia's inflation rate at 50,000% annually!

But COB Secretary General Juan Lechin Oqueda has made the establishment of a government of "all the left parties"—a kind of soviet—the central demand of the strike, over the protests of nationalist labor leaders.

Now a new alliance of drug-linked military groups is preparing to step in to "restore order": the "cocaine colonels" of the 1980-1981 Garcia Meza regime joined with those allied with

retired General Hugo Banzer. These, indeed, are the new Hitlers.

When last in power, General Garcia Meza's crowd brought with them a whole crew of French, German and Italian Nazis. Heading the list was the infamous Gestapo killer, Klaus Barbie, "the Butcher of Lyon," who was an official advisor to Interior Minister Col. Luis Arce Gomez in the Garcia Meza government.

Triumphant pictures of the backers of the July 1980 Meza coup showed Bolivian paramilitary leaders smiling alongside the old Nazi Hans J. Stellfeld, sporting a swastika on his hat, and the old French OAS agent Jacques Leclerc, who moved to Bolivia after running the heroin ring popularly dubbed the "French Connection" out of Paraguay.

When Stellfeld died of a drug-overdose in December 1980, he was given a burial with full military honors by the Bolivian regime. Garcia Meza's comptroller general, Adolfo Ustares, eulogized the dead Nazi as a "great comrade" who had served as a "bulwark against communism" in Bolivia.

Since the cocaine-trafficking of Garcia Meza's openly Nazi regime left that crew discredited internationally, retired General Hugo Banzer, president of Bolivia from 1971-1978, has been hired to provide a "legitimate" cover for the would-be coup-makers.

Touted as the man who brought Bolivia a half-dozen years of "political stability," Banzer is being promoted in Washington as a clean "anti-communist" by the same "free enter-

prise" crew in the U.S. Republican Party and State Department who promote the drug-trafficking PAN party of Mexico. Banzer was even invited to Dallas during the Republican Party convention in the summer of 1984.

Banzer may be a little hard to sell for long, however. Under his presidency, the groundwork for the cocaine industry in Bolivia was established. While Banzer "cooperated" with the U.S. Drug Enforcement Administration (DEA) in pulling up a few coca plants in some traditional planting areas in the highlands, the financiers who placed Banzer in power were busy turning the Santa Cruz valley into industrial-sized coca plantations.

One of Banzer's backers in his 1971 coup was the Gasser family, whose members boasted openly in Santa Cruz that they had placed Banzer in power "at very little cost." The Gassers established the largest sugar plantations in Bolivia in the early 1900s when they emigrated from Switzerland.

In 1980, the latest up-and-coming Gasser, Roberto, was busted by DEA officials while standing in line in a Miami bank to deposit \$90 million from a cocaine deal set up as a "sting" operation by the DEA. Gasser's family paid his \$1 million bail, and Roberto returned home under immunity granted by the Garcia Meza regime.

DEA sources reported in 1981 that Banzer's brother entered the drug trade under his brother's administration, and that Banzer's step-brother, appointed by the general as consul in Miami, had protected cocaine trafficking.

But when police raided one of Banzer's ranches in San Javier, Santa Cruz in January 1980, and captured a Colombian plane being loaded with 300 pounds of coca-paste on a well-equipped landing strip, Banzer expressed shock that "someone" had been using *his* estate for drugs!

International Intelligence

Swedish church submits to Soviet demands

On March 13, at the close of a meeting of the synod of the Swedish Lutheran State Church, spokesmen announced that the church's highest decision-making body had resolved to drop the Augustinian passage, "of the son" ("Filioque"), from the church's liturgy. Adoption of this resolution will not be final until after discussions with other Scandinavian churches, but, so far, only a few have been mobilized for strong opposition to the change.

The strongest pressures for this radical change in the Swedish church's liturgy have come from the Soviet government, which has demanded that all Catholic and Protestant denominations in Western Europe repudiate the Filioque. The recent escalation of Soviet press attacks upon Pope John Paul II began immediately following the Catholic Church's official rejection of this Soviet demand. The Soviet government, as well as the Soviet Russian Orthodox Church, have recognized that the Filioque is the center of resistance to spread of Soviet influence into Western Europe and the Americas, and are most insistent that the Filioque be suppressed among the official churches of areas of Europe destined for early "Finlandization." Swedish opinion estimates that the strongest push for this "Russianization" of the Swedish church has come from the Socialist International's prime minister, Olof Palme, a notorious Moscow fellow-traveler. Also, the decision to drop the Filioque followed a recommendation by the World Council of Churches.

The day after the decision, members of the European Labor Party distributed a pamphlet authored by U.S. statesman Lyndon H. LaRouche, Jr., "Are the Swedish Churches Still Worth Saving?—The Importance of the Filioque for the Development of Science." In response, some priests among the 250 delegates to the synod admitted having no idea of what they had voted against the day before.

Willy Brandt to tour East bloc for Soviets

Timed with the accession of Mikhail Gorbachov to power in the Kremlin, Socialist International chairman Willy Brandt has announced his commitment to "launch a new Ostpolitik" with trips to Hungary, Poland, and Czechoslovakia this spring and summer. Brandt, who once enjoyed the international spotlight as a "world statesman" and "architect of détente" during the Watergate years of the 1970s—until the arrest of his top aide as a KGB spy cut short his career as West Germany's chancellor—will campaign shamelessly against the United States and President Reagan's Strategic Defense Initiative. The theme of Brandt's eastern tour will be to "stop the militarization of space" by forging a "security partnership between Europe and the U.S.S.R."

Meanwhile, Brandt announced, his own West German Social Democratic Party will hold high-level discussions with party officials of the Soviet Union and other Warsaw Pact nations. For example, the SPD will meet with the Soviet Communist Party's working group on disarmament next, to discuss "the relation between the armsrace and Third World underdevelopment." On March 8, Brandt met with the Czechoslovak Communist Party's foreign relations expert, Vasil Bilak, and on the weekend of March 16-17, with Soviet Central Committee member Vadim Zagladin, both meetings in Bonn.

Carrington in 'hot conflict' with Rogers

"Lord Carrington is in a hot conflict with Rogers on the question of the SDI," a well-informed NATO parliamentary source told *EIR* upon returning from a trip to Brussels NATO headquarters. "My colleagues and myself were amazed at what lengths Carrington was willing to go to attack Rogers. It was hard to believe that the Secretary-

General of NATO could so attack the top military commander." Carrington, the former British foreign secretary, has been forced in written statements to cover his personal distaste for the SDI with a veneer of united-alliance rhetoric. He seems to be less careful in the spoken word.

Bonn minister pushes ECU for East bloc trade

On March 16, two days after the European central banks resolved at a meeting of the Bank for International Settlements to make the European currency unit, the ECU, partially convertible as a substitute for the U.S. dollar, West German Economics Minister Martin Bangemann called for full convertibility.

"Europe is about to miss its big chance to have its own reserve currency unit, if the ECU is not made fully convertible," Bangemann told economists and managers at a seminar organized by the monetarist magazine *Wirtschaftswoche*. "Also, the Comecon governments have a strong interest in making the ECU available for East-West trade."

Socialist International circles have been arguing for some time that the ECU should replace the dollar on European money markets, as part of a strategy to "decouple" Western Europe from the United States. Former French finance minister Jacques Delors has put forward one such ECU plan. Recent meetings of the Italian Communist Party and the West German SPD have raised the same demand.

Belgian prime minister supports Reagan's SDI

Prime Minister Wilfried Martens said on television March 20 that Western Europe should back the U.S. Strategic Defense Initiative program in order "to be protected by this shield."

Martens' statement reflected a political

shift in Belgium that surfaced when the Belgian cabinet decided on March 15, after long hesitation, to deploy U.S. cruise missiles. Under the terms of this decision, Belgium will initially deploy 16 of the 48 cruises it originally promised in 1979 would eventually be deployed on its territory.

Martens turned the cabinet to his position after his foreign minister, the pro-appeasement figure Leo Tindemans, returned empty-handed from meetings with Soviet foreign minister Andrei Gromyko in Geneva.

López Michelsen rag targets Betancur

A March 18 editorial in the Colombian daily *El Tiempo*, a mouthpiece for drug kingpin Alfonso López Michelsen, claims that Colombian President Belisario Betancur "lacks the guts" to impose his peace plan on the country. To all intents and purposes, *El Tiempo* insists, Betancur is serving as the "head of the guerrillas." López Michelsen's assault on Betancur is taking advantage of the M-19 terrorists' rejection of the peace plan. Since their mass rally in Bogota over the weekend of March 16-17, where the M-19 showed its affinity with the program of Hitler admirer and dope gangster Carlos Lehder, the M-19 has been holding meetings with other leftist groups to plan a national strike against the Betancur administration, claiming it has "failed to meet" the M-19's economic demands.

Soviet diplomat assassinated in India

Soviet diplomat Vladislav Khitzichenko was assassinated 200 feet from the Soviet embassy gates in New Delhi March 21 by two men "of Asian origin" on a motorcycle. Five 7.65 mm bullets were fired into the Soviet economics attaché as he rode in his limousine; his wife and son suffered only cuts from flying glass.

No one in India has claimed responsibility for the hit, although in the United States, the Ukrainian Liberation Army has taken credit. Indian authorities immediately searched haunts of Afghan, Palestinian, and Iranian groups.

According to well-informed sources in New Delhi, the Soviets are stalling the investigation. A cover-up could be expected if the victim is a member of the Soviet state security service, the KGB.

New Delhi police commissioner S.S. Jog is looking for a possible connection to the disappearance of Soviet 3rd secretary Igor Gheja on March 17. Gheja, deputy head of the Soviet embassy information section, disappeared in New Delhi during his daily morning walk near Lodi gardens. Authorities are investigating possibilities of kidnapping or defection. Gheja, who was near completion of his five-year stint at the New Delhi post, may have been tied into an "international religious sect," according to Indian press reports.

Arab 'rejectionists' to hold summit meeting

Concluding two days of talks in Damascus March 22, representatives from the member-countries of the hardline anti-Israeli "rejection front" called for a heads of states summit to be held soon in Damascus to reactivate the movement, in opposition to the peace efforts of Egyptian President Mubarak, Saudi King Fahd, PLO chief Yasser Arafat, and others.

Attending the conference under the chairmanship of Syrian President Hafez al Assad, were Libya's Jalloud, Algeria's Foreign Minister Taleb Ibrahim as an "observer," Iran's Foreign Minister Ali Velayati, and South Yemen's deputy President.

Meanwhile Libya's Col. Muammar Qaddafi threatened on March 19 that he would like to "personally behead" the leaders of Arab states who are trying to work with the United States. "I will help them to deter such weakness," he said.

Briefly

● **RED IS GAY**, as the Italian Communist Party courts the votes of Italy's homosexuals in hopes of winning a parliamentary majority. Nichi Vendola, a 26-year-old who was seduced by his teacher at age 18, has just been elected to the leadership of the communist youth organization. Can Henry Kissinger be far behind?

● **JESSE JACKSON** admirer Paul Ragsdale flunked his IQ test. After meeting with a Schiller Institute delegation, he circulated an angry letter: "Some of Lyndon LaRouche's followers have been circling the Capitol lately trying to drum up support for ideas they say will help starving Africans. Their real purpose is to enlist our support for their goal of abolishing the International Monetary Fund."

● **MALAYSIA'S** Prime Minister Mahathir introduced a radical change in population policy last year. His government is now promoting the five-child family, to increase the population as fast as possible from 15 million to 70 million. Inspired by the industrial success of Japan and South Korea, the prime minister thinks that his ambitious industrialization program will be impossible without population growth.

● **'VERACITY and Credibility'** was the headline in the March 17 edition of the daily *Diario de Caracas* when columnist Alejandro Tinoco recalled that the *Washington Post's* Bob Woodward once said that "possibly at least 40 people at the *Washington Post* use cocaine regularly. In spite of the editor's denials, doubts are still floating around."

● **SWISS DEFENSE** Minister Delamoras was slated to arrive in Washington, D.C. on April 1 for talks with Defense Secretary Caspar Weinberger. Also planned were trips to Boston and New York.

British invade Washington again to torpedo the SDI

by Warren J. Hamerman

In the foreground of news attention on strategic defense questions from Washington since March 18 have been the victory of President Reagan in getting the funding of the 21 MX missiles passed through the Senate, the President's short trip to Canada affirming his commitment to extending the Strategic Defense Initiative into an alliance-wide program, and the preparations for Secretary of Defense Weinberger's current trip to Western Europe.

In the background of events, the British, complementing the open violent attacks on the SDI by Sir Geoffrey Howe, Edward Heath, and Denis Healey in England, deployed in Washington, D. C. their considerable capability in the foreign affairs establishment to unleash a full-scale assault on the SDI program. In addition to the out-front attacks, **Lord Carrington** maligned the SDI on March 18 before the London Foreign Press Association when he labeled the U.S. program "still only a theoretical system" and warned the U.S. not to suffer from a "lack of patience" at Geneva.

On Wednesday, March 13, **Lord Solly Zuckerman**, the former science adviser to Lord Mountbatten and the top science policy controller for the British Royal household, flew to Washington and had a secret confrontation ("a polemical exchange," according to one British source) with Secretary of Defense Weinberger, on the same day that Prime Minister Thatcher was having her celebrated tête à tête with Gorbachov in Moscow. The myth circulating among British strategic circles is that Zuckerman felt that Weinberger's position could be subtly "played" against the position of President Reagan's policy in the historic March 23, 1983 speech: "We detect an increasing trend toward stressing point defense by Weinberger, while there is absolutely none of this from the

White House, which continues to stress the defense of population centers."

While in Washington, Zuckerman had dinner with his longstanding contact **Spurgeon Keeney**, the head of the arms control crowd. In fact, on March 26 **Gerard Smith**, **John Rhinelander**, and others have scheduled a press conference of the National Coalition to Save the ABM Treaty, the outfit led by Zuckerman's "contact," Keeney.

Even more ominous for the patriotic faction in Washington, was the takeover at the *Washington Times* by **Arnaud de Borchgrave**, a close colleague of and co-author with **Robert Moss** at the London *Economist* intelligence section. The *Washington Times* had been the newspaper favored by the conservatives in the administration over the KGB propaganda sheet published by Katharine Graham. One year ago de Borchgrave issued wild slanders against Lyndon LaRouche, the conceptual author of the Strategic Defense Initiative, at a meeting of the Reserve Officers of America in Washington. The Belgian Arnaud de Borchgrave, the personal representative of the **Saxe-Coburg-Gotha** oligarchy, as new head of the *Washington Times*, represents a high-level threat to the national security of the United States.

Friends of Chatham House

On the same day that Zuckerman met Weinberger, none other than **Henry Kissinger**, who has publicly confessed that when he was Secretary of State he made a practice of briefing Chatham House and the British Foreign Policy elite on strategic matters *before* he informed American officials, had his regular luncheon with President Reagan at the White House. Kissinger emerged from the meeting and in his typical high-

profile fashion proclaimed to the CBS news and the *Washington Post* that he forecast a dramatic change in U.S.-Soviet relations since the ascension of Gorbachov. When Secretary of State Shultz, who functions as a sort of less flamboyant version of Henry Kissinger for the same policies, returned from Moscow after meeting Gorbachov he presented an assessment of the situation with precisely the same formulations as Kissinger had. Kissinger's policy, he admitted to a reporter last November, is to "whittle down" the SDI through cosmetically supporting "research" while blocking all possibilities for the system to be deployed. His attitude is also identical to that of a top spokesman for the evil **Benedictine Order** who articulated the question by predicting that the SDI program would go through, but that is not the issue since prohibitive costs in the long run will undermine the program; the real issue is "outlasting Reagan."

At virtually the same time that Kissinger and Zuckerman were running their operations in Washington, **David Watt**, the former research director of the Royal Institute for International Affairs, was also in Washington. When he returned to London he wrote a commentary in the London *Times* promoting the idea that there was "a change in mood" in the United States not favorable to Ronald Reagan, and threatening that sooner or later, President Reagan would become an impotent "lame duck President," unable to accomplish anything of importance. David Watt's atmospheric analysis of Washington is part of a major Chatham House project to pull the rug out from under the President's Strategic Defense Initiative from inside Washington itself. An entire institution has just been created out of whole cloth for this purpose—the **Friends of Chatham House** headed by such long-standing Tories as **Averell Harriman** and **Elliot Richardson**.

The MX vote

It was within the context of the massive effort of the British and their Soviet allies to scuttle the SDI program from without and within Washington that the MX votes in the Senate took place, and the House of Representatives floor votes will occur. The House debate will be much bloodier than that in the Senate; already the House Appropriations Committee voted against the MX in a very close vote.

Though significant, the MX package in actual fact will give the U.S. only 21 missiles several years down the road. Soviet military chieftain Marshal Ogarkov is getting two new SS-20s per week, and unconfirmed reports would add to that total one new SS-25 per day. In other words, in the two-week period that the mere MX vote will take to unfold before the Senate and House—let alone the production time—the Soviet military will get 18 new missiles for deployment. Thus, it is not surprising that at the end of January Ogarkov compared the situation to 1939-40, with the Soviets needing to "buy time" and rely on the economic crisis in the West.

In fact, the passage of the MX through the Senate came with a price tag. **Les Aspin** (D-Wisc.), the Oxford-trained Fabian who formerly worked for Robert McNamara, and

Sam Nunn (D-Ga.), Mr. "Decoupler from Western Europe," switched to support the MX on condition that President Reagan make a "good faith showing" at Geneva. Aspin, who represented an entire grouping of liberals such as Specter (D-Pa.) and Mathias (R-Md.) who switched to voted for the 21 MXs, revealed his true aims on "Meet the Press" on March 17. Aspin said he voted for the MX "mostly as a bargaining chip" for Geneva and he forecast an overall *cut* by Congress in Department of Defense spending because Weinberger had "overplayed his hand." He concluded: "I don't think people realize just how bad the Defense Department's position has eroded in Congress recently."

On cue, the head of the House of Representatives' Budget Committee, **Bill Gray III** (D-Pa.), is jointly working with his Senate counterparts to formally issue what they call a "rebuke" to the President and a demand for a one-year "freeze" on Pentagon spending.

The real target of the KGB Democrats and liberal Republicans is to allow some concessions on 21 MX missiles so that they can concentrate their firepower against the SDI directly. Sen. John Warner (R-Va.) warned that the SDI "has already become a target for the budget-cutters." Another conservative Republican senator predicted that the \$3.7 billion SDI program would be cut by at least \$1 billion, with some Democrats and Republicans looking for even deeper cuts, down to \$2.2 billion.

In its commentary on the situation, always a key indicator of the KGB assessment of the Washington situation, the *Washington Post* on March 17 wrote: "There have been strong bipartisan signals that the President's request for \$3.7 billion for the SDI could be cut \$1 billion or more. Reductions of that magnitude would affect planned research programs and delay any decision on whether a space-based defense is practical until many years after the administration has left office [emphasis added]."

In other words, the key opponents of the SDI program, the British operatives, the Soviets, and their mouthpieces, who will stop at nothing, even attempting the murder of the President, are all focused on the President "leaving" office.

There are signs that the patriots behind the SDI are prepared to escalate combat. In London on March 20, Assistant U.S. Secretary of Defense Richard Perle blasted Sir Geoffrey Howe for questioning Reagan's SDI program. Perle stated that Howe's speech "proved again an old axiom of geometry, that length is no substitute for depth. In a mere 27 pages Howe succeeded in rewriting the recent history of the Soviet-American relationship, rendering it unrecognizable to anyone who has charted its course." Perle accused Howe of a "tendentious and obliquely declaratory manner."

Furthermore, the Pentagon has opened an offensive by accusing the Soviets of violating SALT-II with their preparations for deployments of SS-24s and SS-25s. Thus, a very big spotlight is focused on Secretary of Defense Weinberger's trip to France and elsewhere in Western Europe in the last days of March.

Myth of the economic 'recovery' hides threat to U.S. national security

by Leo Scanlon

At a two hour seminar on Capitol Hill in Washington on March 18, Uwe Parpart of the Fusion Energy Foundation and Webster Tarpley and Christopher White of *EIR* presented a picture of the strategic economic disaster looming behind the IMF's "recovery" myth to 30 members of the defense press, industry, and diplomatic community.

Radio news on the morning of the seminar informed startled Washingtonians that government economists would release figures that day showing that the United States has moved into first place among the debtor nations, passing both Mexico and Brazil. Unlike the government economists, the FEF and *EIR* spokesmen presented an analysis of why this is so, exposing the grisly secret behind the "recovery": The economic policies responsible for the "recovery" have ensured a rate of devastation of productive capacity which has exceeded the rate of collapse of all other industrialized nations. The panelists presented a solution: Abandon the policies of the International Monetary Fund, and proceed along the traditional American path of mobilizing government-backed research efforts, in this case the Strategic Defense Initiative, to drive a recovery of productive capacity.

Dr. Uwe Parpart, research director of the Fusion Energy Foundation, said that "our industrial capacity is presently not equal to the demands of the SDI, and under present conditions if we attempt to treat the SDI as something which can produce 'post-industrial' spinoffs as the by-product of a research program, we will never achieve the breakthroughs necessary to outstrip Soviet efforts in this direction.

"The real problem is that we still are operating within the regime defined by James R. Schlesinger, who theorized that in the era of MAD, it would be possible to de-couple the nation's military strength from its economy. These policies are at the root of the present economic crisis, and so far, the SDI program has not addressed that."

Reviewing past defense mobilizations, Parpart pointed out that bottlenecks in today's U.S. industrial capacity will cause dangerous increases in costs of defense production. He emphasized that the much vaunted "surge production capac-

ity" which has historically characterized American emergency mobilizations, is no panacea for the present crisis. No matter how long or short a future conflict may be, everything of military significance will have been determined by what capabilities existed before its outbreak—not after.

The proper approach, he said, is to look at defense costs from the standpoint of the threat facing the nation, and to define policy without regard to the protests and complaints of potential adversaries. "In this sense there is an aspect of defense spending which is often called waste, but in fact represents expenditures which are necessary if you are going to achieve an element of surprise and outflank an enemy . . . cost-benefit analysis has built a dangerous 'predictability' into U.S. defense posture, a vulnerability which only a crash program approach to the SDI will overcome."

Parpart described the physical economy of beam-weapon development, emphasizing the characteristic increase in "energy flux density" associated with these systems, and identifying the areas of the economy which would be most affected by the increases in productivity which result from using directed-energy technologies in industrial production. "These are the real spinoffs of the SDI program . . . technologies which dramatically change the efficiency of the entire economy."

View economy as a military planner

Webster Tarpley analyzed the effects of IMF economic policies from the standpoint of a military planner rather than an accountant: "The test of a national strategy is its ability to win a war, to secure a decisive victory against the most powerful imaginable adversary coalition. . . . Looking at the respective dynamics of the United States and the Soviet Union today from the point of view of such a general-staff planner, one conclusion is unavoidable: Despite the effects of the SDI, the United States appears as a crumbling empire, above all in the economic sphere, upon which the strategic ability to fight and win a war in depth must be based."

"Who is the enemy?" Tarpley questioned the audience of

military specialists. "The enemy of the United States at the present time is the Kremlin's dominant combination of Marshal Ogarkov, Politburo member Geidar Aliyev, and Col. Gen. Yepishev. . . . They are self-defined as our enemy by the strategic doctrine they have chosen, one which prescribes Soviet world predominance by the end of this decade."

Tarpley demonstrated how the policies of the International Monetary Fund are driving the process of collapse which is destroying the U.S. economy, and thus our political alliances. One Latin American official has remarked that in his language, the initials of the IMF (FMI) stand for "Fomento Movimientos Insurrecciones"! Tarpley added, "Let no one imagine that this degrading ritual of the 'letter of intent' [to submit to IMF austerity] is reserved exclusively for Third World nations. The center piece of IMF policy is now to place the United States in precisely this kind of receivership."

The boasting remarks of Soviet Marshal Ogarkov, that this decade will see the emergence of the Soviet Union as the hegemonic global economic power, are backed up by the tremendous resources devoted to production of strategic weapons like the SS-24 and SS-25 ICBMs. As much as our allies fear this power, they equally fear the deadly policies of trade war and IMF-administered austerity now enforced as a centerpiece of U.S. policy.

"Ogarkov's analysis is premised on the facts of the real world," Tarpley pointed out. "The Soviet Union is now out-producing the U.S. in steel by a two-to-one ratio, and the gap is destined to grow, even as the accountants of U.S. Steel order the dynamiting of blast furnaces that could spell the difference between survival and annihilation.

"Further, Moscow is counting on the tremendous leverage that it has gained by purchasing decisive marginal positions in the explosive Eurodollar and offshore money markets, positions buttressed by control over billions of dollars of trade in illegal narcotics which can be used to intervene on the U.S. economy under conditions of crisis. In this area in particular, Moscow has benefitted from the monetary nostrums of Paul Volcker and the IMF.

"Moscow believes that time is on its side. . . . They see that it is to their advantage to keep President Reagan operating in a business as usual mode, rather than in a crisis command mode."

The solution to these compounded problems is contained in the proposals of Lyndon LaRouche and his co-thinkers: The Federal Reserve must in effect be "nationalized": deprived of the power to issue currency, deprived of its power to fix interest rates, deprived of its "Keynesian multiplier" functions, and obliged to purchase Treasury bill issues at an interest rate prescribed by the President, as in World War II. We must further undo the Aug. 15, 1971 policies of Volcker, Regan and Shultz, and return to a gold reserve standard. Finally, Congress must authorize the credit to finance government lending to preferred categories of industrial activi-

ties, as the basic strategy for producing our way out of our present "economic coma."

Christopher White presented the statistical measurements which bring the collapse of the U.S. industrial economy into focus. Entire sections of steel, power, machinery, and other basic heavy industry are operating at below 1972 levels of capacity; labor productivity, compared with 1972 levels, has collapsed at a 15% annual rate through the 1983-84 "recovery"; the true rate of inflation, measured in the cost of reproducing the physical economy, has raged at a rate of 16% per annum—while consumer debt increased from \$178 billion to \$780 billion in the same period. "All of these sectors of the productive economy have been subjected to the benefits of the 'free market recovery,'" White pointed out, "and last week we saw demonstrations of thousands of farmers who are also about to undergo a 'recovery'—350,000 of the most productive of them will be out of business this year."

White's analysis junks all measures of economic performance based on GNP, GDP, dollar sales volume, or any dollar or paper figures at all, and relies entirely upon numbers of real goods produced, surveying over 15 U.S. industrial sectors, highlighting the energy sectors, the state of the workforce of each, and the volume of actual production of over 500 industrial commodities.

Most revealing were the comparisons to Soviet production figures. In all basic categories, the United States is far inferior, and increasingly so, when compared to the corresponding category of Soviet industry.

The presentations had a sobering effect on the audience, which continued the seminar question period past the scheduled ending time. One participant asked, "How will we 'bell the cat' of the administration, get them to see this?" After reflecting on the number of informed defense officials who know these facts to some degree, he answered his question, "It's time to be like Paul Revere—just go out and say it."

A comic backdrop to the *EIR* seminar was provided by the "opera buffo" attempt by the *Washington Post* to play "Benedict Arnold" against the *EIR*'s "Paul Revere." In the days leading up to the seminar, the *Post* engaged in a hysterical inquisitorial investigation of the offices of various senators and representatives who had offered to host the seminar in Capitol hearing rooms. Along with the usual harassment and threats the *Post* is so well known for delivering, it published an article denouncing the forum and those who had "erred" in offering to host it—thus underlining its importance to all observers of the Washington scene!

Not surprisingly, the opponents of the SDI used the room originally scheduled for the forum to feature a proposal advanced by Senators Hatfield and Simon that there should be a "pause" in development of the SDI while the Geneva negotiations are on. We are informed that an anonymous astronomer circulated a picture of the constellation of Ursa Major entitled "The Negotiator's Paws" among those gathered.

Washington's 'helpful advice' to Alfonsín

Argentina's President Raul Alfonsín, visiting in Washington in mid-March, received the kind of treatment from the United States that will weaken his government and hand the Soviets new opportunities for nation-wrecking in Ibero-America. At a background briefing on March 18, a senior administration official endorsed the International Monetary Fund's austerity conditionalities imposed on Argentina, and stated that the best thing the United States could do is to encourage Argentina to "work with the IMF on a stabilization program." We publish here an abridged text of the briefing, from the White House News Service.

Q: What's on the agenda?

Senior administration official: The subjects will be largely a discussion of strengthening cooperative efforts in helping and promoting democracy in Latin America, as a generic topic. Within that, there will certainly be discussion of bilateral matters, such as cooperation in the economic area, our interest in Argentina's continued working with the IMF, continuing efforts to achieve stability and restore economic growth.

There will be some discussion, I'm sure, of the challenge to democratic institutions posed by the narcotics trafficking that is a real threat to so many countries. In this regard, I would note that Mrs. Alfonsín will attend the First Lady's Narcotics Conference here in April.

There will undoubtedly be some discussion of nuclear cooperation. We, as you know, are aparty to the protocols to the Treaty of Tlatelolco and Argentina signed but hasnot ratified that treaty, and we have encouraged and do encourage Argentina becoming a party to that safeguards regime.

Q: Is there anything this government can do to help Argentina with their economic problems?

Senior administration official: Well, we have in the past been helpful with things like the British loan, you may recall, at the time that they worked out their arrangement with the IMF. There will be meetings with Ambassador Brock, Agriculture Secretary Block, Secretary Baker, Commerce Sec-

retary Baldrige, and there will be a look at areas where we can be helpful.

Q: Well, could you sum up their situation? High inflation.

Senior administration official: The situation right now is that they have an agreement with the IMF and the principal problem that they are having is high inflation. It's running in the neighborhood of 800%, I believe, the last couple of months, and that is obviously an impediment to productive investment within Argentina, which is going to be necessary for them to restore some growth.

Q: Would you characterize the politics of the Alfonsín government? All the talk about democracy—I wonder if his democratic form is perfectly in line with what the Reagan administration would like to see. I'm a dummy on Argentina. You know, right, left, center?

Senior administration official: Argentina—we favor the process and it's not a matter of having a preference for a particular party or a particular policy when we're talking about, do we support democracy. We're supporting democratic governments that cover a pretty broad range of spectrum of political views.

The Argentine system seems to be off to a good start in observing the rule of law and observing election results, in observing the norms by which we judge democratic values in allowing the people a voice in how their country is governed. I think that the slightly more than a year of experience that we've seen with an independent judiciary, with an executive branch that has brought civilian control over the military and that has been managing the country while certainly experiencing difficulties in the economic area—it has been functioning well and that the Congress is working.

Q: Could you be more specific on the areas of economic cooperation that are going to be explored? The bridge loan that you cited was something that only lasted for a few weeks.

Senior administration official: That's right. Well, that's the nature of a bridge loan.

Q: So can you be more specific about the areas that will be explored?

Senior administration official: I don't think there's anything specific that I can get into. We have substantial trade in the neighborhood—I think they send us about a billion dollars and we send them about \$800 million or \$900 million. Ways to increase that—I think that encouraging working with the IMF on a stabilization program. But I can't get into the specific details, don't really know what that. . . .

Q: Well, are they looking for another bridge loan?

Senior administration official: Oh, no—that's not a matter at issue right now, because they have an existing IMF agreement.

ISC—Moonies in the military

The phrases seem right, the issues are all "approved," clearances are granted, but the lingering doubts don't go away.

A number of military and intelligence personnel have called our attention to a series of conferences sponsored by the "International Security Council," an affiliate of Reverend Moon's CAUSA organization.

We are frequently asked, "Just what is CAUSA anyway?" The scientific answer, "It is a *Delphic* operation" recalls the role of the Oracle of Delphi, which conducted espionage for the Persian Empire by appearing as "all things to all people" ("non controversial" is the code phrase today).

Some may find this historical definition a bit too "dry" to describe the lurid gnostic theology which discomforts the traditionalist-minded at CAUSA conferences.

Perhaps the character "Bizarro" from Superman comics is the image which describes a CAUSA conference: Bizarro was the negative of Superman. His world looked like earth, but it was shaped like a cube. It had days and nights, but it rotated backwards. It seemed like earth, but everything was a little "off."

So it is with CAUSA: the phrases seem right, the issues are all "approved," clearances are granted, and if you don't mind a few simple-minded ideologues like Joe Churba, it's a fine opportunity to "go to bat for the side"—but despite the comfort of a galaxy of respectable dons on the podium, the lingering doubts don't go away.

The reason for this is not hard to

find. CAUSA is an operation funded by Reverend Moon. It interfaces several other organizations created under Moon's auspices, the most significant of which is the International Conference on the Unity of the Sciences which hosts yearly conferences jointly chaired by Moon and Alexander King, chairman of the Club of Rome.

The Club of Rome, an organization which features representatives of the Soviet Union's most sophisticated espionage agencies on its governing bodies, has waged a relentless campaign to destroy the industrial productive capacity of the Western economies, to undermine democratic institutions through sponsorship of environmental terrorists, and to liquidate the peoples of developing nations by advocating and practicing racial extermination policies.

Thus, we find the "anti-communist" CAUSA pushing policies which are anathema to the real interests of the Western republics.

We also find that CAUSA's "Minority Alliance" has approached American black churchmen on behalf of the starving people of Africa, while representing the Club of Rome which openly advocates halving the population of the African continent by means of famine. This obscenity goes far beyond the bounds of a comic strip joke.

The heavy participation at International Security Council conferences by high-ranking retired officers, officials of the American Security Coun-

cil, the ever-present Heritage Foundation retainers, and an occasional active duty officer led one observer to remark that the "doors have been opened for CAUSA."

Participants at the recent Paris conference of the ISC were particularly struck by the furious campaign of slander and attack conducted against the work of the Schiller Institute which dominated certain quarters of the conferences. The usual whispered threats were directed at those who have been associated with the well-known efforts of the Schiller Institute to defend the NATO alliance from its enemies.

Predictably, Gen. Danny Graham disgraced his professional colleagues by utilizing the Spanish synarchist daily "ABC" as the forum for a wild public attack on Lyndon LaRouche, the figure singularly credited for having rallied European support for President Reagan's Strategic Defense Initiative.

In open session of the conference, the line was frequently dropped that the United States is facing such a terrible problem in the Caribbean, that plans must be made to remove American troops from Europe.

Not coincidentally, that very assertion is the centerpiece of a campaign being waged by the Soviet Union to convince European military circles that the SDI is exactly what ISC conference participant Gen. Bob Richardson and Danny Graham's High Frontier organization say it is—the basis for a "Fortress America" policy.

The sniping attacks waged against the Schiller Institute and LaRouche—behind the cover of a gathering of the top public military policy figures of the U.S.—are a very thinly disguised attempt to sabotage the Western alliance on the eve of President Reagan's trip to Western Europe.

That is what "Delphic operations" are designed to do.

Farm issue being exploited to gut defense budget

The desperate situation of American farmers is being cynically used to justify attacks on U.S. military spending. On March 14, a group of farm-belt Congressmen and agricultural leaders held a press conference in Washington to announce the formation of the "Silo Coalition." Its stated purpose: to lobby Congress into funnelling funds away from defense programs, particularly the MX, into emergency farm credit.

Participants in the press conference included Reps. Tom Daschle (D-S.D.), Byron Dorgan (D-N.D.), Sen. John Melcher (D-Mont.), Dave Senter of the American Agricultural Movement, and a National Farmers Union representative.

Both Dorgan and Daschle figure among the foremost proponents of slashing the defense budget, claiming that such cuts are required to bolster domestic services. Both are also tied into the extensive operation being run by the Benedictine order to channel farm ferment away from the real source of the problem—the Swiss-based grain cartels and their financial interlocks—into futile and self-destructive activities, emphatically including demanding defense reductions. Dorgan is currently involved in a scheme to facilitate foreign buy-ups of U.S. farm land which originated with a group called Communicating for Agriculture. This nasty operation is being sold as a "farm debt restructuring" plan, and falsely touted as bailing out debt-strapped farmers.

At the Silo Coalition's founding press conference, Daschle said he hoped the group would "build the kind of support to draw votes away from the MX until Reagan is ready to deal with the farm crisis" and to "see ag-

riculture as a national security issue." And Dorgan threw in his two cents, stating that the MX "is not necessary and is dangerous and destabilizing."

Although the Coalition's immediate target is the 21 MX missiles up for a vote in late March, an aide to Daschle told this news service that the group plans to stick around. "We're definitely going to go after defense spending," said the aide. "Tom [Daschle] is on the Agriculture Committee and I can assure you that he will be focussing on the Pentagon budget when the 1985 farm bill comes up. He feels there's far too much being spent on weapons, especially when farmers are suffering so." Daschle is "absolutely" opposed to both the MX and the Strategic Defense Initiative, the aide added.

House panel vetoes military aid to Jordan

A House subcommittee threw a monkey wrench into the Reagan administration's Mideast policy March 21 when it voted to ban major military sales to Jordan until that country promises to recognize Israel.

The measure, approved by the House Foreign Affairs subcommittee on Europe and the Mideast, was pressed by a group of pro-Israel Democrats led by Rep. Larry Smith (D-Fla.) after meeting with Jordanian Foreign Minister Taher Masri.

The Democrats claimed that the measure—identical to one which Congress approved last year, but subsequently dropped after President Reagan threatened to veto it—would serve to encourage Jordan and Israel to resolve their differences, especially since it was coupled with a separate

amendment that upped U.S. economic aid to Jordan by \$10 million. "If there's a desire to understand, then Jordan will understand," said Rep. Robert G. Torricelli (D-N.J.).

According to the *Washington Post*, Masri said his understanding of the subcommittee's move was quite different. The vote was "very disappointing and ill-timed . . . not helpful at all . . . The movement that Jordan has started should be encouraged."

Subcommittee chairman Lee Hamilton (D-Ind.) also expressed reservations concerning the measure. The Mideast peace process is "alive but at a very delicate stage," he noted, and the amendment "would have the effect of damaging his [Jordan's King Hussein's] credibility." The provision will be "most welcome to Syria," Hamilton added.

Congressmen urge use of military in drug crackdown

A bipartisan group of Congressmen have called on the Reagan Administration to utilize the U.S. military more frequently against international narcotics traffickers—but the remainder of their proposals, including eliminating U.S. foreign aid to countries which are deemed lax in pursuing their internal drug mafias—calls their motives into question.

At hearings of the House Select Committee on Narcotics Abuse and Control March 19, chairman Charles Rangel (D-N.Y.) was joined by Reps. Lawrence Smith (D-Fla.), Michael DeWine (D-Ohio), and Henry Hyde (R-Ill.) in urging that the military take on a larger role in the war on drugs. Rangel complained that the Joint Chiefs of Staff have "been resisting because

this is not considered a part of the mandate relating to national security," but notably failed to mention that more than a month ago, Secretary of Defense Caspar Weinberger had pledged the Pentagon's full involvement in the war on drugs.

One of the major themes that emerged at the committee hearings (which featured Jon R. Thomas, head of the State Department's Bureau of Narcotics, as chief witness) was the ostensible need to reduce U.S. aid to supplier countries.

Rangel declared himself "shocked" that the Justice Department has said "it is not inclined to use the law" that authorizes cutting foreign aid to nations that supply illegal drugs to the United States. He demanded that Congress and the Administration "take another look" at aid requests for Jamaica, Peru, Bolivia, Mexico, Colombia, Thailand, and Pakistan.

The State Department's Thomas argued against Rangel's proposal, maintaining that "there is not at this time a single source country where our narcotics objectives would be enhanced by suspending assistance," and noting that "the single relevant question is whether more crop control would occur if aid were suspended." Those who think aid cuts will stop drug traders "fails to understand that these traffickers are governed only by the boundaries of their own greed and violence."

Rangel's proposal is by no means a new one: foreign-aid cut-offs formed the core of the laughable "anti-drug" plan offered by Walter Mondale during the presidential campaign, and Rangel just happened to have held an honorary post in Fritz's national electoral apparatus.

Moynihan, Tribble propose 'privatizing' U.S. loans

Sens. Daniel Patrick Moynihan (D-N.Y.) and Paul Tribble (R-Va.) are developing closely-related plans under which U.S. government loans would be sold off to private investors. According to an aide in Tribble's office, Wynn Hambly, the idea came from Congressional Budget Office director Rudolph Penner, and has been discussed privately with major financial institutions, including Salomon Brothers, Citicorp, and Drexel Burnham.

Moynihan, who has long championed "privatization" of government services, is proposing that the United States peddle its entire \$280 billion loan portfolio to the private sector.

Under the Moynihan scheme, the loans would be sold substantially below their face values. The one-time sale would allegedly generate more than \$150 billion which, says the Senator, could be applied to next year's federal deficit.

"We should privatize our loan portfolio, and get some real money," Moynihan told the *New York Times*, claiming his latest scam is "the only alternative to unilateral disarmament" or to "ripping ourselves apart. . . . Even if you had no deficit, you would still want to privatize this. The United States is a lousy manager of the largest loan portfolio in the world. We're losing money every day." Moynihan will soon introduce a bill to authorize the sale of government-held loans.

The Tribble proposal differs in particulars from Moynihan's, but resembles it in both intent and effect. It proposes auctioning off all new U.S. government loans as they are made (estimated to be \$41 billion in new loans

this year) to the highest bidder.

According to Tribble aide Hambly, "What we're talking about is in the case of direct loans to borrowers, that the ownership over the loans would change to someone else. It would be sold to the highest bidder. . . . Foreigners, whether Europeans or Japanese, could buy in. After all, it's not much different than what is happening now: the government itself borrows, creates a deficit, and then sells the notes to the private sector. . . . The proceeds from Treasury notes are used to make subsidized loans; this is a little bit more direct."

The loans which would be sold off include government loans to farmers, small businesses, etc., and to local and state governments.

McClure exposes new Soviet missile deployment

Sen. James McClure (R-Idaho) took to the floor of the U.S. Senate March 21 to reveal new data on the deployment of Soviet long-range missiles, including the powerful SS-25 and mobile SS-24.

According to the new information, the SS-24s are being housed in trains that are externally identical to standard Soviet freight trains. This makes them "deceptively concealed," said McClure, and extremely difficult to detect.

The railroad cars attached to the SS-24 launchers will house additional missiles, support equipment, security forces, and command and control facilities. Recently, 21 lawmakers signed a letter to the Kremlin warning that compliance with previous arms control agreements is essential for the success of the current Geneva talks.

National News

NBC accepts reduction in damage award

The National Broadcasting Company (NBC) has accepted the reduction in its damage award against Lyndon H. LaRouche, Jr. from \$3 million to \$200,000, rather than face the prospect of holding a new trial on the issue of damages in the network's counterclaim against the former presidential candidate, who sued the network for libel. NBC's decision, delayed until the last possible moment, was filed in federal court in Virginia March 15, exactly 21 days after the court ordered NBC to accept the reduction or face a new trial.

NBC's "acceptance of remittitur," as it is technically called, now removes the last roadblock blocking LaRouche's right to appeal the jury verdict and award on grounds of insufficient evidence and tainting of the jury by erroneous court rulings.

Lamm crony to run for President?

Arizona Gov. Bruce Babbitt, the up and coming spokesman for the euthanasia faction of the Democratic Party, may make a bid for U.S. President in 1988. Babbitt announced on Feb. 21 that he would not seek political office next year—but made no secret of his national ambitions.

Babbitt is one of the closest associates of Colorado Gov. Richard Lamm, the man asked America's elderly "to die and get out of the way." Babbitt spent the entire National Governors' Association Conference in late February hobnobbing with Lamm. When the national budget was discussed, Babbitt jumped up to demand drastic cutbacks in social spending—including taxes on Social Security benefits, medical benefits, and increased co-payments for Medicaid.

Babbitt is being built up by the national media as leader of the so-called neo-liberal wing of the Democratic Party. This crowd is supporting the traditional "liberal" social policies of the Democratic Party, but is demanding severe austerity at the same time. He was the subject of a Sunday *New York*

Times story on March 17, which quoted him saying he was considering "the darkest of dark horse" bids for the presidency.

Babbitt said he will not seek re-election as governor. He also will not run for the U.S. Senate seat to be vacated by retiring Barry Goldwater.

But when asked about presidential ambitions, Babbitt said: "I've made no secret of my desire to have a voice in the future of the Democratic Party."

Reagan: Germans forced to 'unnecessary guilt'

President Reagan announced on March 21 that he would not visit a concentration camp site during his May visit to Europe to celebrate the 40th anniversary of V-E Day, because Germans living today have "a guilt feeling that has been imposed upon them, and I just think it's unnecessary." The German population should be recognized for its achievements in creating a democracy in the postwar period, he stated.

"Maybe we should observe this as the day when, 40 years ago, peace began and friendship," Reagan said, rather than reopening old wounds. The celebration should recognize "the end of an era and the coming into what has now been some 40 years of peace for us." Reagan said he had conferred on the question with West German Chancellor Helmut Kohl and others, "who all felt the same way."

The President will be in Europe for the annual economic summit of the leading industrial nations. He was originally scheduled to be in Germany on May 8, V-E Day, but plans were changed to have him address the European Parliament in Strasbourg, France that day.

Weld's links to drug interests exposed

Despite an attempted "white-wash" of Boston U.S. Federal Attorney William Weld, during a recent, March 12, session of the Senate Permanent Investigations Subcommittee, strong circumstantial evidence of

Weld's links to the international laundering of drug-traffic funds continues to pile up at an accelerating rate.

In addition to covering up the \$1.2 billion funds-laundering of the Bank of Boston with a \$500,000 slap on the wrist, Weld's family connections to the merger of Crédit Suisse with both Merrill Lynch and White, Weld interests, it is becoming increasingly difficult for Weld's friends to ignore the fact that the same Crédit Suisse is at the center of drug-traffic money-laundering, as well as the key accomplice of the Bank of Boston.

Weld's image is not improved by uncovering of Crédit Suisse drug-money-laundering leads in the case of the collapse of 71 Ohio banks. The key figure in the collapse of those banks was President Jimmy Carter's ambassador to Switzerland, Marvin L. Warner. Up to now, it appears that "someone very high up" in the U.S. government has been intervening to shield Warner.

Georgetowners downplay Mideast peace attempt

Jimmy Carter's National Security Advisor, Zbigniew Brzezinski, told a conference at Georgetown University's Center for Strategic and International Studies on March 21 that the Middle East peace initiative of Egyptian President Mubarak and Jordan's King Hussein is not a "golden opportunity," but a "bronze one at best."

The only solution for coming closer to peace is to "create an option that will involve the Soviet Union . . . and establish a parallel dialogue, a parallel channel with Syria," Brzezinski told the Georgetowners. "A serious peace initiative would take the total personal involvement of the President or Secretary of State," he said, "as had occurred under Carter and Kissinger. Reagan is not that interested in the Middle East."

The two-day conference, attended by most of Washington, D.C.'s Middle East watchers, was chaired by former U.S. ambassador to Saudi Arabia George Neumann.

Professor Muhammad Aziz Shukri, Dean of the Law Faculty at Damascus University, told the group, "We Syrians . . . are often portrayed as the radicals, the belligerents, the trouble-makers. . . ."

"A learned American policy maker [once said], in the Middle East, there could be no war without Egypt, but there could be no peace without Syria."

Ambassador Richard Murphy, Assistant Secretary of State for Near East and South Asian Affairs, claimed that the United States had neither accepted or rejected any of Egyptian President Mubarak's peace proposals, but merely wanted to "guard against any premature activities and unrealistic hopes of what might occur."

Murphy told the conference: "Some look at the situation with despair. We look up with hope and ask the parties in the region, when do we get on with it?"

Meese and García meet on war on drugs

U.S. Attorney General Edwin Meese and his Mexican counterpart, García Ramírez, met in Washington, D.C. for five hours on March 22 to discuss ways to improve cooperation against drug trafficking. The talks were seen as "positive and fruitful" by both officials.

Meese and García issued a joint statement after the meeting, which read in part: "Our meeting today recognized the many positive enforcement steps we have taken together and underscored our steadfast commitment to working together to combat this common enemy. . . .

"In an open and cooperative spirit . . . we have agreed to develop channels of communication for sharing information."

It was announced that by the summer of this year a Joint Law Enforcement Summit will be held between Mexico and the United States.

Schiller Institute to take census of the poor

The Schiller Institute will conduct a nationwide census to determine the true extent and impact of poverty and unemployment in the United States. The census will work in conjunction with the Institute's worldwide or-

ganizing drive to rally 3 million people into the streets in opposition to the International Monetary Fund's austerity policies on April 13.

"We do not believe that Reagan is as stupid as Herbert Hoover or as immoral as the Jimmy Carter of the 1920s, Calvin Coolidge," a spokesman for the Institute declared today. "The Swiss-organized collapse of the dollar, however, will make the 1930s look like roses in comparison with today, unless Reagan changes his economic policy now."

The census was designed by Schiller Institute chairwoman Helga Zepp-LaRouche to better enable the Institute to shape its economic policy proposals to the Reagan administration. Among the questions asked are: Are you unemployed? Can you afford a healthy, substantial diet? Can you afford to buy food during the whole month? Is your family able to eat meat every day? Do you have sufficient medical care? Do you want President Reagan to change his economic policy?

Bush to Germans: SDI will defend Europe

Vice-President George Bush assured West German Christian Democratic parliamentarian Theo Waigel in discussions in Washington, D.C. at the end of March that the American Strategic Defense Initiative would include missile defense for Europe, and that the United States would offer West Germany full participation in the SDI and an equal share in the technologies developed. He denied that the SDI was meant to "decouple" Western Europe from the United States.

Horst Teltschik, an aide to Chancellor Helmut Kohl stated March 22 that the Bonn government wanted "to participate in the U.S. plans for a space-based defense from the earliest point possible."

Lt.-Gen. James Abrahamson, the director of the SDI, was scheduled to arrive in Bonn on March 27 to brief the West German government on the latest developments with the SDI. German sources believed that he would also bring to Europe more concrete offers for participation in the SDI research and development program.

Briefly

● **THE IRS** has opened an investigation into Cleveland pornography mobster Rudolf Sturman, the Los Angeles Times reported March 19. Sources have called Sturman an associate of Sen. Howard Metzenbaum (D-Ohio) and other ADL-linked persons active in recent attempts to stop the appointment of Ed Meese as U.S. Attorney-General. The Times said that Sturman's banker is Crédit Suisse, exposed recently as one of the world's biggest launderers of drug-money.

● **'MIND BENDERS'** Influence Farm Activists, Group Says," is a headline in the March 15 *Daily Globe* of Worthington, Minnesota. The article covers charges by *EIR* and the Schiller Institute that the Benedictine Order is behind "radical" farm ferment.

● **THE DEA'S** Organized Crime Task Force busted a major cocaine smuggling ring in San Diego, California, responsible for the import of between 20-25% of the cocaine that comes into the U.S. annually March 19. The international cartel operated out of Peru and Colombia.

● **DEREK HUMPHRY'S** Hemlock Society was depicted by the March 22 *Baltimore Sun* as a very fast-growing national right-to-die movement. But, says the Sun, "controversy still flares over . . . the Hemlock Society . . . When [it] held its annual gathering recently, it was picketed by members of the Club of Life, and Mr. Humphry was confronted by a woman who announced that she was his dead wife come back to haunt him."

● **THE HOUSE BANKING** Committee announced March 20 that it had rescheduled hearings on the Bank of Boston's failure to comply with federal cash reporting laws for April 3-4 in Washington. Committee officials have indicated that they wish to probe into Swiss banks' involvement in international dirty-money flows.

Editorial

Did FBI get U.S. drug agent killed?

When U.S. anti-drug agent Enrique Camarena was killed in Mexico earlier this month, after he was reported kidnaped by narcotics traffickers and corrupt Mexican police officers, the circumstances of his death screamed "cover-up." It was just the kind of crude bloodbath usually staged when the perpetrators of a particularly vicious crime want to prevent the true story from coming out.

Some significant pieces of hard evidence and a great many reports from sources on both sides of the U.S.-Mexican border point directly to the FBI as the authors of the cover-up.

To begin with, there was the shootout itself. Police raiding the Guadalajara ranch purportedly on the basis of anonymous reports that Camarena and his pilot Zavala were being held there, walked into a hail of gunfire; police officers were killed and the inhabitants of the ranch all died in the assault. Over 24 hours later, *after* police had conducted several comprehensive searches of the ranch property, local peasants "discovered" the badly beaten bodies of the two drug enforcement officers. On March 8, U.S. Ambassador John Gavin described the circumstances of the shootout and the discovery of the corpses as "suspicious."

Among those implicated in the Camarena killing is former top FBI agent Francis Mullen, whose confirmation as chief of the Drug Enforcement Administration (DEA) was held up for months in 1981 when Mullen was financially linked to a multi-million dollar bank fraud scheme financing marijuana shipments into Louisiana. One of the convicted co-conspirators in the pot-fraud scheme stretching from Las Vegas to New Orleans was subsequently linked to the assassination of a San Antonio federal judge, John Wood. Based in San Antonio, a primary transshipment point for the Mexican and Colombian pot "connections" running up into Texas from the Mexican state of Chihuahua, Wood had been a target of intensive public attack by the dope lobby's *High Times* magazine prior to his assassination.

Mullen's personal financial association with a southeast-U.S. dope financing ring named at the time

as one of the five largest trafficking networks in the U.S.—at a time when he was being promoted from the post of New Orleans regional SAC to Deputy Assistant Director of the FBI in charge of white collar and organized crime—was withheld from the FBI's "background report" to the Senate on the Mullen nomination as DEA chief.

Sources on both sides of the border have reported that the Camarena assassination was believed to have been ordered by high-ranking officials at FBI headquarters in Washington, D.C. who thought Camarena was in the process of unraveling the entire web of "citizens above suspicion" in the U.S., Mexico, and Colombia who were controlling and protecting the dope trafficking.

Camarena had reportedly been in Colombia for three months pursuing leads on the connections between that country's cocaine and marijuana smugglers and their Mexican and American counterparts.

Sources on both sides of the border have insisted to this news service that the actual authors of the kidnapping-murders have not been gone after and are being protected as part of a "deal" arranged during Francis Mullen's "emergency" trip to Mexico City after the kidnappings were revealed.

The precise nature of the FBI's involvement cannot be known without a comprehensive and thorough investigation of the Bureau's role. But ever since the FBI's predecessor agency was established by Teddy Roosevelt, this national police force has been the tool of the same evil financial-political networks that corrupted Latin American nations as "banana republics" to be exploited for everything from coffee to cocaine.

Wholesale corruption of certain police, prosecutors, and military forces by the drug traffickers is in fact a problem that extends to *every nation* under attack by the "invisible government" of Dope, Inc. If President Reagan's War on Drugs is to succeed, the multinational "joint command" military approach proposed by Lyndon LaRouche must be put into effect, and the FBI roadblock removed.

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