

EIR

Executive Intelligence Review

November 15, 1985 • Vol. 12 No. 45

\$10.00

St. Augustine and the war against the IMF
Drug mafias challenge Ibero-American governments
MHD—plasma technology for electric power

**Guatemala opens second front
against Soviet narco-terrorism**



EIR Special Reports

THE SCIENCE OF STATECRAFT

Strategic Studies by Lyndon H. LaRouche, Jr.

Operation Juárez. LaRouche's famous analysis of the Ibero-American "debt bomb"—a program for continental integration. Order #82010*. \$100.

A Conceptual Outline of Modern Economic Science. Order #82016. \$50.

Religion, Science, and Statecraft: New Directions in Indo-European Philology. Order #83001. \$100.

Saudi Arabia in the Year 2023. The thematic task of the Arab world in the next four decades: conquering the desert. Order #83008. \$100.

The Implications of Beam-Weapon Technology for the Military Doctrine of Argentina. Order #83015. Was \$250. Reduced price: \$100.

The Design of a Leibnizian Academy for Morocco. Order #83016. Was \$250. Reduced price: \$100.

Mathematical Physics From the Starting Point of Both Ancient and Modern Economic Science. Order #83017. Was \$250. Reduced price: \$100.

The Development of the Indian and Pacific Ocean Basins. Order #83022. \$100.

MILITARY AND ECONOMIC SCIENCE

Beam Weapons: The Science to Prevent Nuclear War. The year before President Reagan's historic March 23, 1983 speech announcing the Strategic Defense Initiative, this ground-breaking report detailed the feasibility—and necessity—for beam defense. Order #82007. \$250.

The Economic Impact of the Relativistic Beam Technology. Order #83005. \$250.

Economic Breakdown and the Threat of Global Pandemics. Issued July 1985. Order #85005. \$100.

THE WESTERN OLIGARCHY

Olof Palme and the Neo-Nazi International. By Lyndon H. LaRouche, Jr. Order #82006. \$100.

Global 2000: Blueprint for Genocide. The Carter administration's infamous proposal to reduce the world's population by two billion. The promoters of this genocide policy are as active now as they were when this exposé appeared in 1982. Order #82011. \$100.

We've Got the Goods on Henry Kissinger. Photocopies of the most important articles from EIR's Kissinger Dossier. Order #84005. \$100.

Who Should Not Be Who in the Reagan Administration. Order #84006. \$100.

The Trilateral Conspiracy Against the U.S. Constitution: Fact or Fiction? Foreword by Lyndon LaRouche. Issued September 1985. Order #85019. \$250.

* First two digits of the order number refer to year of publication.

Order from:

EIR News Service P.O. Box 17390, Washington, D.C. 20041-0390.
Please include order number. Postage and handling included in price.

THE SOVIET UNION

Will Moscow Become the Third Rome? How the KGB Controls the Peace Movement. Includes transcript of the infamous spring 1983 meeting in Minneapolis at which KGB officials gave the marching orders to Walter Mondale's "peace movement": Destroy the Strategic Defense Initiative! Order #83011. \$250.

How Moscow Plays the Muslim Card in the Middle East. Some in the Carter administration—and since—hoped to use Islamic fundamentalism to make the Soviet Empire crumble. What fools! Order #84003. \$250.

Global Showdown: The Russian Imperial War Plan for 1988. The most comprehensive documentation of the Soviet strategic threat available. A 368-page document with maps, tables, graphs, and index. Issued July 1985. Order #85006. \$250.

INTERNATIONAL TERRORISM

The Jerusalem Temple Mount: A Trigger for Fundamentalist Holy Wars. Order #83009. \$250.

The Hot Autumn 1983: Separatism, Pacifism, Terrorism. Who's who in the European terrorist movement and its oh-so-peaceful support apparatus. Order #83019. Was \$250. Reduced price: \$100.

Narco-terrorism in Ibero-America. The dossier that sent the Colombian drug-runners and their high-level protectors through the roof. Order #84001. \$250.

The Terrorist Threat to the 1984 Los Angeles Olympics. An analysis of the U.S. terrorist underground—the information the FBI has repeatedly suppressed. Order #84005. Was \$250. Reduced price: \$100.

Soviet Unconventional Warfare in Ibero-America: The Case of Guatemala. Issued August 1985. Order #85016. \$150.

European Terrorism: The Soviets' Pre-war Deployment. The dual control of terrorism: Europe's oligarchical families and the Russian intelligence services. The case of Germany's Green Party, with profiles of the top families of the international oligarchy. Order #85001. \$150.

THE MIDDLE EAST AND AFRICA

The Real Story of Libya's Muammar Qaddafi. Who placed him in power? The role of European masonic networks, Armand Hammer, and the "Billygate" mafia. Order #81004. Was \$250. Reduced price: \$100.

Prospects for Instability in the Arabian Gulf. Order #82014. \$250.

Africa: A Case Study of North-South Policy. Exposes the "Global 2000" networks that are deliberately blocking Africa's development. Order #82017. Was \$250. Reduced price: \$100.

Anglo-Soviet Designs on the Arabian Peninsula. Order #83002. Was \$250. Reduced price: \$100.

The Military, Economic, and Political Implications of Israel's Lavie Jet Project. Order #83010. Was \$500. Reduced price: \$250.

Founder and Contributing Editor:

Lyndon H. LaRouche, Jr.

Editor-in-chief: *Criton Zoakos*

Editor: *Nora Hamerman*

Managing Editors: *Vin Berg and Susan Welsh*

Production Director: *Stephen Vann*

Contributing Editors: *Uwe Parpart-Henke,*

Nancy Spannaus, Webster Tarpley,

Christopher White, Warren Hamerman,

William Wertz, Gerald Rose, Mel Klenetsky,

Antony Papert, Allen Salisbury

Science and Technology: *Carol White*

Special Services: *Richard Freeman*

Advertising Director: *Joseph Cohen*

Director of Press Services: *Christina Huth*

INTELLIGENCE DIRECTORS:

Africa: *Douglas DeGroot*

Agriculture: *Marcia Merry*

Asia: *Linda de Hoyos*

Counterintelligence: *Jeffrey Steinberg,*

Paul Goldstein

Economics: *David Goldman*

European Economics: *Laurent Murawiec*

Energy: *William Engdahl*

Europe: *Vivian Freyre Zoakos*

Ibero-America: *Robyn Quijano, Dennis Small*

Law: *Edward Spannaus*

Medicine: *John Grauerholz, M.D.*

Middle East: *Thierry Lalevée*

Soviet Union and Eastern Europe:

Rachel Douglas, Konstantin George

United States: *Kathleen Klenetsky*

INTERNATIONAL BUREAUS:

Bangkok: *Pakdee and Sophie Tanapura*

Bogotá: *Javier Almario*

Bonn: *George Gregory, Rainer Apel*

Caracas: *Carlos Méndez*

Chicago: *Paul Greenberg*

Copenhagen: *Poul Rasmussen*

Houston: *Harley Schlanger*

Lima: *Sara Madueño*

Los Angeles: *Theodore Andromidas*

Mexico City: *Josefina Menéndez*

Milan: *Marco Fanini*

Monterrey: *M. Luisa de Castro*

New Delhi: *Susan Maitra*

Paris: *Katherine Kanter*

Rome: *Leonardo Servadio, Stefania Sacchi*

Stockholm: *Clifford Gaddy*

United Nations: *Douglas DeGroot*

Washington, D.C.: *Nicholas F. Benton,*

Susan Kokinda, Stanley Ezrol

Wiesbaden: *Philip Golub, Mary Lalevée,*

Barbara Spahn

EIR (ISSN 0273-6314) is published weekly (50 issues) except for the second week of July and first week of January by New Solidarity International Press Service 1612 K St. N.W., Suite 300, Washington, D.C. 20006 (202) 955-5930

Distributed by Caucus Distributors, Inc.

European Headquarters: Executive Intelligence Review Nachrichtenagentur GmbH, Postfach 2308, Dotzheimerstrasse 166, D-6200 Wiesbaden, Federal Republic of Germany

Tel: (06121) 44-90-31. Executive Directors: Anno Hellenbroich, Michael Liebig

In Denmark: *EIR*, Haderslevgade 26, 1671 Copenhagen (01) 31-09-08

In Mexico: *EIR*, Francisco Días Covarrubias 54 A-3 Colonia San Rafael, Mexico DF. Tel: 705-1295.

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

Copyright © 1985 New Solidarity International Press Service. All rights reserved. Reproduction in whole or in part without permission strictly prohibited. Second-class postage paid at Washington D.C., and at an additional point. 3 months—\$125, 6 months—\$225, 1 year—\$396, Single issue—\$10 Academic library rate: \$245 per year

To Postmaster: Send all address changes to *EIR*, 1612 K St. N.W., Suite 300, Washington, D.C. 20006 (202) 955-5930

EIR

From the Editor

I was privileged to be present at the international conference dedicated to St. Augustine in Rome, organized by Helga Zepp-LaRouche's Schiller Institute, when Senator Josmell Muñoz of Peru appealed to the 800 participants from all over the world to win their governments' support for Peru's war against the international drug-trafficking mafia, in defense of the world's future generations. We were all stunned when he reported that due to the policies of the International Monetary Fund (IMF), *when 100 Peruvian policemen go out to combat the drug mob, only 40 are armed—60 put their lives on the line without weapons.* Exactly these policies, of disarming nations who face the armies of subversion, have been imposed by the Fund on Guatemala, the Philippines, and many other Western allies. Isn't it about time we stopped the connivance of the U.S. State Department with the IMF in aiding and abetting the drug traffickers?

Fast-unfolding developments throughout Ibero-America require that now, in the wake of the narco-terrorists' assault against Colombia's Supreme Court, formal declarations of war by the threatened states be issued to provide these states with the legal and executive powers to deal with the threat. The assault by the M-19 in Bogota was intended to be one of several simultaneous operations in most major Ibero-American capitals.

On Nov. 8, Colombia's justice minister, Enrique Parejo ripped up the pretense that political "leftist guerrillas" were behind the massacre, when he announced that the drug trafficking mafia finances and directs the guerrillas. It is indicative, that the U.S. major media criminally *blacked out* Parejo's statements, even though they were available in an English-language UPI wire!

In Rome, at the St. Augustine conference on Nov. 1-3, the most powerful combination of forces for good in the world was brought together, stirred by the ideas associated with the founder of our civilization, and by the way the Schiller Institute is applying these ideas to address and provide solutions to the present crisis. This week's *Feature* provides highlights of that conference. The cover *Investigation* gives *EIR's* eyewitness account of Guatemala's determination to fight the war declared by the drug-traffickers. Not only must the countries of Ibero-America declare and fight this war—but Washington must give full support to all governments who do so.

Nora Hamerman

EIR Contents

Departments

- 45 Report from Bonn**
SDI battle out in the open.
- 46 Southeast Asia**
The 'Mechai touch'
- 47 New Delhi**
War on drugs prepared.
- 48 Dateline Mexico**
Silva Herzog and Kissinger Associates?
- 49 Attic Chronicle**
Armacost in the Aegean.
- 72 Editorial**
The monetary system is dead.

Feature

- 22 St. Augustine and the battle with the IMF**
More than 800 individuals, from 25 countries, met in Rome for the Fifth International Conference of the Schiller Institute.
- 26 International leaders vow to uphold heritage of St. Augustine**
- 28 Peru's battle for national sovereignty**
- 30 St. Augustine: From Carthage to Rome**
- 31 St. Augustine vs. the IMF's genocide**
- 32 Defend civilization from the 'Visigoths'**
- 33 The most complete genius in history**

Economics

- 4 Ibero-American debt fight wins growing international support**
While the United States continues to lend its dumb muscle to the banks' economic warfare, forces in Italy, France, and Germany are offering private assurances that the besieged Peruvian nation does not stand alone.
- 6 New international anti-AIDS initiative announced in Rome**
- 7 Currency Rates**
- 8 Brazil's justice minister seeks to legalize marijuana, gambling**
- 10 Lesson of the Chase takeover of Maryland**
- 11 Commodities**
Bankers ask bail-out after tin crash.
- 12 Infrastructure**
Depriving America of water.
- 13 Agriculture**
Food exports down, except to U.S.S.R.
- 14 Business Briefs**
- Science & Technology**
- 16 MHD—plasma technology for electric power**
- 19 New MHD energy system invented**

Investigation



Soldiers of the Guatemalan Armed Forces burn some of the marijuana seized in Operation Guatusa-1.

52 Guatemala opens second front against Soviet narco-terrorism

In a major logistical feat, the armed forces destroyed 40 marijuana plantations in remote jungle areas--and *EIR* was there.

54 Operation Guatusa-1: An *EIR* correspondent's report

57 The drug mafia invades Guatemala

59 LaRouche calls for U.S. to aid Guatemala

International

34 Narco-terrorism declares war on Ibero-American nations

The drug mafias have specially targeted those with the potential to resist the austerity dictates of the International Monetary Fund.

36 Does Vitalii Yurchenko himself know what it was about?

38 Philippines: Opposition promises violence in elections

39 Argentina: Has IMF policy been elected?

40 Conference shows how Sovietologists warp intelligence estimates

42 Why Moscow's medical community won the Nobel Peace Prize

43 Obituary: Charles Douglas-Home, Editor of *The Times*

50 International Intelligence

National

60 Pre-summit negotiations with Moscow: All deals are off

George Shultz visited the Kremlin, and all his best laid plans to give away the world went up in smoke.

62 Money-laundering bill before House

63 Eye on Washington

State Dept. covers for Soviet aims in Angola.

64 Kissinger Watch

Henry in hunting season.

65 Labor in Focus

AFL-CIO backs tests of teachers.

66 American System: The keelboat or the steamboat?

More from Henry Clay on the proper conduct of economic affairs.

68 Congressional Closeup

70 National News

Ibero-American debt fight wins growing support

by Valerie Rush

Peru has begun to win critical support from Europe and from its neighbors in Ibero-America for its fight against the usurious policies of the International Monetary Fund and the creditor banks. While the United States continues to lend its dumb muscle to the banks' economic warfare against the Alan García government, forces in Italy, France, and Germany are offering private assurances that the besieged Peruvian nation does not stand alone.

Voices are also beginning to be raised in Mexico, another Ibero-American nation under siege, in defense of Peru's stand on the debt. These statements of support occur in the context of unprecedented anti-IMF ferment, in both the leadership and the masses of that country in favor of a Mexican debt strategy *à la Peru*.

Italian sympathies

Leading members of the Italian Senate, including Senate President and former Prime Minister Amintore Fanfani, met with Sen. Josmell Muñoz Cordova of Peru's ruling APRA party on Nov. 5, and expressed their interest in and support for the policies of Peruvian head of state Alan García in his war on drugs and in his resistance to the International Monetary Fund. The crux of García's stand is that Peru will pay only 10% of its export earnings for service of foreign debt, and will not accept any role for the IMF in negotiations with creditors and domestic economic policies. In such matters, Peru is sovereign.

Senator Fanfani took a detailed report from Muñoz on the accomplishments of García's first 90 days in office, including major blows against the drug trafficking apparatus in that country, and declared his sympathy for García's overall economic policy efforts.

Fanfani also pledged to mobilize the Italian-Latin American Institute in Rome to pursue a negotiated solution of the Ibero-American debt problem through agreements between the capitalist and debtor nations. He also endorsed García's commitment to strengthen Peruvian democracy and observance of human rights.

Muñoz was also received by the principal leaders of the Senate faction of Italy's Christian Democratic Party (DC), including faction president Sen. Nicola Mancini. Sen. Mancini stressed Italy's great interest in Latin America's fight for development and against the drug trade, and indicated that Italy's duty is to defend the national sovereignty and autonomy of all nations. DC faction member Sen. Vincenzo Carollo spoke of the need to increase European assistance to Ibero-America.

'Morally unacceptable' debt

The French daily *Le Monde* on Nov. 6 carried an article praising García's "10 percent solution" on debt repayment, and condemning the speculative nature of the debt caused by the policies of U.S. Federal Reserve head Paul Volcker since 1979. The *Le Monde* article argued that debt paid for by blood, famine, and wars in the Third World is neither morally acceptable nor economically rational, and warned that continued extraction of debt payments from the developing sector nations will lead to a world depression in short order.

At the same time, West Germany sent an unmistakable signal to Washington, D.C. by deploying a high-level delegation to Lima, which, on Oct. 31, signed an aid agreement with the García government. The amount of the loan, nearly 100 million deutschmarks for crucial irrigation projects, was less important than the political endorsement the agree-

ment implied. The delegation offered its support to the Peruvian government, with the delegation head declaring that West Germany "is on the side of its friend, Peru."

A formal declaration issued by the West Germans stated, "The delegation of the German government considers the priorities that the Peruvian government has been taking for the economic and social development of the country as extraordinarily positive." A two-hour delay in the signing of the accord reportedly occurred while the delegates consulted their superiors in Bonn on the implications of Peru's debt having been declared "value-impaired" by U.S. authorities. They then received the signal to go ahead with the deal.

Mexico a la Peru?

Beginning Nov. 4, Mexico's press began to devote extensive coverage to the successful efforts of Alan García to reduce that country's punishing inflation rate. "Other nations of Latin America, Peru in particular, have attempted brave initiatives to confront this continental conflict, to the advantage of their peoples," writes the daily *Excelsior* in a pointed message to the De la Madrid government.

Mexican columnist José Luis Mejias wrote that continued "enslavement" of the Mexican people to the net export of capital for debt repayment must cease, if the country is to survive. He charged Finance Minister Silva Herzog, architect of the IMF austerity program in Mexico, with being a foreign agent, and challenged the Mexican population to prepare to undergo privations for standing up to the international creditors. The next day, *Excelsior* editorialized, "National opinion is daily growing more opposed to payment of usurious interest on the debt. . . . A clear, defined, nationalist, and energetic position is needed. We indignantly reject the idea that we are playing the IMF's game to extinguish the independent voices in Latin America. We are not scabs, neither on the oil question nor on the debt. Mexico should take the lead in the formation of a Great Latin American Front" on the debt.

The press campaign for a Mexican strategy on the debt *a la Peru* comes in the midst of a nationwide clamor for government resistance to the international usurers. The state legislature of Puebla has just added its unanimous voice to that of Yucatán in demanding a moratorium on interest payments on Mexico's foreign debt, and the same resolution is being considered in other state legislatures.

A group of Mexican citizens who lost their homes to last month's devastating earthquakes rallied before the presidential office in Mexico City to proclaim: "Given the gravity of the situation . . . the country can no longer continue paying the interest on international usury, and therefore we feel it is necessary, appropriate, and unpostponable, as Benito Juárez determined in his time, to take the patriotic decision of declaring a moratorium on the foreign debt."

Carlos Mireles, the president of the Mexican National Chamber of Industrialists (Canacindra), announced in a press

conference Nov. 4 that his proposal to pay the Mexican debt with earnings from non-oil exports would be formally presented in lobbying efforts before the Mexican and United States' congresses during November. Separating out non-oil export earnings signifies establishing a de facto ceiling of 15% of total earnings available for debt repayment. Current debt service costs are taking 50% or more of Mexico's total earnings.

Said Mireles, Mexico "cannot and should not continue sacrificing its well-being in exchange for the tribute it pays year after year to its creditors. From 1986 to 1990, Mexico will have to pay \$95 billion in debt service. . . . Under current conditions, the country is on the road to forced insolvency." Mireles contrasted his proposal to declaring a debt moratorium—Fidel Castro's solution.

President de la Madrid has continued to leave the reins of decision in the hands of his economic cabinet, led by presidential hopeful and IMF asset Jesús Silva Herzog, thereby leaving himself open to attack by patriots and traitors alike as "indecisive" and "inefficient." However, the dramatic acceleration of capital flight in recent weeks—which had collapsed the Mexican peso to 500 to the dollar at last report—prompted a decision by the central bank Nov. 2 to shut down all dollar exchange activities at Mexican airports. That move was followed by a prohibition on bank transfers of dollars abroad, as well as official limits on how much of their peso accounts national banks would be permitted to transfer abroad.

Brazil and the IMF

Brazil was one of the first countries to hold out a helping hand to Peru when a \$400 million deal was signed in October with Brazil's Cotia trading company to barter Peru's minerals and other exports for the items Peru imports.

The Brazilian government, too, is under the gun, and its growing resistance to IMF dictates has enraged the international banking set. A major speech by President José Sarney Nov. 4 not only asserted that protection of Brazilian sovereignty was his government's primary concern, but employed language which heretofore has been the trademark of Peru's García alone. Said Sarney, "Our country has retaken command over its destiny. Sovereignty and independence are no longer empty words."

Pledging that his goal was economic growth of 7% to 8% a year, Sarney described the pressures he has endured in his defense of Brazil:

"When I became President, I was advised to follow the formula of recession. Open up the markets, cut wages, halt investments, because that was the orthodox prescription. . . . I refused. . . . I faced threats that inflation would go to 1,000%, that there would be no growth, the country would be destabilized, the international banks would cut credits, Brazilian goods abroad would be attached. Even so, I said *no* to all those threats. 'I am convinced Brazil can grow,' I responded."

New international anti-AIDS initiative announced in Rome

Warren J. Hamerman, director of the *Executive Intelligence Review* Biological Holocaust Task Force, announced on Nov. 3 in Rome, Italy, the launching of a special, urgent global scientific initiative, to combat the spread of the deadly new pandemic, AIDS.

After having addressed the Fifth International Conference of the Schiller Institute on the threat represented to humanity by AIDS and other global pandemics, Hamerman unveiled a "New International Scientific Initiative Against AIDS," calling for the formation of an "Emergency International Committee for the Exchange and Dissemination of Scientific Information and the Advocacy of Public Health Policies to Combat the Deadly AIDS Pandemic."

The initiative call has been co-signed by scientists and doctors from England, France, Italy, Denmark, West Germany, Canada, and the United States, including, among others, the individuals named below, which follows the full text of the statement itself:

New international scientific initiative against AIDS

Emergency International Committee for the Exchange and Dissemination of Scientific Information and the Advocacy of Public Health Policies to Combat the Deadly AIDS Pandemic

Statement of the problem:

The present AIDS pandemic poses a threat to the very survival of Western civilization. Current estimates indicate that tens of millions of individuals are presently infected with the AIDS virus, and leading researchers of several nations would go so far as to assert that in the continent of Africa the *entire* population of that continent is at risk. The overriding fact of AIDS is that it is a presently untreatable, highly lethal, communicable disease which is presently spreading in a pandemic fashion, and has the potential to devastate a large portion of the human race, if unchecked.

Furthermore, since most of the populations of the tropical areas of Ibero-America, Asia, and Africa die without medical certification, in fact, the numbers of individuals already killed by AIDS could well be orders of magnitude more than officially recorded.

demonstrate, economic squalor is the most favorable breeding ground for the deadly AIDS pandemic. As statistical

The present health-policy coordinating institutions have

proven themselves entirely inadequate to the crisis and subject to manipulation by political forces which either are a) committed to *not paying the necessary costs* required for research, emergency public health measures, and alleviating the economic squalor which breeds disease or b) would find it desirable for Western nations to be crippled by the deadly disease AIDS while the nations of the Warsaw Pact were relatively unscathed.

In the urgent interest of preserving our cherished Western civilization and acting before it is too late, we resolve to initiate an independent emergency committee for policy deliberation and formulation of policy recommendations to government agencies, and welcome the creative energies and contributions of scientists from around the world.

Statement of purpose:

To deal with this problem requires international cooperation and coordination in scientific research and in implementation of necessary public-health measures to limit the transmission of the disease. To this end, we propose to create an international group of scientists working in this area who have a sufficient appreciation of the gravity of the problem to function as a force of reason that would counter any tendency to minimize or distort the situation in response to political, ideological, or economic pressures.

Specifically, since AIDS, as well as other deadly diseases, are spawned in the most economically collapsed areas of the tropics, to save mankind from lethal pandemics the standard of living in those areas must be upgraded. A review of the history of Western civilization underscores the unsailable connection between economic breakdown and the threat of global pandemics. As the cases of the AIDS eruptions in Africa, Belle Glade, Florida, and New York City

studies of Belle Glade, Florida, and New York City indicate, there is a relationship between AIDS and tuberculosis.

The group would function as a scientific committee of correspondence to review and exchange scientific information on AIDS and related conditions, such as other epidemic diseases, and to formulate appropriate policy recommendations for governmental agencies. Scientific and policy papers would be published in the *Executive Intelligence Review (EIR)*, *The International Journal of Fusion Energy*, or as special reports or monographs, either under single authorship or under the names of the committee as a whole.

Therefore, in the urgent interests of preserving our cherished Western civilization and acting before it is too late, we resolve to initiate an independent emergency committee for policy deliberation and welcome the creative energies and contributions of scientists from around the world in this effort.

Signed,

England:

John Seale, M.D., M.R.C.P. (London)

Denmark:

Finn Behrendt, M.D., Professor of Epidemiology at the University of Aarhus

France:

Michel Rougemont, M.D., Health Professionals for the Prevention of Nuclear and Biological War;
Col. Jacques Riviere, M.D., Bethune

Germany:

Fritz Popp, Ph.D., Department of Cell Biology, University of Kaiserslautern;
Wolfgang Lillge, M.D., Wiesbaden;
Rolf Pauls, M.D., Frankfurt/M;
Jurgen Spahn, M.D., Wiesbaden;
Jonathan Tennenbaum, Ph.D., Fusion Energy Foundation Director in Europe

Italy:

Matteo Cartanese, M.D., San Severo

U.S.A.:

Mark Whiteside, M.D., Institute for Tropical Medicine in Miami, Florida;
John Grauerholz, M.D., F.C.A.P., Health Policy Director, Fusion Energy Foundation, Leesburg, Virginia;
Warren J. Hamerman, Director, EIR Biological Holocaust Task Force, Leesburg, Virginia

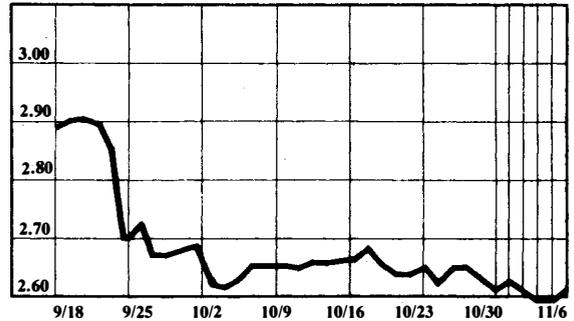
Canada:

Alan Gauthier, M.D., Montreal

Currency Rates

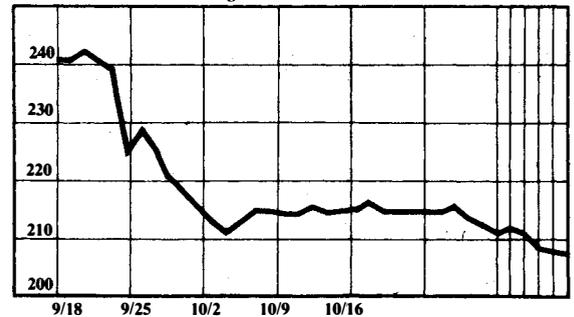
The dollar in deutschemarks

New York late afternoon fixing



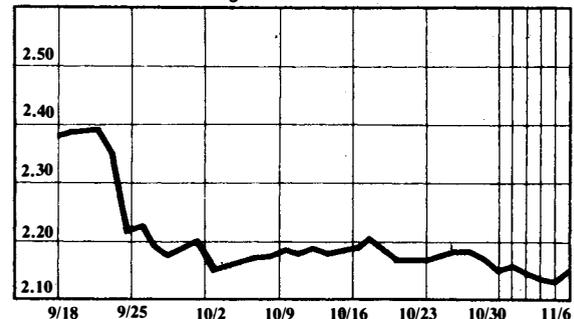
The dollar in yen

New York late afternoon fixing



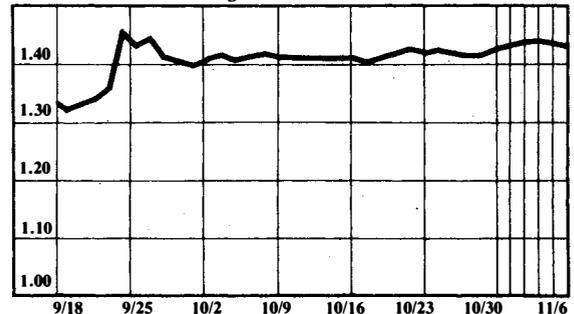
The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



Brazil's justice minister seeks to legalize marijuana, gambling

by Silvia Palacios

While drug-linked corruption inside the U.S. judicial system threatens to destroy the credibility of the Reagan administration's war on drugs, Brazil—the United States' most important trading partner in Ibero-America—is facing a similar situation. Brazilian Justice Minister Fernando Lyra heads up a group inside the government which is promoting the legalization of both drugs and gambling.

Serious accusations have already been made against the justice minister and his closest collaborators; at the same time that he seeks to legalize marijuana consumption, he has been deliberately negligent in fighting production of drugs and related trafficking.

The arguments the minister uses in both cases are nothing new. They were used by former U.S. President Jimmy Carter, the U.S. State Department, and the Trilateral Commission, to sponsor and protect the most powerful multinational in the world, Dope, Inc., and to seek, as the Carter-Trilateral administration did, to legalize marijuana as a first step toward legalizing the mafia.

Out of the 'counter-culture'

Justice Minister Lyra purged the Federal Council on Narcotics in August of all members he considered "conservative." He considered them "conservative" because they opposed legalizing the consumption of marijuana, according to the accusations of pharmacologist José Elias Murad.

The new head of the Council is lawyer Tecio Lins e Silva, co-author of a book which advocates a "liberal" approach to the marijuana question. The book came out of a seminar held in Rio de Janeiro in 1983, organized by the Maria Sabina Center and attended by a flock of "intellectuals" from the drug-rock counterculture.

Maria Sabina is a famous Mexican gnostic priestess who cultivated the hallucinogenic mushrooms that became the symbol of the British-created hippy movement.

Putting Lins e Silva in charge of a council on narcotics will make that body into a council to spread narcotics.

With the liberal arguments so characteristic of Brazil's "cultural" strata, Lins e Silva absolves drug traffickers of responsibility for their actions. On Oct. 26, when a young American sentenced to six years in jail for marijuana posses-

sion was released, Lins e Silva declared that the growth in marijuana consumption was due to "the taboo that exists around the subject." Under his presidency, Lins e Silva has already turned the Narcotics Council into a sewer of argumentation for the "positive law" theory that holds that what the majority thinks is law, i.e., a thinly disguised form of fascist "triumph of the will" over natural law.

The degeneration has reached such an extreme that, during an Oct. 27 juridical debate over the question of legalizing drug consumption, the Council's vice-president, Antonio Carlos de Moraes, asserted: "It is customs which determine laws, and not the other way around."

In the beginning of October, the Federal Narcotics Council invited French physician Claude Olivienstein, to visit Brazil. Olivienstein is a luminary of the above-ground, legalize-marijuana branch of Dope, Inc., and, incidentally, director of the Marmottan medical center in Paris; he remained in Brazil to join up with the official delegation of French President François Mitterrand when Mitterrand toured Brazil later that month.

In several conferences dedicated to refuting the scientific evidence of the dangerous effects of marijuana consumption to the health of the user, the French doctor reported that "its use has had no repercussions on fertility in Jamaica or Morocco, where it is culturally accepted."

There are many things these liberal-fascists know but consciously hide. With respect to Jamaica, in particular, the generalized consumption of "ganja" (marijuana) is the deliberate result of a plan to turn this country into a primary exporter of the drug, under the auspices of Trilateral Commission-member David Rockefeller's "free enterprise" project for the region. Rockefeller went so far as to grant Jamaica the "free enterprise" award earlier this year.

Communists and dope

With the approval of the Federal Narcotics Council, the debate on marijuana consumption has reached new heights, and has actually entered into the ongoing mayoral election debates in such important cities as Rio de Janeiro, Belo Horizonte, and Sao Paulo. In Rio, for example, the radical Trotskyist group, MR-8, which backs the candidate of the PMDB,

Lyra's party and the principal opposition party, advocates drugs, rock music, and homosexuality. "We were the only communist party to participate in the Rock Festival in Rio with leaflets asserting that rock is a revolutionary art," declared one MR-8 leader on Oct. 22.

Not accidentally, this same characterization of rock music as part of the "new revolution" could be heard at the Maria Sabina Center seminar in which Lins e Silva participated. In Sao Paulo, the PMDB mayoral candidate, Fernando Henrique Cardoso, admitted that, although he could not recommend marijuana as good, he had himself smoked a marijuana cigarette during a trip to the United States. Such an admission could cost him the election, since his rival, former President Janio Quadros, has undertaken to spread the story widely among the more conservative Sao Paulo population.

No to herbicides, yes to gambling

Lyra's principal accomplice in this insidious campaign is the secretary general of the justice ministry, José Paulo Cavalcanti, a political heavyweight who hopes to play the gambling-casino "card." On Oct. 7, President Reagan's adviser on narcotics affairs, Carlton Turner, passed through Brazil. After a frigid discussion with Turner, Cavalcanti insisted that the government "is not considering the possible use of herbicides in the fight [against marijuana], primarily because Brazil's major problem is *epadu* [Brazilian cocaine], which grows in the Amazon." Turner responded that Peru has had tremendous success in the use of herbicides, as have Mexico, Colombia, and Belize. He added, "It is ironic that herbicides are readily used in agriculture, but the protests begin when one speaks of using them in the fight against drugs."

It is well known that, today, marijuana cultivation in Brazil has become prolific, concentrated over the past few years in Pernambuco, the home state of minister Fernando Lyra. Lyra was also governor of Pernambuco. Within social circles, it is an open secret that the region's large landowners not only cultivate agricultural products, but also own vast extensions of land cultivated with nothing but marijuana.

As Cavalcanti pointed out, however, cocaine is rapidly becoming a booming industry in Brazil in its own right. And Cavalcanti doesn't hesitate to give it free advertising, either. In an interview with the daily *O Globo* last August, the justice ministry official declared, "The Amazon region is so favorable to the growth of *epadu*, that while in the Andes it usually measures two meters in height, in Brazil it is reaching eight meters."

A foot in the door

In Brazil, Dope, Inc. operates on the cultivating, processing, and smuggling end as well, so that if but one aspect of the trade—consumption—were to be legalized, the country would rapidly become a paradise of organized crime. Brazil not only grows drugs, but is used as a bridge country in the cocaine trafficking route, and federal police recently

discovered that it is also the bridge for Thai heroin on its way to the United States.

There is a strong lobby inside the congress which hopes to legalize gambling casinos, first prohibited by the government in 1946. In the Chamber of Deputies, there are 31 different bills dealing with the question of gambling and casinos. Among the gambling games being promoted is electronic poker, whose producers are the companies Prodle and Intergame, both properties of the French mafia's Union Corsa, and also the Chinese-Japanese owners of Playway. The Chinese mafia, in particular, is expert in the laundering of dirty money and all the "arts" utilized in the British-controlled opium trade.

Serious accusations have already been made against the justice minister and his closest collaborators; at the same time that he seeks to legalize marijuana consumption, he has been deliberately negligent in fighting production of drugs and related trafficking.

Of course, there is also the related industry of precious gem smuggling, which is estimated to reach the order of \$1.3 million a year. Not to mention the game of craps, whose promoters are part of the drug trafficking network which owns the samba schools in Brazil. Last May 8, Justice Minister Lyra personally pledged that legalization of crap games was assured.

Justice Minister Lyra, who has stocked the ministry with pro-terrorist radicals, has deliberately overlooked a number of key judicial cases involving the laundering of dirty money and contraband of precious stones. The most notorious case is that of businessman Mario Garnero, who in partnership with U.S. Secretary of State George Shultz, created the Brasilinvest financial empire whose origins are suspect and against which a suit has been lodged—and effectively ignored—by the justice ministry.

Neither has any effective action been taken in the investigation of former Justice Minister Ibraim Abi-Ackel for his role in the contraband of precious gems to the United States. Abi-Ackel, among his other achievements, granted Brazilian citizenship to the notorious banker of the P-2 lodge, Umberto Ortoloni. Ortoloni is now a resident of Sao Paulo.

There can be little doubt that Justice Minister Fernando Lyra is a worthy successor to Abi-Ackel.

Lesson of the Chase takeover of Maryland

by D.S. Pepper

On November 1, a new corporation opened for business in Maryland, the Chase Bank of Maryland, with 13 branches offering commercial banking services. This was, of course, a subsidiary of Chase Manhattan of New York, and its successful buyout of three Maryland thrifts, which permitted it to open its subsidiary, has the most serious implications for the United States and for the world economy.

What could be wrong with the Chase decision? After all, the state legislature wrangled over the deal for five days to ensure it was the best possible one before approving it in the small hours of Wednesday, Oct. 23. It relieved the state of Maryland of \$1.5 billion in liabilities the state had guaranteed when the savings-and-loan crisis first hit. Depositors were happy because Chase freed up their frozen assets. And the *Washington Post* hailed the decision on its editorial page as a great precedent.

Well, there is a lot wrong with it. The first and most important reason is that Chase is not really a bank; it is a money-laundering machine, and one of the principal financial institutions of Dope, Inc. Chase was named by the U.S. Attorney-General as one of the financial institutions involved in laundering billions of dollars by the simple expedient of not recording cash deposits, and then sending the unrecorded funds to correspondent Swiss banks. Hearings are now under way in the House Banking Committee to change the money-laundering laws of this county, which at present make it a civil, but not a criminal offense.

Worse still is that, while Chase is part of the most diseased portion of the credit system, the Maryland S&Ls were among the most healthy! That is not to deny that several of the Maryland thrifts were run into the ground by unscrupulous freebooters. They, however, were not the cause of the problems, but rather the result. The cause was the murderous high interest rate policy imposed by Paul Volcker, the chairman of the Federal Reserve. It was Volcker who then helped to smooth the way for the Chase takeover, meeting with Gov. Harry Hughes in August, and later approving the plan in his capacity as Fed chairman. We have therefore the ugly spectacle of Chase devouring previously sound financial institutions as they fell prey either to liquidity problems or to financial small

fry doing exactly what Chase and other money-center banks are doing on an international scale—looting.

The cited *Post* editorial alerts us to the danger inherent in the Maryland decision. The *Post* points out that the state of Maryland had guaranteed the deposits, and yet, it wasn't paying. "This was hardly a reassuring sight for other depositors in other institutions." In the same editorial, the *Post* quoted Edwin Gray, chairman of the Home Loan Bank Board, stating that some 300 federally insured S&Ls—1 out of every 10—are insolvent, and that their total deposits are \$90 billion compared with an insurance fund of \$3.2 billion. The *Post* concludes that public confidence depends on keeping one's promises and that the legislature voted to do just that—by turning over their fiduciary responsibilities to Chase. The *Post* implies that Chase acted as some kind of insurance fund to insure the depositors' money.

That is the broader implication of the Maryland banking crisis. The domestic credit system is bankrupt. One observer has suggested that, over the next five years, a fourth of the nation's banks will disappear, either through mergers, acquisitions, or closings. This is not because there is not a need for these banks. The delivery of credit at the local and regional level is critical if the farm sector and smaller industry is to survive. It is not because these banks were incompetently run, although that is the theory most aggressively advanced. They are bankrupt because the Volcker policy has bankrupted the industries they serve: agriculture, farm machinery, machine tools, energy, housing, basic industry such as steel, etc.

Bank failures are running at their highest level since 1933, and at present, up to 270 banks could fail this year. If they go under, what will happen to the depositors? Deposits up to \$100,000 are guaranteed by the Federal Deposit Insurance Corp. (FDIC) for federally insured banks. But the FDIC has \$12 billion in deployable funds to insure \$1.24 trillion in insured deposits, less than a penny on the dollar. Under these circumstances, it is perfectly clear that the FDIC will increase its effort to bring about mergers and acquisitions rather than spend insurance funds. And that's where the image of Chase (or Chemical, in the Ohio situation) comes in, wearing a white hat and playing the role of angel.

Chase and the other money-center banks of Manhattan, London, Zurich, etc. exist to finance the dope trade, the most lucrative world-wide business today. They are engaged in usury in the Third World. Their profits have been protected by record interest levels established by Volcker and the Federal Reserve. Their existence has been paid for in millions of deaths, jobs lost, industries and farms closed, and the collapse of the banks lending to this necessary activity. Now we have the ultimate perversity, the very victims—depositors, local legislators, workers, and businessmen—cheering these pirates as their saviors.

That is at present the lesson to be learned from the Great Maryland Banking Crisis of 1985.

Bankers ask bail-out after tin crash

The member-nations of the ITA simply can't go on borrowing to buy up their own exports to maintain the price.

On Nov. 5, fourteen creditor banks and two brokers to the International Tin Council (ITC) member-nations, the producers of tin (Malaysia, Indonesia, Thailand, and others), asked the British government for financial help after the tin producers stopped payments to the banks on Oct. 24.

On that day, the world tin market crashed at the London Metals Exchange, when the ITC producer-nations quit intervening to buy and stockpile their own production. These nations had been borrowing money for this purpose since 1981, in an effort to prevent the fall of tin prices. In effect, on Oct. 24, the tin producers said they no longer have the money, they don't want to borrow more money, and they can't pay the bank lenders anymore.

The view of the banks involved was expressed by the Nov. 2 edition of the London *Economist*: "The ITC members are dishonouring their debts as much as any Latin American country that tells its bankers to take a running jump into Lake Titicaca."

The list of banks holding this tin debt reads like a roster of the international dirty-money cartel. Among the 14 banks are: Hambros, Kleinwort Benson, Standard Chartered, the Trustee Savings Bank, and Arbuthnot Latham of Britain; the Dutch group Algemeine Bank Nederland, Banque Indosuez of France, Australia and New Zealand banking group, Arab Bank Corporation, Malayan Banking and Bumiputra of Malaysia, Bangkok Bank, Bank of Tokyo, and the Canadian-based Bank of Nova Scotia. The

two trading firms who have lent money to the ITC are Shearson Lehman Brothers and Metallgesellschaft.

The tin-producing nations, to counter the decline of tin prices in recent years—the result of the world depression which is itself bank policy—formed a council to attempt to maintain the tin price by themselves buying the commodity and stockpiling it. However, under depression conditions, tin use is falling. On Oct. 24, twenty-three governments—signatories to the International Tin Agreement (ITA)—simultaneously defaulted on their loans. They could not continue to borrow money to try to prop up the price.

On the morning of Oct. 24, the tin price fell from £8,330 a ton to £8,140 a ton. Then, the ITA's representative, Pieter de Koning, who buys surplus tin on behalf of the ITA, called the Exchange to say that he had run out of money. The London Metals Exchange was immediately shut.

The Exchange has remained closed for close to two weeks in an attempt to wrangle a government-connected deal to coerce the tin-producing nations to resume their debt payments. Spokesman for the stung banks said Nov. 5 that none will go bankrupt, but they want some money. The 14 banks, plus two brokers owed money, met Nov. 5 with British government representatives and offered to defer repayment of principal and interest for 12 months if the tin council's member-countries would come up with some cash and find new ways to guarantee their loans.

The total outstanding debts of the International Tin Council producer-nations are estimated to be about \$570 million. The bank creditors group, in association with the London Metals Exchange, called on the Bank of England to back their scheme for refinancing this debt, so that the London tin market could reopen. As of Nov. 6, there was no agreement by the Bank of England.

The banks asked for a response from Bank of England by Nov. 8. Trying to justify their demand for a bail-out package, Jacques Lion, the London Metals Exchange chairman, said that British authorities should realize that huge "invisible" export earnings for Britain are at stake in the crisis, in the form of "financial services." As of Nov. 5, the banks chose not to declare the ITC in default of its debts.

During the recent depression years, more and more of the world tin output has come to be regarded as "excess" of supply over demand. World mining output decreased from about 4,212 thousand tons in 1983 to 4,209 thousand tons last year. About 80,000 tons a year are considered excess. The ITA tin stockpile had risen to about 130,000 tons by October this year, and money is owed to the Tin Exchange brokers and creditors for over half of that quantity.

Not all tin exporting nations are part of the ITA. The six who signed the agreement are Australia, Indonesia, Malaysia, Nigeria, Thailand, and Zaire, who together account for over 70% of the world tin trade. In the years since 1981, these nations have been holding their exports to about 60% of 1981 levels.

Bolivia has not been part of the agreement; nor have Brazil and China, who increased their tin exports in the last two years.

Depriving America of water

A new congressional bill would put 300 vitally needed water projects under the ax.

The House began debate Nov. 5 of HR 6, the so-called Water Resources Conservation, Development, and Infrastructure Improvement and Rehabilitation Act.

It is staggering to consider that it has been 15 years since a comprehensive water authorization act has been passed. Nothing related to water resources development has been passed since 1976.

And this bill, HR 6, does very little to improve the catastrophic decline of the nation's water infrastructure that has occurred over the 15-year interim. The bill calls for \$18 billion in improvements, but most of that is provisional upon cost sharing with local and regional entities, as well as on user fees and heavy borrowing.

Most striking is that the bill calls for the cancellation of over 300 water projects authorized (but never funded) by earlier Congresses worth an estimated \$11.1 billion. These projects date back to the 1950s, in some cases, mostly involving flood control and navigation improvements.

By contrast, the only significant capital improvements called for in the entire bill—those for locks and dams in Title II—are limited to single projects on the Black Warrior-Tombigbee, Ohio, Kanawha (West Virginia), Monongahela, Mississippi, and Columbia Rivers. This is a total of only five new dams and two replacements.

Port development is contingent upon cost sharing, and a \$1 billion per year fund to help finance construction,

operation, and maintenance of all port and harbor projects. This fund would be financed in part by a 0.04% ad valorem tax (4¢ on every \$100 value) on imports and exports.

On top of that, non-federal entities would be required to fund a portion of each project depending on its size: the formula stipulates that the smaller the project, the less the non-federal entity has to pay. That is, for port improvement projects with depths of only 14-20 feet, the federal government would foot 90% of the bill, but for a project of 20-45 feet in depth, it would pay only 75%, and for projects more than 45 feet deep, only 50%.

This is, of course, an overwhelming incentive to "think small," were anyone thinking at all about port improvements.

The same kind of formula holds true for the cost-sharing in flood-control programs, and the bill's authors go out of their way to stress the environmental protection features built into the legislation.

For example, there is an Environmental Protection Mitigation Fund with \$35 million and an Office of Environmental Policy created by the bill within the Army Corps of Engineers. The function of the Corps is altered by the bill to stress dam inspection and repair, rather than engineering new projects. Repairs on dams found "unsafe" by such a new environmental witchhunting agency would have to be paid for up to 20% by the dam owner if they are not federally owned.

Needless to say, this new wrinkle is likely to lead to shutting down more dams than are planned to be put up.

Finally, the bill calls for the creation of a new National Board on Water Policy to coordinate water-project activities between local, state, and federal agencies. This new policy agency will effectively throttle any local or regional efforts to devise major water development efforts should they develop under the pressures of "equality of sacrifice."

As horrendous as this bill is when laid against the nation's actual water infrastructure needs, the consummate irony is that the Gramm-Rudman budget-cutting mania sweeping the Congress now spells deep trouble for the idea of spending even the limited amount of money called for in the bill for useful projects.

This despite the fact that the bill entirely ignores the scope of the nation's water problem, and instead places the country within a zero-growth straightjacket that could wind up depopulating the country even faster than war.

The oligarchic enemies of the kind of the development the United States has enjoyed since making its revolution against a colonial system 200 years ago have always recognized the prime importance of water as a valuable natural resource of political control. Where you control water, you control people. People don't go very far without water.

In particular, this is why the British fought so hard to retain control of the Columbia River, one of the continent's most powerful, and still control that part of our continent where 29% of the entire planet's fresh water is found on land; namely, Canada.

HR 6 locks up our nation's vital water resources in this way, by our own hand.

Food exports down, except to U.S.S.R.

Congress and the President dumbly watch as U.S. agriculture collapses—but shipments to the enemy continue.

The latest U.S. Department of Agriculture (USDA) figures report that FY1985 American farm exports dropped 12% in volume from 1984 levels. Farm exports for 1985 were 125.8 million tons. A total of 38.1 million less tons were exported than the previous year. In contrast, in 1980 U.S. farm exports were 163.9 million tons.

At the same time, U.S. grain exports to the U.S.S.R.—especially feed corn for Soviet meat herds, are high. Over the last trade year (October to October), a record 15.5 million tons of U.S. corn went to the Soviet Union. In the last two weeks, the Soviets immediately proceeded to line up new imports. According to the USDA, 200,000 tons of corn orders have been committed for the U.S.S.R.

While the Soviets are counting on their channels in the West to guarantee their food supply as they put resources into military industrial build-up, the total tonnage of food shipments traded in the world is shrinking under the worsening depression.

For example, in 1980-81, the total world grain traded measured about 228.4 million tons. In 1981-82, the total dropped to 215 million tons. In 1982-83, the total dropped to 100 million tons. In 1983-84, world grain traded did not go much over 203 million tons. During the last year, less than 200 million tons was traded.

The need for millions more tons of food output and trade shipments is made deadly clear by the AIDS epidemic, and the resurgence of other diseases contingent on nutrition and

health-infrastructure collapse. Yet Congress and President Reagan are standing by dumbly as U.S. food production capability crumbles and the Soviets move ever more boldly to demand additional special food trade concessions.

In September, USDA Undersecretary Daniel Amstutz met with a Russian trade delegation and promised them at least 22 million tons of grain for this trade year, and hinted at discount prices. All the grain contracts are handled through the private channels of the grain cartel companies—among others Cargill, for whom Amstutz has been a lifelong executive, and Continental—all of which are supporting the “New Yalta” relationship with the Soviet Union, in which the era of free republics is to end.

Although Congress has not ratified the idea of giving the Soviets bargain-priced grain, they may do this soon in the name of “enhancing exports” and “free trade.”

The danger unfolding in the food exports decline is the process of collapse of the production capability of the country. In recent years, the United States accounted for 50% of all the feed corn produced and 60% of the soybeans. The United States exported the most wheat and rice of all food-surplus nations. In fact, the U.S. farmer produced enough food to feed at least 70 other people. However, 1985 could be known as the “year of the last harvest” if the collapse process now under way is not reversed.

Agriculture output—at the best of times—depends on well-timed culti-

vation, application of fertilizer and water, and sowing, and gleaning. That usually involves credit. But, at present, the entire credit structure of U.S. agriculture is collapsing, bringing down the whole system, and—along with other debt failures—threatening to plunge the entire Western economy into chaos.

In October, the Farm Credit System, which represents \$74 billion, or about one-third, of the total national agriculture debt, went to Congress to ask for a \$5 billion stop-gap bail-out. When President Reagan began leaning in the direction of some assistance package, Donald Regan, at a meeting Nov. 4, insisted there was no need.

Two days later, Farm Credit System representatives met with congressmen on the consequences of the collapse that will ensue without emergency action. The FCS released a special report on this by Chase Econometrics that, for a change, reported accurately some of the dimensions of the disaster—because it's too big to ignore.

The study concludes, “A default by the Farm Credit System under the economic conditions of 1986 will cause: Loans to an additional 88,000 farmers to be foreclosed, commercial bank capital to drop by \$28 billion; the number of agricultural banks with inadequate capital to rise to 2,300 from 141 currently; the nation's gross national product to lose \$32 billion in year one and \$44 billion in the second year and the deficit to rise by \$32 billion in the first year and \$53 billion in the second year. . . . This unprecedented default would further depress agriculture, severely disrupt financial markets, and seriously weaken an already fragile U.S. economy.”

They neglected to make the ultimate point Congress won't make for themselves: There won't be any food.

Business Briefs

International Trade

Brazil and China agree on barter deal

During a five-day visit to Brazil ending on Nov. 4, Chinese Prime Minister Zhao Ziyang signed an agreement in which Brazil would sell China more than 2 million tons per year of iron ore and buy more than 3 million tons per year of crude oil, which would bring total bilateral trade between the two countries to over \$1 billion per year. Exact terms of the arrangement will be settled later this year.

They also agreed on political consultations, Brazil's first with a communist country.

The Chinese are interested in Brazil building railroads, ports, and dams. Zhao continued his South American tour with a trip to Argentina on Nov. 5.

Debt

Mexican businessmen to lobby congress

The president of the National Chamber of Manufacturers of Mexico (Canacindra), Carlos Mireles, announced on Nov. 5 that representatives from his organization would lobby the U.S. Congress and business circles against IMF policies.

Mexican society, Carlos Mireles said, "cannot and should not continue sacrificing its well-being in exchange for the tribute it pays year after year to creditors. From 1986-90 Mexico will have to pay \$95 billion in debt service. . . . Under current conditions, the country is on the road to forced insolvency, but we oppose using a moratorium."

Canacindra's proposal is that only that share of Mexico's export earnings which does not come from oil be used for debt service. That, de facto, would mean a 15%

ceiling on foreign-exchange available for debt service.

On protectionism, he responded, "What do we want with an anti-dumping law, if we no longer have industry?"

The treasurer of Canacindra, Roberto Sanchez de la Vara, revealed that from 1980 to 1985, Mexico had paid out \$78 billion in interest and amortization, while it received credits during the same period of only \$50 billion. He said this bleeding of the country has to stop, and also proposed that Mexico use only non-oil export revenues to pay debt, cutting debt service payments by two-thirds.

The proposal implicitly follows the lead of Peru, which limits payments to 10% of foreign exchange.

Ibero-America

U.S. to aid Occidental?

Peruvian jurist Alberto Ruiz Eldredge charged on Nov. 3 that the United States is planning to invoke an amendment which automatically cuts off all U.S. aid to any country which expropriates or harms U.S. investments. The measure would be taken in defense of Armand Hammer's Occidental Petroleum, which is under fire from the Peruvian government.

"The U.S. government," said Ruiz, "intends to apply the evil Hickenlooper Amendment against the Peruvian people, in order not only to cut off all our financial aid, but to destabilize the Alan García government, like it did to the government of Gen. Velasco Alvarado."

Armand Hammer is complaining that Peru is mistreating his investments by insisting that he invest some \$600 million in Peru, as promised in return for investment tax credits in oil prospecting given him by the government. Occidental invested at least \$200 million less than promised, says the government.

Peru's minister of mining has also charged that Occidental is sabotaging future

Peruvian oil production by suspending orders for spare parts which take up to six months to receive.

Belco, another oil company, is threatening to lay off hundreds of oil workers if Peru does not soften up.

Agriculture

Citrus canker confirmed in Florida

Citrus canker, a bacterial disease, has been detected in another central Florida nursery, the Fort Bassinger block of the Lykes Citrus Management Division Nursery, southeast of Sebring in Highland county. This is the 19th discovery of the canker since the first outbreak in August 1984.

The site where the canker has been found is a newly planted 20-acre nursery with 300,000 citrus plants with, apparently, no movement of plant material out of the nursery. More than 9 million citrus trees and seedlings have been destroyed since the canker was discovered last year, as part of an attempt to stop the spread of the disease.

Nuclear Energy

Bush denies nuclear coverup

Vice-President George Bush, in response to charges by Sen. Alan Cranston (D-Calif.), denied that there had been any coverup of China exporting nuclear technology to "dangerous countries."

Senator Cranston, who has long been an opponent of "nuclear proliferation" to the Third World, had claimed that China is continuing to export nuclear technology to Brazil, Argentina, Pakistan, and South Africa, countries with "dangerous nuclear programs."

Bush said, "We are not covering up any information and I will take care of satisfying these senators. . . . It's very difficult for us to go ahead with any nuclear plants in this country [China] because of the objections. . . . But I think it's necessary for China's growth and development and we want to be part of that and we worked out an agreement that protects mankind, you might say."

Banking

Bailout of major German bank

The Munich-based Bayerische Raiffeisen Zentralbank, an 18 billion deutschemark cooperative agriculture bank, is being provided with possibly as much as 750 million deutschemarks in emergency bailout funds.

The bank's plight arose from its construction lending. West German housing and office construction in recent months has been severely hit by the economic slowdown.

The Bonn government until now has tried to downplay the construction situation by blaming it on last spring's extraordinarily cold weather.

International Credit

East-bloc nations go into debt

Eastern European countries were the major area of increased net foreign lending by Western banks, according to the October report of the Bank for International Settlements.

Banks of the OECD countries reporting to the BIS said that 60%, or \$3.5 billion, of the second-quarter increase on loans to "outside-area countries" was accounted for by countries in Eastern Europe.

By contrast, the BIS reports, there was "no new lending to Latin America" by member banks.

Agriculture

Bankruptcy changes won't help farmer

Two Senate Judiciary subcommittees, Courts and Administrative Practices, held joint hearings Nov. 6 to consider changes to the U.S. bankruptcy laws to help alleviate the plight of the farm sector. But as one witness, Judge Richard Stageman of the Southern District of Iowa, told the committee: "A Chapter 11 bankruptcy proceeding is for restructuring, not for resurrecting the farm economy."

Stageman said that there must be some assets there in order to restructure farm debt, and that the "underlying forces" that have caused the farm crisis "are not ones that can be solved in a bankruptcy court."

The hearing began with a somewhat surprising acknowledgement by the free-market oriented chairman of the hearing, Sen. John East (R-N.C.). "We are dealing with a depression, a depression in the American farm economy," he said, "I hope we can do something to help farmers outlast this depression." Sen. Charles Grassley (R-Iowa) sheepishly admitted in response to Stageman that little could be done by changing bankruptcy laws. "What farmer could have known that Volcker would deflate in October 1979?" he asked. "What farmer could have known we would have such deficits, high interest rates, and strong dollar?"

Among various bills, Sen. Quentin Burdick (D-N.D.) testified on his proposed S. 705 which would give farmers a "better opportunity to reschedule some of their debts," because it "simplifies procedures, reduces administrative costs to the farmer's estate, [and] precludes the imposition of liquidation plans presented by creditors," which "can only be proposed by the debtor."

Briefly

● **SAVINGS AND LOANS** insured by the Federal Savings and Loan Insurance Corporation had a net deposit outflow of \$4.2 billion in September, the fifth month this year that customers withdrew more than they deposited. Overall, liabilities at FSLIC-insured institutions grew at a 7% annual rate in September, sharply lower than in August and September 1984.

● **GONZALO GARLAND**, president of the Peru's exporters' association, stated on Nov. 2 that Peruvian exports will not be harmed by U.S. debt reprisals. Although the United States is Peru's main market, he had no doubts Peru could find new buyers if necessary. "We are not at all afraid this will be translated into reprisals like embargos, for example, because our exports are private goods."

● **SIXTY-FIVE** percent of the Bolivian population suffers from goiter, a disease caused by iodine deficiency. The Ministry of Health terms this condition a "national disaster." Bolivia only began to iodize salt in 1984, and still does not provide such salt to most of its population.

● **PESCAPERU**, the Peruvian state companies under the direction of Juan Rebaza, reopened its fourth shutdown factory for production of fish oil and fish meal. This latest factory, in Callao, has a capacity of approximately 120 metric tons per hour. Rebaza said: "Pescaperu will get involved in the production of food for direct human consumption, providing the family table with highly nutritious products. This innovation will be revealed shortly."

● **RAJIV GANDHI**, prime minister of India, will travel to Japan and Vietnam in late November, to further economic ties. On Nov. 18, he will make a one-day trip to Oman, on the occasion of a national holiday in that Gulf country, also to be attended by Egyptian President Mubarak and Pakistani President Zia.

MHD—plasma technology for electric power

Marsha Freeman reviews the technology that will replace steam turbines.

On Aug. 23 of this year, the largest coal-fueled magnetohydrodynamics (MHD) generator in the world produced its first electric power at the Component Development and Integration Facility (CDIF) in Butte, Montana. MHD technology is ready for industrial application, and a consortium of companies and utilities has proposed building the first commercial coal-fired MHD generator at a power plant in Billings, Montana.

MHD, which is a plasma technology, will replace the 100-year-old steam turbine electric generating technology of Thomas Edison's era. A plasma is a gas made up of positive ions and negatively charged electrons, and will conduct an electrical current and interact with magnetic fields. For MHD direct conversion, the plasma can be made of a coal gas that is burned at a high temperature, or even the hydrogen plasma fuel that is used to produce fusion energy.

Plasmas at very high temperatures, in the hundreds of thousands up to millions of degrees, are the raw material for thermonuclear fusion, in the stars, and in the laboratory. In MHD, the plasma is only a few thousand degrees. This relatively low-temperature plasma energy—which can be used to produce electricity, refine metals, and create new isotopes and new materials—will be the bridge to the 21st-century technologies that fusion will make available.

The deficit of electric generating capacity worldwide is overwhelming, and makes the introduction of MHD conversion technology immediately necessary. In the United States alone, over 600 power plants of 1,000 MW capacity each would have to be added to the electric power grid over the

next decade if the rate of real economic growth of the 1960s were to be obtained for the next 10 years.

Along with the beginning of the mass production of nuclear power plants, described in previous articles, it is crucial to also increase the productivity and efficiency of the power plants already on-line and the ones that will become operational in the near future. Today the typical coal, oil, natural gas, or nuclear power plant has an efficiency of conversion from heat to electricity of less than 35%.

One advantage of magnetohydrodynamics, is the possibility of increasing that efficiency of conversion to 60-70%. That would mean that every unit of fuel burned in a plant would produce twice as much electrical power as before. The capacity of already-existing plants could be nearly doubled by adding MHD systems to them, and new plants would start out with this greater efficiency, meaning that a smaller number of new plants would have to be built to meet this need for large-scale power increases.

MHD direct conversion

Electricity is generated by moving an electrically conductive material across magnetic field lines. In today's power plants, this is accomplished by rotating huge turbines, driven by steam, alternately past the north and south poles of a magnet. Moving these multi-ton turbines with steam results in a loss of two-thirds of the heat energy from burning the fuel.

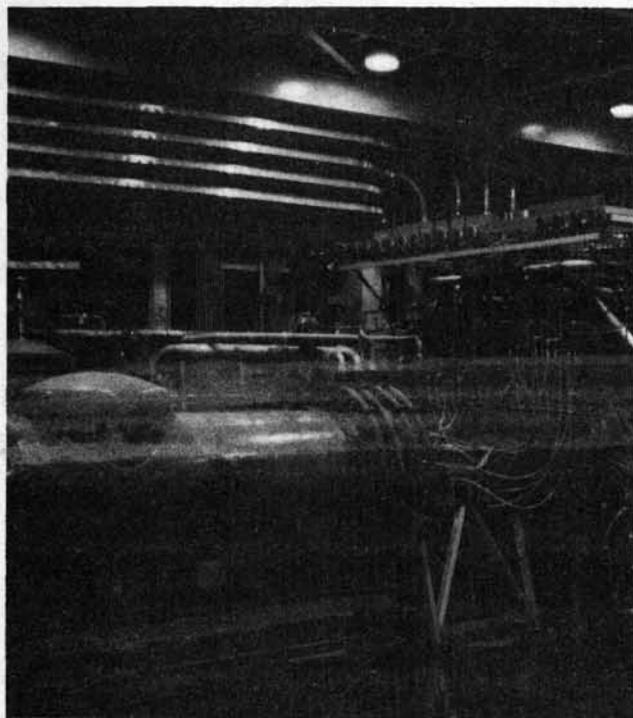
In MHD conversion, the only moving part is an electrically conducting plasma, or other fluid. This working fluid is

pushed through a channel at supersonic speed, about 3,000 feet per second. The channel is surrounded by a powerful superconducting magnet, and the positively charged ions are separated from the negative electrons in the fluid. An electrical potential is created across the channel, and when a load is placed on the electrodes on each side of the channel, electrical current flows.

Most of the experimental work on MHD conversion in the United States has involved the use of coal as the fuel, and as the working plasma fluid. Soviet research has concentrated on natural gas systems, and the Japanese have been interested in MHD for oil-burning plants. MHD systems have been designed for use with conventional nuclear power plants, and with the advent of thermonuclear fusion energy, the plasma which is the fusion fuel, would be directly used as the working fluid in the conversion to electricity.

Figure 1 shows a general design for a coal-fired MHD power plant. In the fossil fuel MHD systems, the coal, oil, or gas is combusted at a higher-than-usual temperature, in the range of 4,500° F. At this temperature, more of the gas produced through combustion will be ionized, or stripped of its electrons, than at lower temperatures. In the coal systems, potassium is added as a seeding material to increase the rate of ionization of the coal gas.

This ionized coal gas is then accelerated through a nozzle, and is propelled through the MHD channel. Each side of the channel, in one design, is dotted with insulated electrodes, which gather the electrical charge.



CDIF Photo

A coal-fueled magnetohydrodynamic (MHD) power system

Around the channel of a commercial MHD generator will be a superconducting magnet, producing a 5-7 Tesla magnetic field, depending upon the size of the system. One Tesla is 10,000 Gauss, and the Earth's magnetic field is about one-half a Gauss.

The magnetic field required for the MHD channel is obtainable by an iron-core, water-cooled magnet, but the amount of electrical power the magnet would need would seriously cut into the net power produced by the generator. Superconducting magnets, which are kept at near absolute zero temperature and are cooled by liquid helium, run with almost no loss of power.

For example, a 6 Tesla superconducting magnet will consume about .3 MW of electric power to produce its field. The iron-core magnet used at the CDIF in Montana, has a maximum field strength of 2.92 Tesla, but will consume 5.3 MW of power. The CDIF will use a superconducting magnet in the future.

When the ionized coal gas, or plasma, has passed through the MHD channel, producing electric power, the temperature of the gas has dropped by about 2,000°. The remaining heat can then be transferred to a conventional steam turbine system. In this configuration, the MHD generator is referred to as the "topping cycle" of the power plant, and the turbine as the "bottoming cycle."

Making coal clean

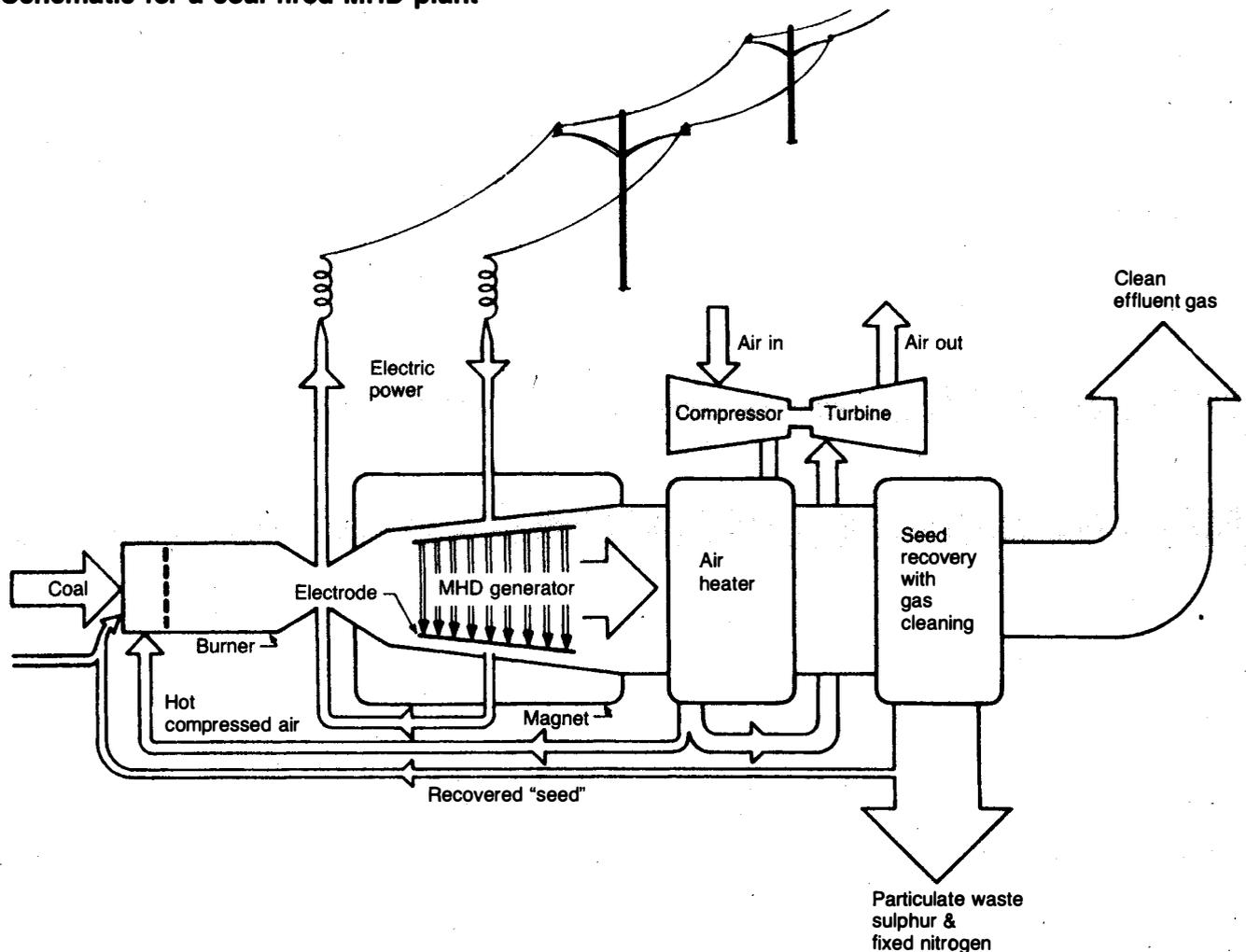
In this coal-burning design, the remaining coal gas from the steam turbines would be vented to the environment, as it is in a regular coal-burning plant, but in this case, the effluent would be very clean. MHD plants will not require the stack gas scrubbers and other pollution-control equipment that reduces the reliability, availability, and efficiency of today's coal-burning power plants.

The sulfur present in much U.S. coal is removed as part of the MHD process, as it chemically combines with the potassium used as the seed material. The sulfur can then be separated from the potassium, and used as an industrial chemical, while the potassium seed is recycled. Recent experiments at the University of Tennessee Space Institute in Tullahoma have demonstrated that both sulfur and nitrogen emissions were lower than anticipated, and were only about one-half the level allowed by the Environmental Protection Agency (see figure 2).

The nitrogen oxides that are produced by the burning of coal can be quite precisely controlled in the MHD system. They can be reduced by decreasing the amount of air in the coal combustor, or even increased to be recovered, as fixed nitrogen (that is, combined with oxygen), which is a valuable raw material for fertilizer production.

Because the MHD system operates at increased efficiency, there is less "thermal pollution" or heat rejected to the environment. Siting can be more flexible, as cooling requirements are reduced by at least one-third.

FIGURE 1
Schematic for a coal-fired MHD plant



In this combined cycle plant, the coal is burned with hot compressed air, and the potassium seed material is added. The coal gas flows through the MHD generator, with electrodes on each side. Electric power is drawn from the electrodes onto the power grid. The exhaust gas from the MHD section continues to an air heater and is then fed to a conventional steam turbine for additional power generation, the seed is recovered to be reused, and the remaining effluent gas, which is clean, is vented to the atmosphere. Initially, about half of the power would be generated from the MHD section, and half from the turbine.

Various estimates have been made of the economic advantages of MHD systems over conventional steam turbines. The capital cost of the MHD equipment itself is difficult to determine precisely, because industries do not yet exist to produce its unique components—such as superconducting magnets, high-temperature coal combustors, specialty materials for electrodes and channels, etc. The MHD components that have been made thus far have been made on a one-of-a-kind basis. Nonetheless, it is clear that the capital investment for the system will be at least 10% more than a comparably-sized steam turbine system. The fuel cost, how-

ever, is potentially half, since the conversion efficiency is double. In addition, the reliability and availability of the MHD coal plant should be significantly greater than steam turbine plants, which have been burdened with pollution-control devices.

One estimate of comparative cost, is that the cost of delivered electric power could be 30% less with MHD, as the technology matures.

Coal-burning MHD generator development in the United States has advanced to the point that the only thing really left to do is to make a commitment and finally build a commercial

FIGURE 2

MHD's reduction of atmospheric pollution

	Present steam turbine	MHD	EPA standards
Sulphur dioxide	450	4.5	120
Nitrogen oxides	80	20.0	74
Particulate matter	105	10.0	20

Based on 1000 MW power plant burning coal containing 3% sulphur (units for pollutants in tons/day)

This comparison of the polluting emissions from steam turbines and MHD generators demonstrates one of the economic advantages of MHD. Recent tests done at the University of Tennessee Space Institute, substantiated that these ten-fold improvements in polluting emissions are obtainable. With MHD systems, there is no need for costly and counter-productive scrubber systems to reduce pollution in order to meet EPA standards.

demonstration project, and create the advanced technology industries that can manufacture these new power-conversion systems.

The first observation of electricity produced through magnetohydrodynamic effects was in 1832, by Michael Faraday. The slightly saline flowing water of the Thames River was the electrically conducting fluid, and the external magnetic field was that of the Earth. Faraday was able to measure a slight electric current with a galvanometer.

Experiments with various electrically conducting fluids continued throughout the latter half of the 19th century, and patents for MHD devices began to appear in the early part of this century. Without advanced materials and supplies of higher-temperature fluids, however, no appreciable amounts of electrical power were produced.

By the mid 1950s, Arthur Kantrowitz and a group of researchers at Cornell University were experimenting with shock tubes, and studying the electrical properties of ionized gases and their interaction with magnetic fields. When fusion research was brought into the public domain in the late 1950s, interest increased in plasma-based, direct-conversion MHD.

At the Avco Everett Research Laboratory, which Kantrowitz founded, experiments demonstrated the potential for this revolutionary new conversion process for both coal and nuclear power. Starting with clean fuels such as alcohol, the Mark V generator at AVCO demonstrated a peak power of 32 MW for one to two seconds, in 1965.

Since then, the remaining requirements for MHD to become viable for electric utilities are, first, high-temperature materials with a long lifetime for the channel lining, the electrodes inside the channel, and other hot parts. Second, commercially available superconducting magnets, and the materials and cryogenic industries that are necessary for the

mass production of such magnet systems. Third, control of the dirty material in coal, which becomes the slag, and which can coat the electrodes, making them non-functional.

Throughout the 1960s coal research was performed by the Department of the Interior, which was not really interested in electric generating technologies. The Atomic Energy Commission, responsible for all nuclear research, did not give support to MHD, as many thought this increased efficiency would not be needed with nuclear systems.

The early 1970s saw a boost in U.S. MHD research, as the Soviets began to unveil their ambitious experimental program at the Institute for High Temperatures in Moscow, and in 1974 an agreement was signed for U.S.-Soviet cooperation in MHD.

But since the Carter administration, the MHD pioneers and industry have been battling, first, zero-growth, and, now, free-enterprise ideology, which have led to the failure to bring any new large-scale technology into commercial application, including advanced nuclear projects.

MHD for nuclear power

Though the focus for MHD development worldwide has been for use with fossil fuels, it is even more important that MHD topping cycles for nuclear reactors be brought to realization, since these power plants will be the foundation for new electric generating systems in developing nations that have little if any fossil fuel reserves, and will be the majority of new plants built by most industrialized nations.

Nuclear power plants today make electricity the same way coal-fired plants do—the heat is used to boil water for steam turbines. With nuclear power plants, the radioactive “combustion” materials would not be used as the MHD working fluid, directly. The fission energy could be used to heat a noble gas or a liquid metal, which would be sent through the MHD channel.

The high-temperature gas-cooled reactor uses a noble gas, helium, as the coolant. It would be possible to design an MHD generator where the hot helium would be seeded with a material such as cesium to ionize it. This ionized coolant could then be used directly as the working fluid for the generator. Noble gas MHD systems, which would be “closed cycle” in that the gas coming out of the generator would not be released to the environment but reused, have also been examined for fossil fuel systems, because the gas can be ionized at a temperature about 2,000° less than is necessary with a coal gas.

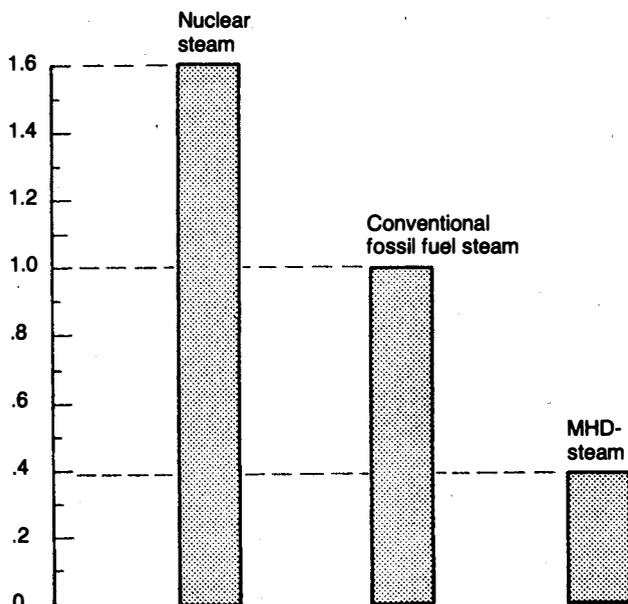
MHD systems for the liquid metal nuclear systems, such as breeder reactors, would make the important step of eliminating the liquid metal-to-water interface that now exists when steam turbines are used. The liquid metal coolant could transfer its heat to another liquid metal, which would be easily ionized. This would also be a closed cycle system.

Various designs, for gaseous core reactors, and other innovations, have been done over the past 20 years for nuclear-MHD systems. Experiments have been promising, and the

FIGURE 3

MHD's reduction of waste heat

Relative cooling water requirements



Cooling water requirements for power plants have generally dictated that they be sited on rivers, bays, lakes, or other large bodies of water. The two- to four-fold decrease in cooling water requirements for MHD systems means they could be sited more flexibly, where water would otherwise be a constraint in power plant construction.

lower operating temperatures remove some of the most difficult technical problems in coal-based MHD.

MHD will have important uses as portable power sources in remote areas, for military installations and other applications. In space, as larger power systems are required, especially for the Strategic Defense Initiative, MHD conversion with nuclear power sources will come back into examination.

Many new uses for this flexible and efficient power technology will be found in both the military and civilian spheres. New advances in MHD design can extend the application and attractiveness of this technology (see box).

The timetable

As with the development of the nuclear breeder reactor, and the high-temperature gas-cooled reactor, electric utilities in the United States were enthusiastic enough about MHD technology to contribute their own financial resources for its development. The industries that will build MHD generators and the companies that will use them have spent \$80 million over the past two decades, along with funding from the federal government.

Since 1979, the proposal has been on the table to build a

relatively small MHD generator, as a retrofit on an existing utility power plant, to demonstrate that the technology was ready and able to perform in a commercial utility setting. Over the past 10 years, the MHD program has suffered the same fate as many other advanced energy technologies.

During the Carter years, anything more complicated than turning down the thermostat was seen as a "technological fix" that could not hope to solve the "energy crisis." From the beginning of the Reagan administration, the idea that if a technology is promising it should be paid for by "free enterprise" has succeeded in killing the Clinch River Breeder Reactor, nuclear fuel reprocessing, and just might kill MHD.

Left with good experimental results and a handful of projects making steady progress in developing MHD technology, a group made up of the companies involved in MHD and utilities in the market for more efficient power plants has formed the MHD Development Corporation, to try to move the program forward. This group has submitted a proposal to the Department of Energy which is similar to the 1979 proposal, to retrofit an existing plant with an MHD topping cycle.

The Montana Power Company has volunteered the use of its Frank E. Bird plant in Billings. Though the 66 MW Bird plant used to burn oil and gas, it is not now operating, and could be modified to burn coal. It would have to be outfitted with a high-temperature coal combustor, the MHD channel, diffuser, magnet and other components, but could use the coal handling equipment from an adjacent operating coal-fired plant. The old Bird steam turbine could be used for the bottoming cycle.

Industry spokesmen estimate that within five years, an MHD topping cycle could be added, which would increase the plant's net capacity to 88 MW, or by 25%, not counting the electricity produced that would be used to power the magnet. This project would cost about \$400 million, which the Development Corporation is proposing be split 50/50 with the Department of Energy.

Many aspects of MHD direct conversion push at today's technology frontiers. These include the commercial development of large superconducting magnets and attendant cryogenic technology; new materials for the channel lining, electrodes, and other equipment which must withstand a hot and corrosive coal-gas environment; and new power-conditioning approaches.

There is no other technology on the horizon which can supercede the century-old method of creating mankind's only universal form of energy—electricity. In terms of immediate need, MHD can potentially double the capacity of our already-existing power plants and the ones that will be built, and can do this with coal, nuclear and, eventually, fusion energy.

There is no reason not to proceed as quickly as possible to bring this promising technology to commercial realization.

New MHD energy system invented

As indicated by Dr. John Nuckolls' call for a national crash fusion program based on the higher quality of fusion energy, Lawrence Livermore National Laboratory, at which Dr. Nuckolls is Associate Director for Physics, has accelerated work on advanced fusion energy conversion techniques. The most recent development along these lines is an invention by Dr. B. Grant Logan of the Livermore Magnetic Fusion Division. Logan's invention could lead to substantial reductions in electricity cost for both future fusion reactors and existing types of power plants, such as fission reactors.

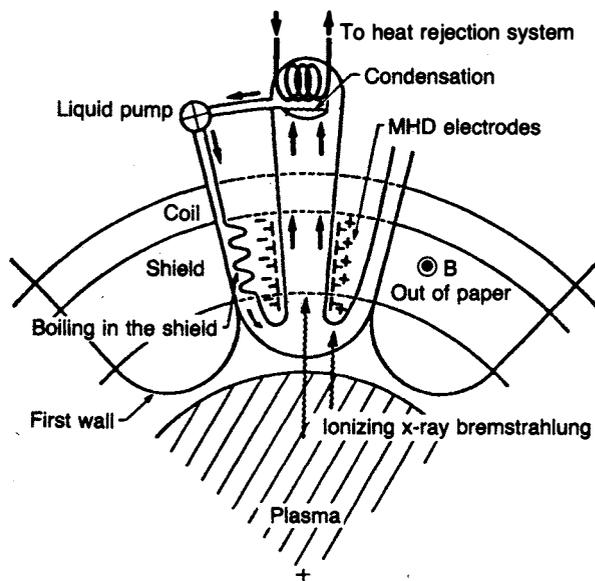
The Logan concept was disclosed first in a patent taken out under Department of Energy Contract No. W-7405-ENG-48. It consists of utilizing x-ray radiation produced by a fusion plasma to heat and ionize an electrically conducting vapor. The vapor is then passed through a MHD channel where its energy is converted to electricity. This removes the necessity for complex heat exchangers, rotating turbines, and electric generators. This great simplification of energy conversion promises to greatly reduce the total capital cost of power plants. The MHD conversion system also operates at a much higher efficiency than the conventional thermal turbine-generator technique.

MHD generators

Electric generators work on the principle that when a conductor, such as a piece of metal or an ionized plasma, passes through a magnetic field, an electric potential perpendicular to both the direction of motion of the conductor and the magnetic field is generated. Placing positive and negative electrodes across this potential will lead to the flow of electricity between them. In short, the MHD channel, consisting of a transverse magnetic field and electrodes, directly converts the kinetic motion of the conductor to an electrical current. Rotating turbines accomplish the same result, but must operate at lower temperatures and are therefore less efficient.

In fusion reactor studies through the 1970s, MHD generators have generally been limited to marginally economic topping cycles in which less than 10% of the thermal energy generated by the fusion plasma is converted to electricity. (More conventional thermal turbine-generator cycles would convert 30 to 40% of the output to electricity.) Dr. Logan's invention would convert over 30% of the fusion energy to electricity through the MHD cycle alone.

The Logan concept



As shown in the above figure, taken from Dr. Logan's patent, a fusion plasma is surrounded by the first wall of a vacuum chamber, a radiation shield, and finally a magnetic field coil. Neutrons from the fusion plasma penetrate the first wall and heat a liquid carried in pipes there. X-rays, in the form of fusion plasma *Bremsstrahlung*, penetrate the first wall, which is made of a low atomic-number material. The x-rays further heat, vaporize, and ionize the liquid material. Microwaves generated by fusion plasma are allowed to pass through a ceramic window located in a small portion of the first wall. The microwaves preferentially heat the electrons in the ionized vapor. This prevents deionization of the vapor even though the average temperature falls below that needed for ionization. This partially ionized gas then passes through a magnetic field and MHD electrodes as it travels to a condensation chamber. The magnetic field is generated by the same coils as those used to contain the fusion plasma.

Logan has proposed a small experiment to test the basic concepts of this system. He believes that the ideas are applicable to both magnetic fusion and advanced fission reactors, like the high-temperature gas-cooled fission reactor.

Augustine conference begins fight for new world economic order

by Mark Burdman

At a time when Western civilization is being confronted by the gravest threats to its continued survival, 800 individuals, including parliamentarians from Italy, Peru, and Tunisia, and an official representative of the Organization of African Unity, met in extraordinary session Nov. 1-3 in Rome, under the auspices of the Fifth International Conference of the Schiller Institute, to reanimate the life and ideas of St. Augustine, that great African, whose relentless battle against the barbarians, heretics, and usurers of his time points to how the battle against the enemies of humanity must be fought today.

The three-day conference, on the theme, "St. Augustine: Father of European and African Civilization," brought to Rome, from five continents, those individuals most passionately concerned with defending and advancing the values and contributions of Western civilization. Most extraordinary, in the view of participants and observers alike, was that the conference brought together, for joint action, representatives of both the so-called "underdeveloped" and "advanced" nations, to resolve on common actions to build a "New World Economic Order" that would replace the bankrupt International Monetary Fund-controlled global system, and to take other urgent, scientific, cultural, and political measures, to defend Western civilization against today's "barbarians," the Soviet imperialists, and against today's usurers, the International Monetary Fund and its backers.

The conference was welcomed by Father Carlo Cremona, a leader of the Augustinian order and a well-known figure in Italy's RAI broadcasting network, as "the first in a series" of conferences, planned in the next months, to commemorate the 1,600th anniversary of the conversion of St. Augustine to Christianity by Bishop Ambrose of Milan, in April of 386. Speaker after speaker stressed that the tradition of St. Augustine, expressed in the notion that "man is made in the image of God," is *uniquely* appropriate to providing solutions for today's urgent problems. In a speech read to the conference in his absence, Lyndon H. LaRouche, American economist, statesman, and husband of Schiller Institute founder Helga Zepp-LaRouche, stressed that humanity must go "back to the values of the Augustinian tradition," to reverse the "cultural paradigm" represented by the past years'



The audience of the Fifth International Conference of the Schiller Institute in Rome listens to Ahmed Kedidi, editor of Tunisia's Al Amal newspaper.

immersion in "irrationalist hedonism" and "existentialism." Mrs. Zepp-LaRouche, in her final day's keynote address, said that a "worldwide cultural renaissance" and a "world order of national, sovereign republics," based on the philosophies of St. Augustine, the fifteenth century scientist and churchman Cardinal Nikolaus of Cusa, and the greatest German poet, Friedrich Schiller, would be the only things that could save humanity from conditions, today, which are "more bestial than the conditions against which St. Augustine raised his voice during the collapse of the Roman Empire."

The full body of the conference resolved on two main resolutions, unanimously approved, support for which is now being sought from religious, political, and cultural organizations around the world (see box).

Extraordinary coalition

The conference was the fifth (and first in Italy) organized by the Schiller Institute, an international institution created in 1984 by West German political figure Helga Zepp-LaRouche to meet the grave moral, economic, and strategic crisis of Western civilization. It was co-sponsored by the Ministries of Tourism and of Agriculture and Forestry of Italy; the regional governments of Sicily and of Lazio region; the municipality of Milan; and the Accademia Umanistica.

Speakers during the three-day conference included Peruvian Senator Josmell Muñoz, of the ruling APRA Party, who brought greetings to and support for the conference from Peruvian President Alan García; Italian Christian Democratic parliamentarians Vincenzo Carollo of the Senate and Hon. Publio Fiori of the Chamber of Deputies; Ahmed Kedidi,

member of the Tunisian Parliament, and director of the Tunisian daily, *al-Amal*; Usele Mawisa, deputy executive secretary of the Organization for African Unity, officially representing the OAU; Luigi Crocco, one of the most eminent scientists in Italian aerodynamics work today, and son of one of the giants of twentieth-century aerodynamics, Arturo Crocco; Father Cremona; Hon. Hulan Jack, former Borough President of Manhattan and the first black citizen in the United States to be elected to that high office; Amelia Robinson, one of the founders of the American civil rights movement; Hank Wilson, a leader of Local 600 of the United Auto Workers trade union in Detroit, the "world's largest industrial union"; Webster Tarpley, foreign policy adviser to the National Democratic Policy Committee, a mass-based political action committee in the United States; and political and religious leaders from Colombia, Spain, and elsewhere.

Telegrams of support for the conference's work and goals, arrived from, among others, Minister of Labor Jorge Carrillo of Colombia; the office of the presidency of Rome province; the Italian minister of health; and the Bishop of Cordoba, Spain and numerous religious and military spokesmen from Spain.

Among the 800 individuals in attendance for the three-day conference were 15 activists from the Peruvian APRA Party; representatives of six African immigrant, student, or trade union organizations based in France; numerous founding members of the newly formed "Patriots for Germany" organization; journalists and religious leaders from Zaire; candidates for political office from the United States and elsewhere; activists in Scandinavian farm organizations; and

members of various religious organizations or orders based in Italy. Also attending were classical musicians from Italy, the United States, and elsewhere, many of whom performed during the three days.

The Rome conference was the scene for impassioned attacks on the International Monetary Fund, detailing what the IMF and its drug-trafficking friends are doing to Ibero-America, and Africa, and other parts of the world.

Senator Muñoz, for example, received a five-minute-long standing ovation, after his speech on Nov. 2, in which he declared that "the war against the IMF has already started" in his country, Peru. Muñoz, who relayed President García's greetings to the event, described in graphic detail how his nation is battling the "narco-terrorist" organizations, such as the savage mass-murderers who call themselves Shining Path, which, he charged, is backed by the IMF, and by a political-support network across Europe (see excerpts, p. 28).

The senator's declarations resonated strongly with those of two Italian parliamentarians, Christian Democrats Carollo and Fiori. Senator Carollo emotionally declared that "it is not permissible to imagine that for the next 10 years [the underdeveloped countries] must work merely to pay their debts, and consequently die of hunger. . . . Let's freeze the debts, the \$900 billion of the IMF. . . . Let's furnish other financial means, in the hope that the development of countries assisted today, can, with progress thus realized, easily repay their debts within 10 years." Fiori, a member of the Italian Parliament Committee on Finances and Treasury and of the Parliament's Commission against Famine, accused the IMF of creating conditions of "hardship and genocide" in the developing world. Fiori's words had even greater credibility, in view of the fact that he himself had been a victim of an assassination attempt by the Red Brigades terrorist group in 1978.

OAU official Mawisa, deputy executive secretary of the OAU in Geneva, declared: "The debt problem does represent today for Africa the main obstacle to its development," and said that the African nations "insist on the necessity to hold a high-level meeting on the critical situation in Africa, and on convening a conference on the debt issue." Observers noted that this speech, which went in detail through the economic situation on the continent, was one of the most forceful public statements on the debt problem to have yet come from the Organization.

It showed the common ground of interest between the African continent, which gave birth to St. Augustine, and the Spanish and Portuguese speaking Americas, where Augustine's ideas have spread through the vehicle of Christianity. Indeed, in the course of this conference, the Schiller Institute established itself as the only institution capable of bridging the gap in understanding and mutual knowledge which has divided the two continents, as the deeper roots of a common necessary struggle for Western civilization were traced out

alongside the sharing of information on pressing, immediate problems.

Nuremberg trials for IMF criminals

Mrs. Zepp-LaRouche told participants on Nov. 3 that, "in as short a time as possible, we are going to conduct a new Nuremberg Tribunal, where the International Monetary Fund and the people behind it, will be brought before a court of justice, because we have proof that their policies are internationally causing the deaths of hundreds of millions."

In her Nov. 3 keynote address, Mrs. Zepp-LaRouche called for the immediate creation of a "new, just world economic order," as the "only chance for survival for the entire human species." Because of the "parasitical system of usury," she charged, "never before in the history of humanity has

Resolutions for a new world economic order

The following resolutions were unanimously approved at the close of the Fifth International Conference of the Schiller Institute:

Greetings to the Pope

The Schiller Institute, gathered in Rome to celebrate the 1,600th anniversary of the conversion to Christianity of St. Augustine, the father of European and African civilization, sends greetings to His Holiness Pope John Paul II, requesting him to continue to exercise his religious leadership and moral authority in the present crisis of humanity to cast out the forces of usury and to favor the creation of a just New World Economic Order for all nations.

Greetings to Alan García

The Schiller Institute Conference in Rome, gathered to commemorate the contribution of St. Augustine to world civilization, sends greetings to President Alan García of Peru, saluting him as the vanguard leader in the present decisive phase of the battle for a New World Economic Order based on the scientific, economic, and cultural development of all nations. The Schiller Institute is convinced that now is the time to implement Lyndon LaRouche's Operation Juárez. The members of the Schiller Institute, patriots of many nations and at the same time world citizens, pledge to President Alan García our full support, our minds, and our energies, to begin the Age of Reason on our planet.

there prevailed more agony, never before have more people suffered under a misery that so far surpasses the powers of imagination."

In his opening day's address to the conference, Mrs. Zepp-LaRouche's husband, American economist and politician Lyndon H. LaRouche, Jr., attacked the "usury" of "powerful and insolent rentier-financier interests" for creating, today, a "man-made evil far more destructive than general thermonuclear war, a zooming spread of epidemic disease, which is more threatening to mankind as a whole than Europe's Black Death pandemic of the mid-fourteenth century." What is urgently required, he affirmed, is a reversal of that cultural paradigm of the past decades that has fostered irrationalist hedonism, existentialism, and opposition to economic growth, "back to the values of the Augustinian tradi-

The Schiller Institute was founded in May 1984. Its first international conference, held in Virginia in July 1984, gathered 1,000 people, including over 100 Europeans, for two days of discussion focused on the strategic threat to Western Europe, from the Soviets and their Western oligarchist allies. In September 1984 the Schiller Institute's second conference, in West Germany, drew 100 Americans to Europe to express their pledge to defend the Western alliance. In November 1984, the third conference, again in Virginia, saw the creation of the Schiller Institute Labor Commission, which has become a visibly powerful force in several Ibero-American governments since then. In January 1984, the fourth conference of the Institute, held in Richmond, Virginia, culminated in a 10,000-person march on Washington on Martin Luther King Day, Jan. 15, to voice two themes: support for President Reagan's Strategic Defense Initiative, and the demand for a break with the International Monetary Fund in order to stop starvation in Africa.

The Schiller Institute has published several books in multilingual editions: *The Hitler Book*, which exposed the real creators of the Nazis—the same forces today behind International Monetary Fund genocide; *Save the Western Alliance*, the proceedings of the first international conference; *Colonize Space! Open the Age of Reason*, proceedings of the memorial conference for German-American space pioneer Krafft Ehrlicke in June 1985; and the just-released selection of translations from Schiller, *Friedrich Schiller, Poet of Freedom*. The Augustine conference book will come out in December and include full-color illustrations of Renaissance works of art.

tion. Without that change of values, now, there is no prospect for humanity, but a plunge into a worse dark age than is so far recorded in history."

This coalition against the IMF created a political tremor during the days following the conference in Rome itself.

The political momentum of the conference has continued throughout the week in the Italian capital. Senator Muñoz held meetings with leading members of the Italian Senate, who have pledged their support for the policies of Peruvian President García. These have included Amintore Fanfani, president of the Senate, former premier in several Italian governments, and the present number-two figure in the Italian state; the principal leaders of the Senate faction of the Christian Democratic Party, Italy's largest political party, including the chairman of this faction, Senator Nicola Mancini; Sen. Luigi Franza of the Italian Social Democratic Party and the chairman of the Senate Defense Committee; and the entire Italian Socialist Party Senate group. The Socialist Party is the party of Italian Prime Minister Bettino Craxi. All of these parties belong to the current ruling five-party coalition.

The conference touched on other crucial areas of the crisis facing mankind, and of the solutions needed to solve these problems. Conference presentations and panels covered a broad scope of issues, including African development; initiatives to combat spread of the disease AIDS; the method of beauty of the fifteenth-century Renaissance in Florence; Augustine's musical concepts; the battle between West and East over the Augustinian concept of the Trinity and of the *Filioque*—the idea that the Holy Spirit proceeds from *both* the Father and the Son; and the necessary methods for a renaissance in science today.

Lyndon LaRouche's opening speech outlined the geometrical concepts of Plato, Augustine, Nicolaus of Cusa, and Leibniz, of science as a process of continuing, universal creation, and contrasted this to the pagan cult-notions of a capricious god who is merely the monarch of the universe, empowered to do all sorts of evil. The changes in philosophical outlook which cause a society to shift out of a renaissance into a dark age, or the contrary, he stated, can be compared to creating a new geometry by changing one or more of the axioms of an old geometry.

Other speakers developed the many facets of Augustine's work in relation to the battles of today, challenging the audience to build the "City of God" through intervention on behalf of the ideas of progress and cultural optimism. Various speakers appealed, using the words of Augustine himself, for the revival of the great Bishop of Hippo's approach to music, to physical science, and to economic and international policy. The presence of numerous young people among the 800 participants showed that this challenge, so alien to the debased "cultural paradigm" of our Aquarianized society, has the capacity to animate a mass political movement for the Good.

International leaders vow to uphold heritage of St. Augustine

Friday, November 1

PANEL I:

The historical, political, and epistemological battle

Chaired by **Fiorella Operto**, *Italy*, secretary-general, European Labor Party of Italy (POE).

Lyndon H. LaRouche, Jr., *U.S.A.*, contributing editor, *EIR*, candidate for Democratic Party nomination for U.S. President in 1988; his speech, titled "The Lessons of Augustinian Statecraft for the Contemporary Dark Age of Civilization," was read for him in his absence.

Father Carlo Cremona, *Italy*, author of a forthcoming biography of St. Augustine, daily commentator on the GR-2 Italian radio station, and a member of the Augustinian order; greeted the conference as the first celebration of the 16th centennial of Augustine, and stressed Augustine's role as an African.

Matteo Perrini, *Italy*, professor of philosophy and history at the Lyceum of Brescia, founder and president of Catholic Democratic Cooperative for Culture; spoke on "The meaning and value of history in St. Augustine," stressing that Augustine's conception of the "City of God" must imbue political activity on Earth.

Vincenzo Carollo, *Italy*, vice-president of the Christian Democratic group in the Italian Senate; attacked the policies of the IMF for destroying the populations of the underdeveloped world and for abetting the imperial designs of Soviet Russia.

Publio Fiori, *Italy*, Christian Democratic member of Italian Chamber of Deputies, member of Italian parliament committee on finances and treasury, and Special Commission Against Famine of the Italian Parliament; denounced the IMF for genocide in Africa and for provoking the economic crisis in the advanced sector.

Marco Fanini, *Italy*, *EIR*'s Milan bureau chief; spoke on the contributions of Augustine and his mentor, St. Ambrose, to the survival of Platonic and Christian culture in the chaos that resulted from the collapse of the Roman Empire and the Barbarian invasions.

Ali Mazaheri, *Iran*, a renowned orientologist who retired last year from the Ecole d'Etudes Classiques in Paris; described the battle of the Augustinian faction in Persia during the fourth century, against the "Khomeinis" of that day, the Manichean fanatics.

Hulan Jack, *U.S.A.*, former borough president of Manhattan, veteran civil rights leader, Schiller Institute Executive Board, Advisory Committee of the National Democratic Policy Committee, Committee for a New Africa Policy; called for an end to usurious interest rates and the austerity conditionalities of the IMF.

Saturday, November 2

PANEL II:

An Augustinian approach to the development of Africa

Chaired by **Uwe Friesecke**, *Federal Republic of Germany*, coordinator of Africa work for the Schiller Institute.

Ahmed Kedidi, *Tunisia*, member of parliament, editor of the Tunisian parliamentary newspaper *Al Amal*, and Advisory Board member of the Schiller Institute, underscored Tunisia's role—back to the time of St. Augustine—as a link between European and African civilization.

Usele Mawisa, deputy executive secretary of Organization of African Unity, Geneva, conveyed the greetings of the general secretary of the OAU and called for an international conference on debt and the rapid industrialization of Africa.

Josmell Muñoz, *Republic of Peru*, senator; extended greetings to the conference on behalf of Peruvian President Alan García, and reported on Peru's battle against the narcotics traffickers and the IMF.

Reverend Dibaba Mpolesha, *Zaire*, president of the Ecumenical Center in Kinshasa, Zaire, and Advisory Board member of the Schiller Institute, discussed Africa's need for Great Projects for industrial development, in light of St. Augustine's ideas.

Hank Wilson, U.S.A., executive board member of United Auto Workers Local 600 and a member of the Schiller Institute trade union delegation, counterposed the moral challenge successfully met by American labor in the early 1940s to that of rebuilding Africa today.

Jaime Sanín Echeverri, Colombia, journalist and novelist who has played a leading role in Colombian institutions of higher education; spoke on "St. Augustine the African," describing the rivalry of Carthage and Rome as the North-South struggle of the time.

Amelia Robinson, U.S.A., veteran leader of the American civil rights movement; spoke on the international significance of the civil rights struggle, and its potential contribution to African development.

Dr. Michael Sefali, Lesotho, director of Institute of Southern African Studies, National University of Lesotho, spoke on the problems of the African economy.

Hugo López Ochoa, Mexico, Executive Committee, Mexican Labor Party; spoke on the need to revive Augustine's cultural tradition in order for Ibero-America to win its fight for a new world economic order, and called for creation of a new seismic institute to predict earthquakes and prevent their catastrophic impact.

Saturday, November 2

PANEL III:

Augustine, the father of modern science

Chaired by **Dino De Paoli**, Italy, Fusion Energy Foundation.

Giuseppe Filippini, Italy, director, Fondazione per l'Energia di Fusione; vice-president, European Labor Party (POE) of Italy; spoke on "The Italian School of Hydro- and Aerodynamics, an Example of Patriotic Scientists."

General Luigi Broglio, Italy, president of the Faculty of Aeronautics Engineering, University of Rome, submitted a speech on "Supersonic experimentation in Italy, from Guidonia to San Marco," which was summarized in his absence.

Luigi Crocco, Italy, former research scientist, Guidonia Institute, Italy; former professor at Princeton University; pioneer in supersonic experimentation; consultant at the headquarters of the European Space Agency in Paris; discussed the work of his father, Gen. G. A. Crocco, the founder of the Italian aerodynamic school.

Warren Hamerman, U.S.A., director, Biological Holocaust Task Force, EIR; spoke on the worldwide threat of an AIDS pandemic.

Jonathan Tennenbaum, U.S.A., editor in chief, *Fusion* magazine (Federal Republic of Germany), spoke on "Science and the Fight Against Ecological Holocaust."

Sunday, November 3

PANEL IV:

The new world order based on the reign of reason

Chaired by **Anno Hellenbroich**, Federal Republic of Germany, Schiller Institute.

Helga Zepp-LaRouche, Federal Republic of Germany, founder and chairman, Schiller Institute; founder and chairman, Club of Life. Spoke on "The New Just World Economic Order as the Only Chance for Survival for the Entire Human Species."

Wilhelm Wehner, Federal Republic of Germany, president, Herford Association of Refugees, North Rhine-Westphalia; extended greetings from the "Patriots for Germany" group and spoke on the topic, "Cusa and the Arab World."

Giuseppe Matteucci, Italy, vice-president, Accademia Umanistica, spoke on St. Augustine's *De Musica*, and music as the science of mind.

Webster Tarpley, U.S.A., contributing editor, EIR; foreign policy adviser to Lyndon H. LaRouche, Jr.; spoke on the fight between the Augustinian conception of the Trinity and *Filioque* and the Byzantine-totalitarian rejection of that conception.

Adriano Bassi, Italy, pianist and composer, graduate of the Giuseppe Verdi Conservatory in Milan and author of a book on the composer Domenico Scarlatti, spoke on the rich school of Augustinian musicians from the 16th to 18th century, whose names have been blotted out of the history books.

Fiorella Operto, Italy, secretary-general, European Labor Party of Italy (POE), presented a proposal for creating an African language based on the "bantus," using the same principles Dante Alighieri applied to the creation of an Italian language and an Italian nation 700 years ago.

Maria Cristina Fiocchi, Italy, president, Italian Anti-Drug Coalition; developed the history of the Council of Florence in the Italian Renaissance, and the principle of beauty as the key to developing a republican citizenry.

Father Gabriel del Estal, Spain, professor of constitutional law, Real Colegio Universitario "María Cristina," San Lorenzo del Escorial; developed Augustine's concept of "realistic pacifism" as against "utopian" and "manipulated" pacifisms, and stated that Augustine's notion is embodied in the U.S. Strategic Defense Initiative.

Peru's battle for national sovereignty

by Senator Josmell Muñoz Córdova

I greet Mrs. Helga Zepp-LaRouché, yesterday the founder of the Club of Life, today the founder and chairwoman of the Schiller Institute: the greeting of a senator of the Republic of Peru, the greeting of Peru, and the greeting of Alan García Pérez, President of Peru.

This greeting to Lyndon LaRouche I commend to his wife to take to this great man, the future President of the United States, hope of the peoples of the world.

My affection and my greeting to each one of you representatives of the different countries of the world, my appreciation, my love, and my brotherhood.

... I should give you a clearer idea of what Peru is like, by going back and offering warm homage to two wise men. Antonio Raimondi, a Sicilian, an Italian to whom I render homage, was in Peru in the last century and went all through Peru and marveled at the natural resources he encountered in this country—rivers, maritime, fauna, minerals, polymetallic resources, and non-metallic resources—an extraordinary country. And when he finished traveling through Peru, he said, "Peru is a beggar seated on a chair of gold."

Then there was another wise man, a German whom my country likewise recognizes: Alexander von Humbolt, who discovered a maritime current, and today Peru, in homage to this wise German, calls this current the Humboldt Current.

We achieved our independence 160 years ago, and 60 years ago in Peru, in the face of so much injustice, misery, and death, a struggle and an ideology were begun, called American Popular Revolutionary Alliance [APRA]. . . . In 1978 this great movement succeeded in constituting a great constituent assembly to draw up the political constitution of Peru, the Magna Carta. . . . In this political constitution, we declare Man to be the supreme goal of the state, and thus respect for life, respect for dignity. But again repression was imposed, and in the 1980 elections by evil means, a political

party once again won which was in the service of exploitation, in the service of the transnationals, in the service of the International Monetary Fund. And we regressed enormously. . . .

My countrymen were dying of hunger. We had the highest infant mortality rate in the world, and the average lifespan of the worker who works the mines at the highest altitudes in the world, is only 40-50 years. What did the International Monetary Fund do with my country? It is the same drama we heard yesterday and are hearing today: The letters of intent, the austerity, meant that the previous government shut the factories, massive unemployment was created, no matter how great our struggle in the streets defending productivity, defending the factories, defending the right to work. . . .

Our movement, called the Aprista party of Peru, today led and presided over by Alan García Pérez, is bringing back credibility to this people who had lost faith and hope in democracy. Whole villages no longer desired to live, and they turned themselves over to the struggle led by treasonous terrorism, to this terrorism [the Sendero Luminoso, or Shining Path, terrorists—ed.] which cohabits in my country and lives in union with drug-trafficking.

The war against narco-terrorism

We have destroyed thousands of clandestine laboratories where they prepared the base paste and manufactured cocaine; we are rescuing thousands of citizens to incorporate them into a decent life. But I must nonetheless here denounce the aggression of the usurious U.S. banks. We don't need support which injures our sovereignty—but even when we fight against world drug-trafficking, against the terrorism which has as allies those bad citizens and bad sociologists of Paris—those individuals who in many universities of Europe, without knowing the reality of my country, support the terrorism of Shining Path, which they subsidize with dollars, whereas over there, in Peru, we are fighting with our national currency.

Having suffered the "dollarization" of Peru, where our national currency had no value, and having lost Peruvian identity—now I tell you with much satisfaction that the national currency has buying power and the currency is respected. We are fighting against dollarization; and how are we fighting?

Our soldiers and our police are facing armies of drug traffickers and armies of subversive terrorists, and, nonetheless, of 100 of our policemen who go out to fight, only 40 have weapons. Sixty per 100 policemen who are defending the citizens of the world against the scourge of drug-trafficking go to risk their lives, and why are the police not armed? Because the previous governments submitted to the International Monetary Fund [demands] that they not fight drug-trafficking, and now we are fighting our fight. It is now or never—and we are not going to fail, we will not fail, and we are resolved to give up our lives to save the citizens of the

world, to save the future generations.

We ask ourselves, what is the point of so much development in the industrialized countries, what good is so much technology, if the future generations are going to die of drug addiction? No one ignores the fact that if we don't fight now, our children will be victims of drug addiction. Therefore we are contributing to . . . future generations, and therefore, under the leadership of Alan García, we are determined to give our lives—but Peru will not go back to being a center of cocaine cultivation or any other drug which affects, damages, and damns the health of the world's citizens.

As was natural, and as Peru's President already warned at the United Nations, the International Monetary Fund is attacking Peru, and, as was said yesterday by chairwoman Helga LaRouche, the debt of Peru and Peru have been declared non-creditworthy; the clique of U.S. bankers, at the urging of the government, has closed off loans to Peru. The war against Peru has already started.

We respect the people of the United States, we know that it is a very noble people, but we are against the government of the United States. We are in a fight, a war, and we are not going to retreat before the U.S. usurious banks, we are going to defend our sovereignty, we are going to defend life, we are not going to go backward to allow the hunger of the people, the disgrace and misery of my brothers, to pay the debt—this debt which has not contributed to development, these loans that never arrived in Peru, but enriched the bureaucracy and the oligarchy of Peru. [This] we will not permit, and I ask you—already we are fighting the war against the International Monetary Fund over there in Peru, every day policemen and soliders die in the fight against drug-trafficking, every day politicians die, every day we are putting our lives on the line in this fight which perhaps you don't know about—and I ask, will you abandon Peru in this fight?

You must understand that the fate of Peru is the fate of the other countries of the world, the fight against drug-trafficking is the fate and the future, and the different future of which our President Alan García speaks. . . .

All of this hope, all of this potential, requires support [for the fight] now being led by Peru. *Now*: Tomorrow could be too late. I was telling some leaders yesterday that, when Argentina, a neighboring country, got into a war against England over the Malvinas islands, Argentina received many greetings, many telegrams, many cables, but it lost the war. We in Peru need greetings, but more than that we need for you to go back to your countries and support, through the government, this fight against exploitation, against usurious banking. This is the greatest and most patriotic support for rescuing life, for rescuing the children of coming generations.

We in Peru don't want handouts. As an underdeveloped country, we want to be taught to fish, we don't want fish. We want to eat and always, as in that adage, we want to develop ourselves. We have the same initiatives and hopes with which

many of you have been fighting, many delegations of the world's countries whose fate is more or less similar—but the difference is in that we in Peru have already started this fight, and we need your support. So I must recognize the effort of this conference. I have to thank the initiatives of the parliamentarians, of the senator and deputy who spoke yesterday. I must say thank you for the words of encouragement of many delegates which I am transmitting to the President of the Peruvian Republic. This allows us to think that we are not alone in the fight, in this war; we will be in conditions of inequality, but we are resolved to keep fighting because we are convinced that we will not go backward, we are convinced that we will not be traitors to our coming generations, we want to live with dignity, we want to save the right to life, the right to live in democracy with respect for human rights.

There are extraordinary powers which are coming together; it is amazing how the extremes come together when it is a question of a patriotic fight such as ours. There is the terrorist group Shining Path with its flag of the hammer and sickle, defying this revolutionary government from inside my country. Every day we have clashes and we have fights [against the terrorists] in the streets, in the Andes, in the little factories that are left in Peru. There are daily battles against this terrorist group that hides in obscurity, that hides in the diatribes which claim to defy a nationalist force—a force born in the heat of 60 years of struggle. And we have to be indignant when this force [Shining Path terrorism] receives the economic aid of many European institutions, and condemn this aid [which contributes] to the hunger of many children, the death of many children. Three days ago, President Alan García visited one of the few hospitals we have where mothers can give birth, and found in every bed two women giving birth. We have a children's hospital, with two or three babies in each cradle. Is this possible?

I ask, must we allow a people to live in these conditions, do we have to tolerate that men and women every day have to commit suicide because they have no jobs, because they don't have work, because they don't have the means to bring home their daily bread, and they prefer a cowardly death, suicide, or going over to the drug-trafficking business, or going up to the Andes valleys to grow cocaine?

I believe that all of you are going to be with us, because we want to save all the citizens of the world, as Alan García said at the United Nations. We don't demand that these citizens be Peruvian; we are not interested in nationality, we believe in life. Alan García and I are citizens of the world, so my fraternal embrace to each one of you, to the organizers of this conference, and I hope that in this conference you will reach agreements destined to be the real, effective help we need today. Tomorrow may be too late.

Long Live Peru!

Long Live Alan García!

Long Live Life!

Long Live the Club of Life!

St. Augustine: From Carthage to Rome

by Ahmed Kedidi

It is a simple truth, but one which has symbolic value: In coming from Carthage to Rome to participate in your colloquium, I travel the same path as the great thinker St. Augustine, who, in the year 384, left Carthage for Rome, then Milan—that was 16 centuries ago. But the universal message of Saint Augustine lives on, and with burning actuality. For from Carthage to Rome, the voyage was not only geographical, but for St. Augustine in 384 or for us meeting here in homage to his memory in 1985, the voyage is essentially political, spiritual, intellectual, and the issue, above all, is civilization itself. This is the full ardor and force of St. Augustine's message.

Dear friends, northern African—and notably Tunisia—which has given humanity a man like St. Augustine, is proud of having always been a bridge between the two immense cultures, Christian and Muslim; between the two prestigious civilizations, European and African; between the two inexhaustible sources of the fertile humanism of the northern and southern Mediterranean basin.

That is where the force of St. Augustine's presence resides today—the son of Carthage and of Rome, bearer of immortal aid for our world which, alas, lies dark in the abyss of a new barbarism and in the pits of a new slavery.

Yes, this world at the end of the 20th century needs new messengers, new horizons, a new emancipation, so that the next century, which we will inaugurate in 15 years, might be one of humanity reconciled with itself, of the free man who renews the world with his grandeur, of the world which recovers its dignity through the advent of a healthy spirit, freed from war, from famine, AIDS, terrorism, state terror, and the servitude imposed by the international financial institutions that are what St. Augustine called 16 centuries ago in his *Confessions*, “the impure chains which prevent the spirit from imagining, in his prison, that behind the infamous walls there is a horizon, the sun, and beauty. . . .”

This is our true battle, all the others are secondary. Humanity should be given the priority to reconstruct the world

on the basis of new values. Look around you at the world we are bequeathing to our children:

A West which is decomposing, because it is losing strength and moral weight day by day; pornography is establishing itself to alienate man and make of him an animal, a carnal machine of desire, without beauty or faith.

Pandemics rage and AIDS strikes like a curse from God and nature's vengeance. Tensions and terrorism are blindly achieving the destruction of the last bastions of civilization which survived the apocalypse of the Second World War. The multinationals based on profit, the giant banks, and the tentacles of the drug trade contribute to enslave man, and submit him to the law of the jungle, a jungle of cement, of glass and formica where the souls of individuals accumulate, where two neighbors can live on the same floor, side-by-side, for 10 years, without ever meeting or speaking to each other, they cross paths without ever meeting. Human communication is excluded; the heart's warmth is stifled, in order to allow this modern inferno to thrive: this purgatory of incomprehensibility, of scorn, of xenophobia, and of racism. Between man and his offspring, invisible screens and barriers arise. Mankind is engulfed in chaos, transformed into a worn ensemble of individuals, separate, broken, submissive, cloistered in fixed uniformity, erected in cities without heart.

The destruction of the Muslim world

As for the Muslim world, torn to pieces by needless wars launched by armed bands, and comprising close to a billion people. . . . It is regrettable to describe the immense gap which separates the true Islamic faith transmitted by the Koran from the first, by the Prophet Mohammed, and the actual usage that a part of the Arab world makes of the Islamic message.

For Islam from pure sources is a religion of concord and of tolerance. Under the banner of Islam, the first universities of medicine, pharmacy, botany, and philosophy were created from Baghdad to Cordova. At the Cairo university known as Beit el-Hikma, “house of sciences,” during the 9th century of our era, working together side-by-side, were the Arab Muslim Ibn Jazzar, celebrated founder of Arab medicine, and the Jew Ibn Omrane, celebrated author of the famous treatise on mental illness. Together they generously communicated the fruits of their researches to the University of Sicily, where Christianity was professed. This is an example—taken from the land where St. Augustine was born—which illustrates this spirit—alas, now in perdition—of co-existence between the religions, the spirit of the Book preached by Mohammed, which gave rise to the expansion and radiation outward of our religion, whose very name (Islam) in Arab means “peace,” and adherence to peace.

But what remains of these eternal values which used to rule Muslim societies and which had made the Muslims perpetuate them? Listen to the deafening noise of bombs and missiles of the Gulf war, between two Muslim peoples who,

five times a day during their prayers, turn toward the same Mecca, and who, through the fanaticism of Iran's rulers, have been obliged to kill each other. This same fanaticism excludes all the essential Islamic virtues in order to make of them a *leitmotif* to destabilize the moderate regimes of the Muslim world; calling for a kind of integrism which excludes one of the bases of Islam, known under the Arab name of *Ijihad*, that is, man's permanent reflection on the necessary adaptation of religion to the exigencies of man's natural development and the dialectical evolution of societies. Fanaticism denies Reason, thus calls upon the reign of anarchy, denies order and authority of institutions, thus preaches the absence of the State, destroys man's dignity and liberty, thus reclaims the establishment of "arbitrary" justice, which from Teheran to Tripoli consecrates the worst, bloody dictatorships and nourishes terrorism throughout the world.

My country, the unique civil republic and democracy in the Arab world, a state of law, stability, and tolerance for 2,000 years, still suffers the aggressions of the master of Tripoli, whose doctrine is to destroy democracies, burn libraries, and combat the ideas of the renaissance and revival of the world. I am not making up anything here, I am simply reading to you from Chapter 3 of what we call the *Green Book*, written by Qaddafi himself, and which is ensconced in Libya's system of power.

This, ladies and gentlemen, is the state of mankind today, plagued by a West which is destroying itself, and an Islamic world becoming fanatical here and there, we witness the same phenomenon: the massacre of the human, creative spirit, which, in Christianity as in Islam, is symbol of fertility, synonym of beauty, generator of wisdom, and promoter of eternal communion with God. This spirit is today buried under mountains of absurdity, the mess of atheism, racial hatred, and blind terror. I pose to you, dear friends, such as is still possible: Is it acceptable for you to exchange your humanity for the mythology of a criminal cultural and economic order whose mission is to dehumanize man?

Is it acceptable for you, and tomorrow, for your children, to coexist side-by-side with the fear, hate, AIDS, drugs, the underworld, and the soul's misery?

It is of the utmost importance today, and it is a matter of destiny, to revive the ideals which had been those of St. Augustine, and, closer to us, Friedrich Schiller. Schiller gives his name to our honorable Institute, the repository of these ideals, thanks to the flame that sparks the conscience of its founders, Helga and Lyndon LaRouche, whom I warmly salute in offering them this example, taken from the life of St. Augustine, who in the year 410, living through the siege of Rome and its pillage by the Goths, with Alaric at their head, wrote his book *City of God* where he said: "I saw the vandals and barbarians destroy the cities, because these cities were built on our sins and our weaknesses. . . . Together we will construct our cities on faith and love . . . and they will be impregnable."

St. Augustine vs. the IMF's genocide

by Hon. Publio Fiori

. . . The Augustinian concept of *Filioque* means considering every man as a "son of God," and hence a participant in the creative capacity of the Father. Since these creative capacities exist in every man, according to St. Augustine, the task of every nation or national or supranational institution must be to develop to the maximum the capacities of every individual, such that he can contribute more, with material and intellectual actions, to the progress of human society.

Unfortunately, we all know that this teaching is not always respected today. The policies of austerity, of cuts in living and consumption standards, which the International Monetary Fund and World Bank have imposed for years on the developing countries, are not only provoking famine and genocide in Africa and political destabilizations in Latin America, blocking world trade, but they must be considered one of the prime causes of the economic crisis of the advanced sector.

On repeated occasions, these financial institutions have imposed on the African countries, as a condition for extending credit, a harsh policy of demographic restriction, impeding thereby not only the development of individuals, but their very birth.

With such methods, neither the problem of the Latin American debt nor that of underdevelopment in Africa can be solved. Italy has a great tradition in this field, the tradition of ENI and Enrico Mattei, who in the 1950s launched a project for the development of North Africa and the Mediterranean basin. Mattei's method was that of reaching accords with sovereign oil-producing states, through which, in exchange for oil purchases, these countries received effective high-technology exports capable of allowing their industrial development. In Egypt, in Algeria, in Tunisia, and in other African countries, Mattei's name is still the symbol of an Italy which was a technology bridge between Africa and Europe.

As we know, above all because of Mattei's death, the project was not fully realized. Still, after over 20 years, it represents today the model which Europe and the United States must understand and implement if they wish to resolve the great problem of underdevelopment.

There is a strong temptation to utilize the hunger and underdevelopment of many countries, to inaugurate a kind

of neo-colonialism. Sometimes the desire arises to resolve national problems in the name of the needs of Third World countries. Even in Italy, a huge political-cultural debate is under way on these issues. The two bills approved by parliament . . . while they make available a not insignificant amount of money (about 10 trillion liras), have not given the results we expected, and we are considering a new law which links emergency [aid] to long-term projects, through integrated multi-sectoral programs in circumscribed zones.

The autonomy of the countries concerned, the maximalization of their capacities for self-development, the respect for their dignity, the construction of bilateral relations of solidarity and cooperation also in politics and culture, the realization of a great international friendship, must be the industrialized countries' aims.

Technology and progress, therefore, at the service of development and of life and not of destruction and death: This is the new, great, ideal frontier in the wake of Augustine's teachings.

Defend civilization from the 'Visigoths'

by Senator Vincenzo Carollo

The dedication to St. Augustine of this conference has a relevant and emblematic value for present history. On the one hand, the sum of the ideal and moral contents of Augustine's "Heavenly City" still conditions life in the "Earthly City," the life of peoples who justly pose the problem of their liberation from poverty and from exploitation; and on the other hand, the new "barbarians" show that they profit, as in St. Augustine's times, from the unsatisfied needs of these peoples, to promise exactly the opposite of what they intend to deliver.

Thus the Vandals and Visigoths of today are believed, as in the fourth and fifth centuries A.D., to be liberators of the Third World, and succeed in penetrating the Earthly City, which needs development and freedom, to replace the promise of well-being with the authoritarianism of their own power.

In *The City of God*, St. Augustine brings out this contrast, recalling that the "pagans" of that time professed the cult of tolerance and freedom, but carried out oppression, i.e., exactly the opposite of what they had induced people to believe. Over 1,500 years have passed since the birth in Africa of St. Augustine; the African peoples today, as then, are emerging from colonial status, and some of them are convinced or hope that, since the centuries-old colonial imperialism of the major European powers, they can trust in those who have but one

real aim: to replace the colonialism of past centuries with another type of colonialism. . . .

This oriental imperialism, in which the political power is totally emerged in love for itself and in contempt for Man and for God, re-emerges in present history as a characteristic trait of the "guiding state" of the Marxist-Leninist International. . . . Today the aims and content of the international policy of Soviet Russia are the destabilization of the geopolitical balances, with particular attention to the countries of Africa and Central and South America.

What must these countries—and in that context and harmonically, the Western powers led by the United States—do?

To win the battle against the guiding state of international communist imperialism, the Western powers cannot just concern themselves with maintaining the geostrategic military balance; they must face the problem of geo-economic disequilibrium.

It is well known that, for Marxism-Leninism, the generalized poverty of the "working masses" justifies the imperious wealth of the worker vanguard or feudalistic *Nomenklatura*; it is likewise well known that authentically democratic power, the independence of peoples, and the freedom of man and citizen bring progress by means of the solidarity of the richest for the needs of the poorest.

If the underdeveloped countries of the so-called Third World therefore have an overall debt of \$900 billion to the financial and political system of the Western powers, it is not admissible to imagine that for the next 10 years, they will have to work only to pay the debt and die afterwards of hunger.

Granted, Russia prefers to supply weapons and not bread to Ethiopia and to Angola, but the West cannot hope to arouse and expand the consensus in its favor, the friendship and the trust of the non-communist countries of the Third World, by offering only the reminder of unpaid loans and not the new resources needed for further economic and social progress.

In turn, the numerous underdeveloped countries must clearly demonstrate that their adherence to the Western democratic world is not a political commodity to be sold to the highest bidder, but a choice of principle and historic value. I permit myself to say this, because it is known, especially to the Mediterranean countries, that some states want to resolve their problems by selling their own strategic-territorial positions for the best offer. . . .

The present debts should be frozen, other financial means should be supplied in the hope that the development of the countries being aided today can easily pay within 10 years with the resources of already realized progress.

If this is not done, the illusion of liberation from poverty by means of systems of government opposed to the democratic-Western ones, will succeed in gradually destabilizing the present geopolitical and geostrategic balance in the entire world over the next 20 years.

'The most complete genius in history'

by Father Carlo Cremona

I can only join with enthusiasm in this International Conference on St. Augustine, father and founder of African and European civilization, rejoicing in the initiative which is the first event in the international cultural field on the occasion of the anniversary of the conversion of the great African and of his baptism by St. Ambrose in Milan. It is the 1,600th anniversary, which we will celebrate, for his conversion, in the summer of 1986, and for his baptism, in April of 1987 and beyond.

I am an impassioned devotee of the saint, who for me is also the most complete genius in human history, insofar as he has assimilated all of classical and philosophical culture, enlivening it and enriching it with the light of Christianity, and whose personal experience in the itinerary of reason and of faith, integrated with one another, constitutes the beacon of orientation for every man over the last 16 centuries.

I would like to confide that a few months hence, at the beginning of next year, Rusconi publishing house will publish a biography by me intitled *Agostino*, with an introduction by the archbishop of Milan, Cardinal Carlo Maria Martini, the successor to Ambrose. I have tried to compile it in documentary fashion by the autobiographical notes which Augustine spreads through his works—not only in the *Confessions*—but also in a discursive, literary manner such that the character does not have the static quality of a monument, but comes to life as a contemporary of modern man.

Since the peculiarity of Augustine, and the reason for his survival in cultural and human interest even today, is not only the depth and universality of his internal searching, but also the astonishing resemblance of his time to ours—the same experiences, the same crisis of survival, and the same solutions—and he is our teacher.

That collapse of the Roman Empire which then embodied the order of the whole world; his suffering over it, even though he was authentically African; that message of faith in the human future which he infused when, during the Sack of Rome in 410 and the panic that followed, he used to preach: "Rome will not perish if the Romans do not perish, because Rome is not in its walls, but is in the soul of its citizens"; the political crisis; the religious crisis with the Donatist, Arian, and Pelagian heresies; his impassioned defense of truth: All this resembles the anguish of the modern man, frightened by a possible universal holocaust, by the conflict of ideologies,

by destabilizing violence, and by the turbulence by which fashions not only pass away, but carry with them fundamental moral values.

One can say that in the passing of one civilization to another, precisely at the time of his death, the reference-point, the epicenter of stability, was his personality and the heritage of his teachings. He reacted with a double force which was really just one: the force of truth and the force of love for man as the creature of God, immensely beloved by Christ.

What he did in those terrible circumstances by intervening also on questions of social justice, of political wisdom (because the rulers themselves turned to him for advice), was inspired by the contemplation of God, by the vision of the City of God into which he sought to transform the earthly city. This indomitable master of life, Providence chose to have born in Africa, proconsular Africa, which had absorbed the civilization of Rome, but also Christian Africa, the Africa of Ciprian which, independently of Roman institutions, had already absorbed Christian civilization.

Augustine loved Rome, but he felt himself to be African.

Augustine loved Rome, but he felt himself to be African. . . . Africans of all national communities can glory in him, the Bishop of Hippo, in the singer of the City of God, in the great human Genius, in Augustine. . . .

He recalled Apuleius of Madaura, the great writer, and other figures who had honored Africa, imposing themselves with their genius.

He was proud to say, "He is African, like us" (*Nobiscum Afer!*)

There were, in his time, in proconsular Africa more than 1,000 bishops, between Catholics and Donatists. Then the entire glorious African Church was turned upside down.

But Africa is again a center of attention of Christianity and of the Church, because of its indispensable contribution to a renewed and strengthened civilization. Emblematic of this are the trips by Paul VI and John Paul II. Africa responds with its whole incomparable soul, Africa wants to be for Man, it could not but be for Man, and it looks to the greatest of its sons, Augustine.

For he could not be a stranger to this rebirth.

Africans of all national communities can glory in him, the Bishop of Hippo (today Annaba), in the singer of the City of God, in the great human Genius, in Augustine, repeating, "*Nobiscum Afer!*"

Narco-terrorism at war on Ibero-American nations

by Valerie Rush

The "multinationals of crime," as Peruvian President Alan García recently described the global drug-and-terror apparatus, have declared total war against the nation-states of Ibero-America, especially targeting those with the potential for resisting the murderous austerity dictates of the International Monetary Fund. In country after country across the continent, the narco-terrorists have deployed in bloody defiance of national institutions, determined to bring down governments and sow chaos in their wake.

The latest act of war was enacted in Bogota, Colombia, and directed against the government of Belisario Betancur. The action began Nov. 6 when a commando squad of M-19 guerrillas, disguised as police officers, drove through the vehicle entrance of the five-story Judicial Palace in a hail of machine-gun fire. At least 10 Supreme Court judges were seized as hostages, and the building was slowly evacuated of its several-hundred-person staff. The guerrillas began to burn all the legal archives they could get their hands on, and set off several bombs to make sure the destruction was complete. Fires reportedly raged uncontrolled through major portions of the building. Among the records burned were all juridical proceedings—past, current, and future—of cases related to drug traffickers considered or under consideration for extradition.

As the event unfolded, it became eminently clear to all observers that, while guerrillas were carrying out the raid, it was the mafia that was directing the action. Just one month ago, every member of the Colombian Supreme Court received a warning that he (or she), together with his entire family, would be liquidated should the court continue to consider extradition requests and refuse to declare unconsti-

tutional the extradition treaty, under which seven drug traffickers have already been sent to the U.S. to stand trial.

The question came to a head in early November when the Supreme Court initially ruled against the extradition to the United States of Honduran drug trafficker Ramón Matta Ballesteros, a top figure in the Ibero-American drug-trafficking circuit and believed to have been involved in the kidnap/murder of DEA agent Enrique Camarena in Mexico last February. Along with the Supreme Court's decision, a legally-mandated five-day period was established for further evidence to be presented that might justify Matta Ballesteros' extradition. The M-19 assault on the Supreme Court occurred during that five-day waiting period.

The siege at the judicial palace concluded Nov. 7 with a combined army/police assault on the M-19 bunker. President Betancur had firmly refused to negotiate with the terrorists, and offered them physical protection only if they surrendered. The M-19 responded with attacks and insults against the President, and the reported "execution" of the president of the Supreme Court, along with several other magistrates. When it was over, guerrillas and hostages alike were dead, although an official report on the outcome has not been released as of this writing.

This was not the first time that the M-19 guerrillas have served as the armed wing of Dope, Inc. in Colombia. In March of 1984, just days after a successful police raid on the jungle-based "cocaine city" known as Tranquilandia, in the province of Caquetá, a 100-man squad of M-19 guerrillas occupied and raised havoc in the capital city of Caquetá, Florencia. At the time, the action was universally viewed as retaliation for the police raid—then considered the largest

drug bust on the continent. A month and a half later, Justice Minister Rodrigo Lara Bonilla—the man responsible for Tranquilandia—was assassinated by the drug mafia.

The M-19 rampage in Colombia follows by less than a week the orchestrated massacre of 21 Mexican anti-narcotics agents in the remote jungles of Veracruz, in southern Mexico. The agents had been lured to the spot by reports of a giant marijuana shipment, and were cut down by machine-gun fire from a small army of 80-100 mafia assassins. Those officers machine-gun fire from a small army of 80-100 mafia assassins. Those officers not killed on the spot were seized, bound, and then executed. Among the dead are the head of the state judicial police of Veracruz and a commander of the federal judicial police.

The massacre, which has triggered a vast manhunt by army troops from the region, took place one week after the escape from jail of José Contreras Zubias, top lieutenant of imprisoned Mexican drug-czar Rafael Caro Quintero. Both Contreras and Caro Quintero stand accused of the kidnaping and murder of U. S. DEA agent Enrique Camarena Salazar.

The Mexican affair, like the Colombian, is being viewed, not merely as just one more mafia outrage, but rather as a challenge to the nation as a whole. Wrote columnist Javier Lozada, in the Nov. 7 edition of *El Sol de Mexico*, "They don't seem to be mere narcotics or marijuana growers. Things go much beyond that, given that virtually a small army, armed to the teeth, was required to eliminate as they did more than two dozen special agents."

Peruvian mafioso nabbed

Peru, which has been repeatedly shaken by the narco-terrorist rampages of the Shining Path, has given the rest of the continent a lesson in how the rules of the game must be broken when the sovereignty of the nation is at stake. In an early morning raid on a luxury beach house north of Lima Nov. 1, Peruvian authorities succeeded in capturing the country's number-one fugitive mafioso, Reynaldo Rodríguez López. Rodríguez first made headlines when his huge underground cocaine laboratory, which reportedly produced 15% of all the cocaine shipped to the United States, exploded on the urban perimeter of Lima. Investigations unveiled a network of drug trafficking and corruption which led into the uppermost layers of the previous Belaunde government.

The arrest of Rodríguez López, as even the headlines of the Lima press have suggested, has Peru's "citizens above suspicion" shaking. Immediately following Rodríguez's arrest, "unusual movement at the airport" was reported in Lima. "The Godfather Begins to Talk," was the Nov. 2 front-page headline of the Peruvian daily *La Republica*. It is said that Rodríguez has already implicated a dozen or more well-known Peruvians during his interrogation, but no names have been released.

Rodríguez Lopez is confined in a maximum-security cell, as much to protect him from expected assassination attempts as to prevent his escape. Stated his lawyer, "I fear for his life

because there are so many who want to shut him up. He is lost, but he won't go to prison alone. Many will go with him. . . ."

One prominent Peruvian with special cause for concern is former Prime Minister Manuel Ulloa, who is known to have exercised considerable influence over the Belaunde government, especially the economic policies which fostered the dynamic growth of the drug trade in Peru. In fact, last month Ulloa lost a libel suit against the Peruvian National Anti-Drug Coalition, which had accused Ulloa of creating the economic conditions in the country for the flourishing of the narcotics "industry."

Military war on drugs

As early as last March, U.S. political figure Lyndon H. LaRouche released a draft emergency statement entitled "A Proposed Strategic Operation against the Western Hemisphere's Drug Traffic." The draft, presented at a March 13 conference in Mexico City and distributed widely among government, military, police, and political layers of both North and South America, recommended that the war against drugs be fought with all the weapons of war—advanced military technology and full cooperation among the police and military forces of the continent. Said LaRouche:

"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."

The war also must be directed against the "citizens above suspicion" who direct and finance the trade from behind the scenes. LaRouche urged "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." He also urged the confiscation of all real estate, business enterprises, financial institutions, and personal funds of drug traffickers.

LaRouche's proposal has spearheaded a debate across Ibero-America, and has served as inspiration for a number of collaborative efforts—mostly bilateral—among the nations of the continent. The urgency of adopting such an all-out joint military strategy as Ibero-America's number-one priority has never been greater.

Does Vitalii Yurchenko himself know what it was about?

by Criton Zoakos

For those who like to quote Russian folk proverbs for every occasion, here is one: "All's well that ends well." On the *Affaire Yurchenko*, most parties involved appear to think that indeed, it ended well, and therefore, "all is well."

The principal, Vitalii Yurchenko, director of the KGB's worldwide counterintelligence department, gives every appearance of being not merely happy, but truly ecstatic, at his "breakout to freedom," as he prosaically described his escape back to the embrace of Mother Russia. Before a pre-selected, invited group of journalists at the new Soviet embassy compound in Washington on Monday, Nov. 4, Mr. Yurchenko spun his yarn of high adventure, from his reportedly "forcible abduction" last Aug. 1, in Rome, through the "three months of drugging, torture, and violence," at the hands of "American agents" in a Fredericksburg, Virginia safehouse, to his gallant escape from a Georgetown restaurant on Saturday, Nov. 2, a few hours after Secretary of State George Shultz's Boeing 707 had taken off for Moscow.

"I am very proud that I managed to escape," Mr. Yurchenko said to the gathered journalists. He probably did not know that, at approximately the same time, some all-American intelligence community "old boys," were breaking champagne bottles by the caseload, somewhere on the other side of the Potomac, among them those who had been entrusted with Yurchenko's custody. "I am very proud that he managed to escape, too," many an intelligence community old boy must have repeated in unison, in an atmosphere of mirth.

Meanwhile, in the Kremlin, a metaphorical stone's throw away, Secretary George P. Shultz, seated before a grim-looking General Secretary Mikhail Gorbachov, would not share in the mirth back home. He was being subjected to a ferocious tongue lashing by the Soviet leader who was demanding explanations about the "forcible abduction" and subsequent torture of Mr. Yurchenko by "American agents." TASS had already saturated the Soviet capital with tear-jerker stories about Yurchenko's mistreatment, accusing the United States of "state-sponsored terrorism," even before Shultz had gone up to the fourth floor of the Kremlin. Secretary Shultz told Gorbachov that Yurchenko's story to the press in Washington was "totally false." Gorbachov, in anger, retorted,

"You are lying, Mr. Shultz."

Aghast, George P. Shultz, wanted to know: "Are you calling the Secretary of State of the United States a liar?"

Reportedly, Mikhail Gorbachov did not bother to answer the obvious, but both he and his interlocutor watched the Nov. 19-20 Geneva summit quickly disappear down the tubes before their eyes. If not the summit itself, then, definitely, the packaged New Yalta deal Shultz was preparing to offer was finished—which is why champagne corks were popping on the side of the Potomac opposite the new Soviet embassy compound.

The following day, Secretary Shultz informed the American press that his talks with Gorbachov, with whom he had a "very vigorous discussion," were "frank and argumentative," and that "the view from [the Kremlin] of the United States is very different from what we think reality is." Immediately, the international press picked up on the relationship between Vitalii Yurchenko's "breakout to freedom," and the imminent collapse of the summit. Many drew a parallel between Vitalii Yurchenko and Gary Francis Powers, the American U-2 reconnaissance-plane pilot who was shot down over Soviet territory on May 17, 1960 by Soviet anti-aircraft missile batteries, which thus destroyed the scheduled June 1, 1960 Paris summit between President Eisenhower, Nikita Khrushchev, Harold MacMillan, and Charles DeGaulle.

In sum, it appears that Mr. Yurchenko's "breakout to freedom" has almost certainly destroyed Shultz's, and the American Eastern Liberal Establishment's, strategy of appeasement. In this sense, "All's well that ends well."

Questions and implications

Regardless of the eventual outcome of the Geneva summit, Mr. Yurchenko's name is likely to stay with us a while longer. The entire *Affaire Yurchenko* has left certain important questions. The answers will be worked out in the broader context of the international intelligence warfare which has been raging since about March of this year. For one thing, the Senate Intelligence Committee is asking certain serious questions and demanding that CIA Director William Casey provide the answers.

The most obvious question is asked by the vice-chairman of the Senate Select Committee on Intelligence, Sen. Patrick J. Leahy (D-Vt.): Was Yurchenko a defector or a double agent? Asks Leahy: "You either have got a defector who was allowed to just walk away under circumstances that I still can't accept and cause a significant embarrassment to the United States, or you have a double agent who was planted on the United States and then you have far more than a significant embarrassment, you have an out-and-out calamity. . . . No matter what, something is wrong."

To right the wrong, the Senate has instructed the Central Intelligence Agency to appoint one of its own to investigate the entire Yurchenko matter from beginning to end. The two most obvious questions begging for an answer are: How did Yurchenko initially come under the custody of the United States and, second, under exactly what circumstances did he "break out to freedom"? On the answers to these questions will depend a further necessary set of conclusions, including, prominently, conclusions on the subject of "who benefits." Since the matter is likely to linger on for a while, it would be useful, for the record, to itemize the following known facts relevant to this matter:

Yurchenko disappeared in Rome, Italy, on Thursday, Aug. 1, 1985. He had been there since July 26, to conduct an on-the-spot evaluation of certain KGB capabilities and to inquire about the earlier mysterious disappearance of Soviet scientist Vladimir Alexandrov.

A Soviet embassy "note" to the State Department, of Nov. 4, 1985, in part reads: "On August 1, 1985 in Rome, Italy, Soviet diplomatic officer V. S. Yurchenko, who was there on a short-term business trip, vanished without a trace. In mid-October, that is, two and a half months after that, the State Department official confirmed that V. S. Yurchenko was on the territory of the United States."

A State Department press release of Nov. 5, 1985, in part reads: "On August 1, 1985, Mr. Yurchenko, a senior officer of the Soviet KGB, defected of his own volition to the American Embassy in Rome, Italy. He requested asylum in the United States and signed a statement to that effect and asylum was granted. Since his arrival in the United States on Aug. 2, Mr. Yurchenko has willingly cooperated with both the Central Intelligence Agency and the FBI in providing information about Soviet intelligence activities throughout the world and the organization of the KGB."

Yurchenko himself says: "In Rome, I was forcibly abducted by some unknown person. . . . Unconscious, I was brought from Italy to the United States . . . and denied the possibility to get in touch with Russian officials."

As early as Saturday, Aug. 3, 1985, Italian news agencies were carrying reports that Yurchenko had disappeared. In the United States, the first public source to reveal Yurchenko's presence in the United States was syndicated columnist Ralph de Toledano in the *Washington Times*, who wrote that Yurchenko, on Aug. 1, went to the Vatican to ask for asylum and was then transferred from the Vatican to the U.S. embassy.

The Vatican reference is interesting, because many weeks after de Toledano's article, on Nov. 5, 1985, a highly unusual incident of acrimony took place between the Vatican and the Turin daily newspaper *La Stampa*. In its edition of that day, *La Stampa* published a dispatch from its U.S. correspondent who reported that Yurchenko had said that "*agents seized me and drugged me in the Vatican, where I had taken refuge, and then took me forcefully to the United States.*"

A Vatican spokesman, Joachin Navarro Valls, met with reporters the same day and said, "The statement attributed to Mr. Yurchenko in *La Stampa* appears to be completely incredible and imaginary." Of course, none of the other journalists present at Yurchenko's press conference mentioned any reference to the Vatican. However, the Soviet embassy refused to admit to that press conference representatives of the *Washington Times*, the paper which first reported on Yurchenko's visit to the Vatican.

Gorbachov and Shultz watched the Geneva summit quickly disappear down the tubes before their eyes. If not the summit itself, then, definitely, the New Yalta deal Shultz had prepared was finished—which is why champagne corks were popping on the Potomac opposite the Soviet embassy compound.

All these details are of value to the Senate and the CIA in-house investigation into exactly how Yurchenko came to the United States. As both Sen. David Durenberger (R-Minn.), the chairman of the Select Committee, and Senator Leahy, its vice-chairman, have already cast aspersions on Director Casey's demeanor in this whole affair, his Vatican affinities may prove of interest.

A third version, of course, is that Yurchenko initially pretended to defect to the U.S.A. in pursuit of purposes known to his government, that his ploy was discovered by his hosts, and that subsequent to that discovery, he was "given the treatment." This third version might make the inquiry into Yurchenko's "break out to freedom" rather intriguing.

Obviously he was given, by his hosts, the opportunity to escape on time to ruin Shultz's trip to Moscow and the summit. Are his superiors in Moscow pleased or displeased with the diplomatic results of his escape from that convenient Georgetown restaurant? Does Yurchenko know?

Opposition promises violence in elections

by Linda de Hoyos

Under pressure from the United States, Philippines President Ferdinand Marcos has called for national presidential elections for Jan. 17, 1986. In his interviews with David Brinkley and "Nightline"'s Ted Koppel, Marcos was repeatedly asked why, if he had the support of the population that he claims, would he not call elections to prove it and, in the meantime, "restore democracy" to the Philippines. Marcos replied that first, local and regional elections are scheduled for 1986 and the presidential elections for 1987. And, given the crisis in his country, he told Koppel, his government were better off spending its time on efforts to revive the economy and quell the New People's Army insurgency. "What do you think I do around here all day," Marcos shot back, "sit around and make jokes with my cronies?"

Such arguments, however, did not blunt the pressure for holding elections immediately—despite the State Department's expressed "concern" over the problems Marcos is trying to solve. It has also been of no concern to the State Department liberals that such elections violate the Philippines constitution, which does not specify elections until 1987. By their perverted logic, Marcos should violate the laws of his country, to prove that he is democratic!

According to sources in Washington, offerings were also made to Marcos that, if he called elections, the third tranche of \$630 million in moneys from the International Monetary Fund, held by the IMF in early November because of Philippine lack of compliance with IMF conditionalities, could expect to be released. In addition, the United States would end its threats to cut off the AID's rural service aid.

There were also threats in the first week of November of a renewed devaluation of the peso, with the IMF demanding that the peso "float" further from 22 to 23 to the dollar. Other economists are predicting that the peso will soon slip to 50 to the dollar, but the government has resisted the IMF's demands. It remains to be seen whether holding off on the peso was also part of the package for the elections.

As the package has been sold to the American people through the corrupt media, the elections will give the opposition the opportunity to end the Marcos regime. To help this process, the State Department is insisting on "international observers" on the scene in the Philippines on election day, to

ensure fair elections against the KBL (New Society Party) political machine of Ferdinand and Imelda Marcos. State Department spokesman Charles Redmond declared on Nov. 8, "If elections are to re-establish confidence . . . then it is essential that they be credible to the Filipino people"—a way of demanding that Marcos orchestrate his own loss.

But Marcos is unlikely to lose—an evaluation corroborated by opposition complaints that they have been caught "off guard" and need until March to prepare for a challenge to Marcos! More to the point, a poll taken in September by the Makati Businessmen's Association, an organization hostile to Marcos, showed that if snap elections were held, Marcos would win a full 56% of the vote. The leading contenders for the presidential nomination among the opposition are Corazon Aquino, widow of the slain opposition leader Benigno Aquino, and Salvador Laurel, head of the UNIDO Party. Aquino's credentials are limited to the sympathy votes she would pull for the opposition.

Signal for civil war

Laurel has been fully backed by the State Department and comes from an old latifundista family in the Philippines, which collaborated with the Japanese during World War II. On Nov. 5, Laurel arrived in Washington to drum up campaign support. But in a press conference on Capitol Hill with Sen. Alan Cranston (D-Calif.) by his side, Laurel spilled the beans on the true reason why the State Department pressured Marcos into the elections. Marcos, Laurel charged, will "fix" the elections, but the Philippine people, he said, "are prepared to defend their ballots with their lives and it may end up in a violent confrontation."

The elections are the signal for the "massive civil war" predicted by Undersecretary of Defense Richard Armitage to the Senate Foreign Relations Committee on Oct. 30. The elections are the next ratchet of destabilization for the Philippines, in the State Department effort to hand this country over to Soviet domination under the New Yalta regional accords.

Aware of this danger, the announcement came from Malacanang Palace on Nov. 7 that the military would be confined to the barracks during the vote, and that plans were being drawn up to "stop all military operations" during the last five days of the campaign. The announcement said that the President hoped that, with the "voluntary segregation" of security forces, the "legitimate political opposition would refrain from violence and not come to an agreement with the communist New People's Army for their own purposes."

Such an agreement could well be in the works. Aside from the funds it raises by selling drugs grown in its territories, the NPA receives funds and backing from the powerful Philippine oligarchy that was stripped of much of its political power and its private armies when Marcos instituted martial law in 1972.

Argentina: Has IMF policy been elected?

by Cynthia Rush

Leaders of Argentina's ruling Unión Cívica Radical (UCR or Radicals) are boasting that the party's 43% plurality in the Nov. 3 congressional elections represents the "final consolidation of democracy" under President Raul Alfonsín, as well as a popular endorsement for the International Monetary Fund's austerity program, known as the "austral plan."

The electoral outcome gave the UCR one additional seat in the House of Deputies, in which it already enjoys a majority, and control over 7 additional provincial legislatures. Since national senators are elected by provincial legislatures, the UCR is now poised to take control of the Senate away from the opposition Peronist party, following the 1986 provincial elections. The Peronists, whose movement is deeply factionalized, won 34% of the vote and lost 7 deputy seats.

Peronist leaders expressed satisfaction that the party maintained its strength in the country, garnering 5 million votes. In fact, it failed completely to take leadership in providing a programmatic alternative to the austral plan, especially one that would link up with an anti-IMF ferment on the rest of the continent which has bankers tearing their hair out. Instead of a debate over policy, the battle was often reduced to one over control of factions and fiefdoms such as occurred in the province of Buenos Aires, where the Peronists had to present two separate slates, one led by ultra-rightist labor boss Herminio Iglesias, and the other by "moderate" Antonio Cafiero.

The Peronists' lack of programmatic leadership not only gave the advantage to the UCR, but also to those factions inside the movement that want to "renew" and reorganize it along the lines of the anti-industry European social democracy. Leaders of this tendency, such as Cafiero and Carlos Grosso, won handily in the province of Buenos Aires and capital city, respectively. The *New York Times*, in its Nov. 6 editorial, rubbed this fact in the Peronists' faces, crowing that "the Radicals have outpulled the once-invincible Peronists. And this time, Peronism's least-democratic faction, built around ultranationalists and labor bosses, was thoroughly repudiated."

Electoral test

Radicals viewed the elections as a major test for the Alfonsín regime, of whether the population would endorse the dramatic austerity program adopted last June and approve

of its handling of military officers accused of human rights violations during the 1976-83 military government. Imposed at the behest of the IMF, the austral plan froze wages and prices, and established a new currency, the *austral*, tied to dollar reserves. In the plan, export promotion to generate foreign exchange replaces industrial development. The plan's main purpose is to guarantee repayment of foreign debt.

Practically every UCR candidate campaigned on the basis of the austral plan's "success" in halting inflation and saving the nation from disaster. Just two weeks prior to the elections, the government arrested 12 individuals whom it charged with involvement in right-wing terrorism, and subsequently imposed a state of siege, allegedly to defend the country and the elections from right-wing destabilization.

Some opposition leaders charged that the fascist destabilization was not as real as the government claimed, and that the state of siege was a maneuver to silence opposition to the IMF's policy and frighten the population into backing Alfonsín's "democracy," under the false threat of a military coup.

Radical Party leaders like Juan Carlos Pugliese, president of the House of Deputies, asserted on Nov. 4 that the election results proved that "the people have understood the language of the government. They didn't get any promises. They voted to accept the toughest economic austerity plan in Argentine history, the austral plan."

The election results have opened the door to those forces who want to use Argentina and the austral plan as a weapon against the anti-IMF ferment shaking the rest of the continent. Monetarist Franco Modigliani, Nobel laureate in economics from the Massachusetts Institute of Technology, is currently in Buenos Aires, lavishing praise on the austral plan as "Argentina's miracle." U.S. Federal Reserve chairman Paul Volcker is also said to be heading for Argentina, reportedly to confer with the Alfonsín government on the first "soft-loan" to be granted to a debtor nation under the much-touted "Baker Plan."

Despite Alfonsín's electoral gains, however, the Washington policy-making community and banking circles recognize the potential for Argentina to slip from their control, especially if a political leadership emerges to organize the labor movement and population around the perspective elaborated in Democrat Lyndon LaRouche's proposal, *Operation Juárez*.

U.S. Eastern Establishment press were cautious in their evaluation of the Argentine elections, noting that the UCR failed to make the full sweep it had hoped for, and quoting local analysts saying that the government had not won an overwhelming mandate to take further austerity measures. Said the Nov. 6 *New York Times*, "Alfonsín remains in a tight spot. He has pushed back the ultranationalists, but still faces the crushing foreign debt." The *Times* recommends that Alfonsín get "a lot more help from his friends, starting with significant financial relief from Washington."

Conference shows how Sovietologists warp intelligence estimates

by Rachel Douglas

While Secretary of State George Shultz packed his bags for Moscow to prepare the Reagan-Gorbachov summit, the III World Congress for Soviet and East European Studies convened in Washington, Oct. 30-Nov. 4, 1985. Standing in for Shultz as the keynote speaker to open the conference, Deputy Secretary of State John C. Whitehead thanked the assembled multitude of professors and government experts for "your insights into Soviet and East European realities [which] illuminate what would otherwise be an impenetrable enigma to policy makers."

Looking into the sessions and byways of this conference, the largest such international gathering since the II World Congress held five years ago in Bavaria, *EIR* reconfirmed first-hand that the U.S. government and other NATO countries turn to highly dubious sources indeed, for advice and supposed illumination—the cast of characters known as the Sovietologists. Here was to be found everyone from the prophets of impending collapse of the Soviet empire, to the worshippers of an imaginary peace-loving Russian Soul that is opposed to Soviet armed might, to those who argue that Mikhail Gorbachov is a new, reasonable sort of Soviet leader, to a small minority who reported with some degree of accuracy on aspects of the Soviet military, economic, and cultural mobilization to dominate the world as the sole remaining superpower.

Thanks to the worldwide circulation since July of *EIR*'s Special Report, *Global Showdown: The Russian Imperial War Plan for 1988*, and to the ability of a few intelligence specialists in Europe and in defense-oriented circles in the United States to not entirely misinterpret the evidence before them, reality did surface at several points during the meeting.

A professor from a small American college, for instance, declared that a basic truth about Soviet policy is that the entire "Bolshevik mentality" derived from the traditions of Muscovy—above all, the belief that Moscow is destined to rule as the Third and Final Rome, capital of a world empire. The Communist International continued the expansionist traditions of the Russian empire, he said, and the Soviet state today, as did the Bolsheviks, employs the same arsenal of diplomacy, intrigue, and intervention abroad as did the Tsars.

That analysis is hardly startling to *EIR* readers, but it flies in the face of reams of findings by the Sovietologists.

Few even among the Sovietologists will question any more what *EIR*'s *Global Showdown* report amply demonstrated about the mysterious disappearance of Marshal Nikolai Ogarkov back in September 1984—that this top Soviet strategist was not demoted, but went behind the scenes to oversee the crucial, Western front of the Soviet command reorganization for global war-fighting.

Speakers specializing in military matters were nearly unanimous on this.

Prof. Martin McCauley of the University of London outlined Gorbachov's policies as essentially Ogarkov's for the total militarization of Soviet society. The relationship between party and military leadership in the U.S.S.R. today, McCauley acknowledged, is, "If I were Gorbachov, I'd be taking tutorials from Ogarkov." The sweeping reorganization of the Soviet military command structure, he added, bears Ogarkov's signature.

An American defense intelligence specialist concurred: It is wrong to talk about any "rehabilitation" of Ogarkov and his war doctrine, he said, because Ogarkov was not really eclipsed; there was and is nobody in the Soviet military establishment who disagrees with Marshal Ogarkov's vision of war-fighting.

Unfortunately, those who didn't yet grasp the point about Ogarkov numbered among them a gentleman identifying himself as an employee of the U.S. Central Intelligence Agency, who rose to tell McCauley he was "dubious of the idea that Ogarkov wasn't demoted" but offered no evidence to support a contrary view.

No basket case

Another panel heard Prof. Steven Rosefielde of the University of North Carolina attack "the allegation that the Soviet economy is too much of a basket case to sustain a [military] build-up." Reviewing recent disputes over basic estimates of Soviet military industrial capability, Rosefielde pointed out that CIA estimates of Soviet weapons production and stocks require that we believe the Soviets have regressed in terms of technology and have experienced zero percent annual growth in weapons production from 1976 to 1983! These conclusions, he said, are then used to justify the analysis that Soviet arms are for deterrent purposes only. (Raymond Garthoff of

the Brookings Institution, ambassador to Bulgaria during the Carter administration, thereupon expressed regret that neither the CIA nor Sovietologists who say even the CIA's estimates are "excessive" were present on this particular panel.)

Despite the cited episodes of competence, hundreds of Sovietologists are stuck on the track of scenarios for the speedy crumbling of the Soviet empire. Several of the professors present at the III World Congress had had their heads stuffed with this line at Rev. Sun Myung Moon's conference on the topic, held in Geneva last August (*EIR*, Aug. 30, "Moon-led 'Kremlinologists' back Soviet military rule"). The two academic cliques most insistent on the imminence of Soviet collapse, in fact, are the self-styled super-conservatives attracted by Moon, and the British university Marxists. A group of the latter, well-fed, rosy-cheeked fellows from the University of Glasgow and *Critique* magazine, held an entire panel on their view that "the Soviet position in the world is declining," Soviet society is "pulling apart," and the regime has arrived at the point where it cannot control its labor force.

Another sort of soul-brother of the Glasgow crowd, Prof. Alexandre Bennigsen of the Sorbonne, failed to show up at the Washington conference, where he was supposed to speak twice. Godfather of the "Central Asian Studies" subdivision of Sovietology, responsible for the disastrous thesis that Islamic fundamentalism would not only be a bulwark against communism in the Middle East but would soon spark revolts in Soviet Central Asia, Bennigsen was off in Turkey. His followers, nevertheless, were present to sing his praises during three different panels.

Dezinformatsiya

The most pervasive source of erroneous evaluation of Soviet acts and intentions, evident at this conference as it is time and time again, is the Sovietologists' kow-towing to emigrés as carriers of "inside knowledge" about the Soviet Union. The obviously problematic matter of intelligence-community defectors only begins to indicate the scope of strategic miscalculation that comes from basing evaluations on the testimony of emigrés.

American intelligence officers are worse positioned than most to see where they are going astray—for the root of the matter lies in the domain of culture, which is not the average American's strong suit.

It has been reported, for example, that President Reagan's advisers want him to view the sentimentalist Soviet movie, *Moscow Does Not Believe In Tears*, as part of preparations for meeting Mikhail Gorbachov, and to meet again with Suzanne Massie, author of *Land of the Firebird: The Beauty of Old Russia*, who holds that the bellicosity of the Russian empire was never anything but a paranoid reaction to the threat of foreign invasion.

The emigrés who most push the line about a beautiful, innocent Russian Soul, at odds with all of Muscovite militant

imperialism, at the same time mock Reagan as a typically ignorant American who just for that reason is unaware of this Russian Soul.

At the III World Congress, this cultural disinformation (*dezinformatsiya*, as the KGB would say) emerged dramatically at a panel on National Bolshevism. The documentation was extensive, the case was clear: The Bolshevik regime picked up the standard of the Third Rome. Its army was the Russian army restored. Stalin's foreign policy was the imperial geopolitics of Haushofer, who was a source also for the Nazis; hence the Hitler-Stalin pact was lawful. Russian imperialist publicist Ustryalov hailed the Bolsheviks as the force that could keep the "border areas" from falling away.

But the star of the panel, Russian emigré writer Lev Kopelev, said that none of this was the true Russia. Speaking through his long, white beard à la Lev Tolstoi, Kopelev attacked the "prejudices about my homeland" that beset American officials. He ridiculed President Reagan's recent

Thanks to the worldwide circulation since July of EIR's Special Report Global Showdown: The Russian Imperial War Plan for 1988, and to the ability of a few intelligence specialists in Europe and in defense-oriented circles in the United States to not entirely misinterpret the evidence before them, reality did surface at several points during the meeting.

assertion that the Russian language lacks a word for freedom—a blunder Reagan was led to, no doubt, by some Sovietologist's bowdlerized briefing on the mysteries of Russian culture.

Finally, Kopelev proclaimed, that, while the regime of Lenin, Stalin, Brezhnev, and Gorbachov is indeed the successor to Ivan the Terrible's, the true Russians like St. Sergei of Radonezh and the writer Dostoevsky have no heirs! For, "the spiritual development of Russia has always been in opposition to or independent of the state."

As *EIR* has documented as a matter of greatest strategic importance, Sergei of Radonezh was a 14th-century shaper of the Russian mystical-military cult of the state, and Dostoevsky preached the ugliest race-hatred of the Pan-Slav imperialists in 19th-century Russia. But the Sovietologists applauded Kopelev, as if a sage were speaking who could not be questioned.

Why Moscow's medical community won the Nobel Peace Prize

This year the Nobel Peace Prize was given to an organization, the International Physicians for the Prevention of Nuclear War (IPPNW) co-founded by Dr. Yevgenii Chazov. Chazov is a member of the Central Committee, the personal physician to the last several Soviet heads of state, the Soviet Deputy Minister of Health, and the "boss" of the infamous Dr. Sergei K. Litvinov. Litvinov is the Assistant Director General of the World Health Organization in charge of the Communicable Disease Division.

We publish here an interview with Dr. X, a French physician who tried to create an organization of physicians for the prevention of nuclear war and for the preparation of medical doctors for civil defense tasks in the case of nuclear war. No sooner had this organization been created than an infiltration operation was run against it by the French Communist Party and the international peace movement. The comments are especially interesting in the light of the awarding of the Nobel Prize to the International Physicians for the Prevention of Nuclear War (IPPNW), which ran the infiltration on behalf of Moscow's policy aims.

EIR: Could you explain how your organization came to birth, historically?

Dr. X: The idea of this organization was launched by two physicians, Dr. Jacques Richard, who lives in Le Mans, and Dr. Michel Haag, who lives in Paris. After having participated in a congress of the International Physicians for the Prevention of Nuclear War [IPPNW], they had the idea that such an organization had to be created in France, where nothing such existed at the time. They gathered several of their friends, and they created, on Sept. 10, 1984, the Association des professionnels de la santé pour la prévention des guerres nucléaires, bactériologiques et chimiques [PSPGNBC—Association of Health Professionals for the Prevention of ABC Wars], of which I became a member at the time of the foundation. Originally, the idea was essentially prevention of nuclear war, i.e. trying to influence international politics to avoid war. Our goals became more precise, in the form that we said: "Okay, we must avoid war, of course, everyone wants to avoid war. But it should not jeopardize our independence or the integrity of our territory." In other words, we set out to find ways of protecting civilian

populations in the case of conflicts or accidental triggering of nuclear warheads.

EIR: That's when you were contacted by a group of other physicians?

Dr. X: Yes. At the time, right at the beginning of the association, even before the first general assembly that was to decide its statutes, the association was contacted by physicians mostly linked to the "Appeal of the Hundred" [a communist-originated petition against Euromissiles in 1983] and to the Appeal of Stockholm against nuclear war—i.e., an emanation of the Communist Party.

EIR: Who were these physicians?

Dr. X: There were Dr. Philippe Denis and Dr. Danièle Gilis, as well as Dr. P. Pernin. They came to meet Drs. Richard and Haag, saying, "Your association interests us, we would like to participate in the board of this association." Given their communist origin, Drs. Haag and Richard refused to accept them on the board. Seeing that they could not get their way, they decided to create their own organization, the Association des médecins français pour la prévention des guerres nucléaires, founded on May 2, 1984. It included only physicians, and was concerned only about nuclear war; bacteriological and chemical warfare was taken out of their concern. Our association's general assembly took place on Sept. 29, 1984, in Paris. The other association came, namely Dr. Denis, and demanded a fusion of the two associations. There was a vote of our association, and the outcome of the vote was against the fusion, but accepted a collaboration on the aim. At the time I had fought against any idea of fusion and cooperation as well, but I was overruled. Shortly thereafter, our president, Dr. Richard, decided to resign and was convinced to join the other association. We lost a few of our members, who joined the other organization. In June 1985, there was the international congress of IPPNW in Budapest, and the other organization was recognized as representative in France of IPPNW. The IPPNW leadership told us that we would be accepted provided we joined the other, communist-initiated, organization. Dr. Haag came back, slightly alarmed by the strange atmosphere in the IPPNW congress. And he told me, "I think that it is better that we do not take part in

the IPPNW, because I have the impression the IPPNW has ideas very different from ours.”

EIR: What did these two French organizations represent numerically?

Dr. X: This was a foul game from the beginning. At the very beginning, the other group had a file containing a lot of names, about 200 physicians; this file obviously came from somewhere, it had not been created like that from one day to another. At the time, we were about 80, so obviously, had we accepted the fusion, we would have been wiped out right at the first General Assembly, and they would have taken control of the board. Furthermore, to make the figure of their membership more impressive, they accepted in their association all kinds of people who were not physicians, although from the standpoint of IPPNW, only the number of actual

Right at the beginning of the association, even before the first general assembly that was to decide its statutes, the association was contacted by physicians mostly linked to the “Appeal of the Hundred” against U.S. missile basing, and to the Appeal of Stockholm against nuclear war—i.e., an emanation of the Communist Party.

medical doctors is considered. Recently, they said they had about 300 members, but we don’t know if this takes into account only physicians or not.

EIR: Who are the people who, in the Budapest congress, have decided to accept only the communist created association?

Dr. X: Well, IPPNW has a European board, situated in London, and an international headquarters in Boston, Mass. I don’t know in detail who are those who took the position for the other association. I know that Dr. Richard (who had joined the other organization) was in contact with Dr. Nugent Conn, who was Executive Director of IPPNW. I would like to add a few names of the people belonging to the support committee of the other association. There are Dr. Schwartzberg, Dr. Milliez, Dr. Jasmin, Dr. Bousquet and Dr. Georges Mathé [most of them signed the Appeal of the Hundred]. Looking back at the matter, I am very happy that our association was not recognized. It leaves us free to act the way we want, without being forced to adopt positions of IPPNW.

Obituary

C. Douglas-Home, Editor of *The Times*

by Laurent Murawiec and Michael Liebig

On October 29, Charles Douglas-Home died of cancer at age 48. The young editor of *The Times* of London, in the three years of his tenure, had revived the sagging fortunes of the newspaper. But more importantly, his commitment to fight through thick and thin on behalf of President Reagan’s Strategic Defense Initiative, had made him one of the most important political allies of the United States in Europe.

For the last three years, a long series of articles in his newspaper relentlessly pressed the case not only for SDI, but for its moral and strategic underpinning, the concept of Mutually Assured Survival. Douglas-Home’s editorials explored the avenues of British and European participation in the SDI and of a European Defense Initiative. When the British foreign secretary, Sir Geoffrey Howe, threw a violent anti-SDI fit last March, the *Times* chief sent him a shell against which no defense was found, “Mr. Howe’s Unilateral Declaration of Independence from SDI.”

Mr. Douglas-Home was execrated—the word is not too strong—by the numerous and powerful appeasement elements in Whitehall, who blamed his courageous stance upon his supposed “eccentricities,” against the conventional wisdom shared at the moment by the vast majority of the mandarins, the peers, the experts, and the legion of London-based worshippers of Neville Chamberlain. As he jokingly told the authors a few months ago, “There is no lack of people in Whitehall that want my scalp. Let them dance!” The authors clearly remember some of his enemies, in high places in government and elsewhere, repeatedly predicting his demise. What they could not stand or fathom was a commitment to truth that was most unusual in today’s press world.

Over the years, the authors had the chance of meeting Mr. Douglas-Home a number of times, and had been impressed by a quality of personal courage—the courage of standing firm for one’s own ideas. They were impressed by his patriotism as well as by his ability to look at the future, and the interests, of the Western world as a whole. In their last, recent meeting with Mr. Douglas-Home, his acute interest in Peruvian President Alan García’s war on drugs had stood equal to his commitment to convincing Mrs. Thatcher of the urgent necessity of Britain joining in the SDI.

A tribute should be paid to a brave fighter who died far too early. His loss is not only that of *The Times* and of Britain, it is that of a precarious Western civilization.

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



EIR
Executive Intelligence Review
Price: \$250

Order from:
EIR News Service,
P.O. Box 17390,
Washington, D.C. 20041-0390
Order #85019

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

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

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

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

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

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

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

Report from Bonn by Rainer Apel

SDI battle out in the open

The long-awaited showdown between the Chancellor and his foreign minister seems just about to explode.

Finally, the faction fight between the arms-control mafia and the proponents of the U.S. Strategic Defense Initiative has broken out into the open here. Over the weekend of Nov. 2-3, Chancellor Helmut Kohl and his obstructionist foreign minister, Hans-Dietrich Genscher, moved into a long-overdue clash over the question.

At immediate issue is a "framework agreement" with the United States on SDI cooperation. The British government signed such an agreement on Oct. 29, which undoubtedly encouraged the Christian Democracy/Christian Social Union (CDU/CSU) of Chancellor Kohl to move faster toward a decision.

A nationwide mobilization for SDI cooperation by the new bipartisan organization, Patriots for Germany, helped to increase the pressure on the Chancellor.

The CDU/CSU began to urge the government to sign an agreement before the beginning of the Christmas parliamentary recess in mid-December. Especially the CSU of Bavarian Gov. Franz-Josef Strauss and the "pro-SDI hawks" in the CDU around Deputy Jürgen Todenhöfer warned that German industry would lose precious SDI contracts if Kohl continued to tolerate Genscher's stalling tactics. Todenhöfer himself was in the United States during the third week of October, and brought home the clear message that everything depended on a governmental agreement.

This led unavoidably to confront-

ation with Genscher and the arms-control mafia, which went to action: The country's leading scandal-weekly, *Der Spiegel*, wrote on Nov. 4 that Genscher and his ministry wanted to block SDI cooperation for at least several years, reporting at length on Genscher's "deep conviction" that Mutually Assured Destruction is a moral doctrine of deterrence which would be ended by SDI. The message was clear: Should Kohl insist on SDI cooperation, the coalition was finished.

Also on Nov. 4, the country's largest daily, *Bildzeitung* (5.3 million circulation), printed excerpts from Soviet leader Gorbachov's letter to Kohl of early September: "Stay away from the SDI, or else!" The leak of this secret dispatch to *Bildzeitung* added fuel to the building coalition crisis. A few hours after *Bildzeitung* and *Der Spiegel* hit the newsstands, a reportedly "very, very angry Chancellor Kohl" called Martin Bangemann, Free Democratic chairman, on the phone, and demanded that he clarify once and for all his party's position on SDI and whether the *Der Spiegel* story signaled desertion from the coalition. Bangemann was taken by surprise, and assured the Chancellor of the FDP's loyalty.

Then, Kohl got on the phone with Genscher, confronted him with Bangemann's statement, and demanded that he return to coalition discipline. Advisors of Kohl later hinted that the Chancellor had threatened Genscher

with dismissal, and that the conversation exploded into a "shouting match." Genscher announced that he would give a "personal declaration" later that afternoon (Nov. 4). Meanwhile, Franz-Josef Strauss had called CSU leaders into special session to pass a resolution for "a decision in favor of a German-American SDI agreement now." Strauss then told a press conference: "Nothing will come out of Geneva, one way or the other. It is nonsensical, therefore, to construct any linkage with the SDI, which concerns research that must be done, with or without Geneva."

This was the situation when Genscher delivered his "personal declaration" to the press in Bonn, unconvincingly emphasizing his loyalty to Chancellor Kohl, but repeating the line that "no doors to the East must be closed." It didn't work. *Bildzeitung's* publication of the Gorbachov letter made clear that there are no "open doors" in Moscow.

Genscher resorted to threats and blackmail again. The FDP's defense policy expert, Deputy Olaf Feldmann, told the press that if an SDI agreement were signed with the U.S.A., he foresaw "a real coalition crisis."

This is risky for Genscher. It is no secret in Bonn that FDP chairman Bangemann would eventually strike a deal with Kohl in favor of the SDI, if the Chancellor offered him Genscher's job.

Genscher is in flight-forward mode. On Nov. 6, he had Feldmann call national security adviser Horst Teltschik a "megalomaniac," and call for his dismissal. Teltschik was commissioned by Kohl to head the official West German "SDI fact-finding" delegation to the U.S.A. Sept. 9-13. This is throwing down the gauntlet to the Chancellor. If he ever seriously considered dismissing Genscher, this would be the moment to do it.

The 'Mechai touch'

Thailand's Premier Prem is now submitting his country to usury and the "small is beautiful" policies which destroyed Africa.

According to local experts in astrology, it is predicted that the 50 days following Oct. 18 will be a difficult and delicate period for Prime Minister Prem Tinsulanonda of Thailand. Amid thick rumors of another coup in the making, Prem is caught in the increasingly unpopular and inefficient economic measures promoted by certain members of his cabinet, notably Finance Minister Sommai Hoontrakul, Industry Minister Chirayu Isarangkura Na Ayudhya, and Deputy Minister of Industry Mechai Viravaidhya.

Dictated by the International Monetary Fund (IMF) and the World Bank, Sommai's policies are plunging the country into the vicious cycle of debt repayment. Thai law stipulates that the finance ministry can only borrow for the purpose of development. At the end of the month of October, Sommai proposed a royal decree to the cabinet, a decree that would allow the ministry to contract foreign loans for refinancing purposes. This decree will legalize the practice of using lower cost loans to refinance higher cost ones.

Not only have debt repayment priorities overridden all other economic concerns, but another devaluation of the local currency is in the wings. Financial sources are expecting that the baht will be devalued to about 30 to 35 to the dollar by the end of this year or the beginning of next year. Capital flight, the typical and predictable phenomenon following a devaluation, has begun. An unspecified but unusually large outflow of foreign currencies, particularly dollars,

has been monitored by the finance ministry and the Bank of Thailand.

Debt repayment priorities set by the IMF and the World Bank are also rapidly pushing aside economic development plans. Early in October, Industry Minister Chirayu ordered that all large-scale, capital-intensive projects with long-term returns be shelved. The Eastern Seaboard Complex is being whittled down, even though these projects have already received loan commitments from Japan. The yen-loans for the Eastern Seaboard development cover the Laem Chabang Port and Industrial Complex, the Nongkolaem Chabang water-pipeline project, and the Mab Ta Put Port and Industrial Complex.

To make things worse, upon Chirayu's recommendation, one birth-control propagandist, Mechai Viravaidhya, was brought into the cabinet to work on "Rural Development." To take a population-control approach to economic problems is already to admit failure as an economist, whose science is to create conditions for the development of the productive economy and expansion of population.

The "Mechai touch" in "Industrialization of Rural Areas" is to promote small cottage industries that can be set up in one's backyard. For instance, Mechai told the *Bangkok Post*, "Villagers should be encouraged to make cement blocks during the off-season [when there is no rice harvest]."

Collaboration is already forthcoming from the interior ministry to encourage rural people to build houses

with cement blocks instead of chopping down trees and denuding forests.

The "small is beautiful" obsession of Mechai is nothing new. The desolate state of African nations today speaks for the consequences of those "small is beautiful" policies inspired by the IMF and World Bank.

Rather than trying to launch significant agro-industrial projects that would transform the rural areas and rural life, Mechai prefers band-aid solutions, where major surgery is called for. The patient, in this case, Thailand, is certain not to survive. That is the fatal "Mechai touch."

Some confusion also seems to reign in Mechai's mind about human resource development. Opening an October seminar on the subject, Mechai said that progress in ASEAN nations was hindered by a shortage of skilled workers, employment opportunities, and productive jobs. Do his plans therefore involve creating job opportunities that would transform and develop labor skills to a higher level? Not at all. Mechai wants to employ workers who return with skill training from the Middle East. But where are the big projects to absorb them? Does he expect these well-paid, skilled workers to go into "cottage industry?"

Mechai recently returned from Germany and Belgium, where funds for his "band aid" projects might readily be made available to keep Thailand on the path of economic decline. Mechai is also working to involve more non-profit and religious organizations in his schemes. This is a social worker at work, hanging lace curtains around a funeral hearse, not a deputy minister.

Prem's political destiny is not determined by the heavenly stars, but by those "stars" in his own cabinet whose courses he does have the authority to alter.

War on drugs prepared

Tough new laws figure in efforts to remove India from Dope, Inc.'s world-operations map.

A tough new anti-drug law introduced and passed in August, the Narcotics and Psychotropic Drugs Bill, now only awaits presidential approval to go into effect. Replacing the Dangerous Drugs Act of 1970, under which drug pushing was not a serious offense, with maximum two-year penalty, the new law mandates a scale of penalties from 10 years imprisonment and \$10,000 fine to a \$30,000 fine and 30 years imprisonment.

The law also gives greater powers to Customs and Revenue Intelligence authorities, and reportedly eliminates the jurisdictional conflict between the central government and the states—thus sealing off loopholes exploited by the traffickers.

One such loophole is the fact that acetic anhydride, a chemical used to convert morphine-base into white heroin powder, banned in all neighboring countries, is easily available in India. An amendment to the Essential Commodities Act will mandate regulation of the chemical's production and sale.

"At first we were ringside observers; now we are in the ring," is the way one anti-drug official here put it to the bi-weekly *India Today*, referring to India's move from a transit point for West-bound heroin to a producer and consumer.

Transshipment continues to flourish, to be sure. It is estimated that in 1984 alone, three tons of Pakistani heroin, with a market value of about \$3 billion, passed through India. In addition, acetic anhydride is sent over to refineries in Burma and the heroin product returned for transshipment.

But at a recent national seminar in Delhi, Additional Commissioner of Police Gautam Kaul revealed that there are at least 100,000 addicts, mostly youth, in the capital alone.

Kaul quoted grim figures: Whereas in 1981, only 1 case of heroin dealing was registered and 10 grams of the powder seized, by 1983, 73 cases were registered and 20 kg seized. In 1984, registered cases jumped to 252, with 115 kg seized, and in 1985, at current rates, police anticipate at least 1,150 cases, involving 250 kg. Bombay and other parts of the country present a similar picture.

Reports also indicate that the problem is no longer confined to the elite classes, but is widespread among middle class and ordinary laborers and their children. In Bombay, it is estimated that there are more than 120,000 addicts of "brown sugar"—a cheap, adulterated form of heroin.

But India is now also a producer of heroin. Since the British days, India has produced medicinal morphine, with large areas of Uttar Pradesh, Rajasthan, and Madhya Pradesh devoted to poppy cultivation under a federally controlled program through which the opium is transferred to government-run morphine factories. The recent discovery of three clandestine heroin processing laboratories—in Lucknow, Varanasi, and Garoth—has ripped the cover off a racket to divert opium to the private markets.

Over the summer, one lab was busted with the help of the U.S. Drug Enforcement Administration (DEA). The highly sophisticated laboratory

was producing heroin of 92% purity. The lab had been set up in the middle of the poppy growing belt with the help of two refining specialists from Varanasi and Ghazipur, where the government has its refining facilities. One of the owner's early associates was the brother of an instructor for the Central Bureau of Narcotics, the agency in charge of the federal poppy program!

The new law is tough, but many here, including Additional Commissioner of Police Kaul, believe that nothing less than the death penalty for trafficking is adequate. The big problem will be enforcement. The anti-narcotics section of India's Central Bureau of Investigation has a staff of exactly nine officers. And, according to Additional Commissioner Kaul, 25% of the police in Punjab themselves suffer from some kind of drug addiction. By and large, local police have almost no experience dealing with drug-related crime, and both Customs and Revenue Intelligence are short staffed.

While a proposal to set up a new agency is on the table, two multi-agency task forces have been set up in Delhi and Bombay. In addition, a multi-agency task forces have been set up in Delhi and Bombay. In addition, a Central Economics Intelligence Bureau has been set up to deal with various economic offenses, including drug trafficking. The government has also sought joint action with both Burma and Pakistan.

Manpower training and equipment remain serious bottlenecks. The U.S. DEA and the State Department Office of International Narcotics Matters (INM) have made a number of proposals for joint action, training, and provision of equipment, including fast jeeps, wireless radios, helicopters, and so forth.

Silva Herzog and Kissinger Associates?

The finance minister is proving a useful asset for the creditors, but is not quite blue-blood material.

It is no coincidence that, just as the Mexican government is about to be visited by yet another delegation from the International Monetary Fund—in the midst of one of the fiercest national debates on whether or not Mexico should go the Peruvian route on the foreign debt—the economic cabinet headed by Finance Minister Jesus Silva Herzog has joined with the blue-blood oligarchs of Monterrey in seeking the services of Kissinger Associates’ “thugs for hire.”

To this effect, Kissinger Associates’ Latin American debt expert, Alan Stoga, arrived in Monterrey on Oct. 23, invited by the Council of Institutions of Nuevo León, which represents all leading business organizations of the so-called “Monterrey Group.” There, in a private meeting, Stoga told the Mexican businessmen that Mexico’s economic policies have been “inconsistent throughout the past year, due to the decline in oil prices and the increasingly worrisome protectionism of the United States, which could damage the Mexican economy.”

Stoga recommended the “liberalization” of as much of the Mexican economy as possible, because it was appropriate both “for the short and for the long term to free up the trade system, the exchange rate, and the pricing system. . . . Industry should be privatized as much as possible and a more sophisticated financial system should be created to generate greater internal savings.” Finally, Stoga pro-

nounced on the necessity of Mexico joining GATT.

Kissinger Associates, Inc. was founded during 1982, in the midst of the Mexican economic crisis. Its principal function is to use its influence to pressure Ibero-American and other governments into yielding to the demands of the financial oligarchy.

In essence, it functions like the mafia of the 1930s: selling protection to those interests which request it, and eliminating, through political and economic blackmail, and assassination, those individuals, industrial groups, or governments which oppose their policy dictates.

And so, as Stoga’s commandments prove, Kiss. Ass.’s line is always the same: If the national markets do not open to foreign investment; if the debt is not paid, in money or in equity; if the prescriptions of the IMF are not followed to the letter, the result will be capital flight, collapse of investment, and political destabilization—and Kissinger Associates will see to it.

Stoga was vice-president of First Chicago Corporation, and is also a member of the Western Hemisphere Commission on the debt founded by David Rockefeller’s Americas Society. In 1983, the Commission founded the so-called Ditchley Group, better known as “the creditors’ cartel” because it includes all the leading commercial banks and specializes in collecting the debt at all cost.

Encouraged by the “advice” of

Kissinger Associates and grounded in the Friedmanite line of the Wharton School where they were trained, Monterrey’s businessmen emerged from their meeting with Stoga to declare that “lack of sheer will to correct errors in economic and political questions is turning this presidential term into one of the most inefficient ever.” Thus declared Jorge Arrambide Garza, a director of the industrialists association, Canacindra. He added that “exaggerated public expenditures and subsidies are the principal causes of a high inflation rate in Mexico. . . . Mexico’s state companies must be sold off, and the bureaucracy laid off, in order to free up resources that could be used by the private sector. . . . The government lacks the guts to take these measures.”

Finance Minister Silva Herzog met with the organized labor movement to put out the same line. He not only came out unequivocally against a debt moratorium, but also against the option that Peruvian President Alan García has chosen, that of dedicating 10% of the country’s export revenues to payment of the foreign debt. He also denounced any notion of a continental alliance for joint renegotiation of the debt. He denied that he was seeking new credits for post-earthquake reconstruction needs and for debt repayment, using Stoga’s argument instead, that the country needed to boost its “internal savings.” In other words, more austerity.

Well-informed sources have told this columnist that, since the finance ministry is likely to have a new chief soon, Silva Herzog did not want to be out of a job. That is why, say my sources, Silva Herzog is playing footsie with Kissinger Associates, Inc. However, in view of the notorious racism of Kiss. Ass.’s members, it is considered unlikely that he will get to Kiss. Ass., as he might like.

Armacost in the Aegean

The Undersecretary left U.S. ally Turkey a widow—and Turkey might well respond as an old sailors' song indicates.

Undersecretary of State Michael Armacost's activities on both sides of the Aegean Sea during Oct. 30-Nov. 2 last, reminds us of an old, old Aegean sailors' folk song, whose lyrics are constructed on the refrain:

"How much does it cost to kiss in the West?—and in the East?"

The folk song dates from the 17th century, when the sailors of the Aegean Islands used to ply their trade, East and West, in the hire of the Serenissima Republic of Venice, mistress of the seas in those days. It appears that our good Michael Armacost, and with him our State Department, has been trying to emulate the Venice of yore, and regulate the price of "kissing," political loyalties, East and West—at least East and West of the Aegean: Turkey and Greece.

The matter is as follows: Early in the last week of October, America's last remaining friend and ally in the Eastern Mediterranean, Turkey, opened discreet negotiations with the United States on the subject of the future status of U.S. military bases there. Turkey, correctly, pointed out that her sizable land army is very poorly equipped, too poorly in fact to be able to dispense with the added defense burdens which devolve on a nation which, while neighboring directly on the Soviet Union, provides large-scale base facilities to the United States. Turkey's reasonable proposal, therefore, is that the United States a) more than double the current levels of military assistance, b) increase the level of non-military, economic, assistance

to over \$1 billion per year, c) abandon the congressional stipulation that a 7/10 ratio be maintained of U.S. military assistance to Greece and Turkey respectively, and, d) inscribe the levels of U.S. assistance to Turkey in a treaty instrument to be independent of the vagaries of annual congressional budget reviews.

Be it noted that Turkey's highly motivated but poorly equipped army is confronted with the combined threats of three of its four neighbors, Syria, Bulgaria, and socialist Greece, while her fourth neighbor, the Soviet Union, which has just appointed an ethnic-Greek Soviet admiral to command her Black Sea Fleet, has made known her intention to scrap the 1936 Montraux Convention—which gives Turkey military sovereignty over the Straights of Bosphorus and Dardanelles—by sailing through the Straights her first, real, 78,000-ton aircraft carrier into the Mediterranean some time next year.

In short, either Turkey gets major, ironclad, mutual defense commitments from the United States during 1985, or Turkey is at the mercy of the Soviet Union in 1986.

So, the State Department, in order to preempt any reasonable American response to Turkey's needs, sent Undersecretary of Political Affairs Michael Armacost to Athens, Greece, to spend a few juicy hours with the Socialist Premier of Greece, Andreas Papandreou, and inaugurate a "new era of friendly Greek-U.S. relations," based on promises of future economic

cooperation between the two countries, and a further whiff of a promise that, eventually, Greece will get 40 new F-16 jet fighters. The Socialist Papandreou returned the compliment by reiterating his "demand" for a "nuclear-free zone in the Balkans."

Having thus alarmed and incensed the conservative, pro-U.S. Turkish leadership, Armacost proceeded, the next day, to Ankara. Once there, he dropped the bombshell that the United States "is not in a position to meet the new Turkish requests for assistance," including the requested "new levels of military assistance."

Net result of Armacost's visit to Greece and Turkey: The Moscow-controlled Papandreou government of Greece, faced with a mass strike wave and a growing revolt of its population, was given a new lease on life compliments of Armacost. The pro-U.S. government of Turkey, besieged by rivals armed to the teeth, was told in no uncertain terms that it can expect nothing from the United States except a kick in the teeth, in the same way as was done to the pro-U.S. governments of Tunisia and Egypt.

From Michael Armacost, the socialist, anti-American Greek Premier received a kiss of gratitude and friendship; the pro-American Turkish government received a Judas kiss-of-death. Our would-be Venetian game-masters at the State Department are reversing loyalties and commitments, East and West. Hence, our remembrance of the old sailors' song from the days when Venice used to play this game between West and East.

As for the price of the kiss, interestingly, the old song informs us that "the married woman's costs four; the widow's fourteen; the unattached girl's is for free." So, whereas Papandreou's non-aligned Greece might ask for the unattached price, the newly widowed Turkey should up the price.

International Intelligence

Brazil strikes as Sarney speaks

A total of 556,000 metalworkers and other unionists went on strike in Sao Paulo on Nov. 5 for a 20% real wage increase. The government proposed increasing the minimum wage by 12% in real terms and the employers were willing to do the same.

It is expected that most companies will not be closed, since unions are weak, but this is the first time CUT and CONCLAT, the two major union organizations, have gotten together on their demands.

A bus drivers' strike began in Brasilia on Nov. 4. Buses were stoned and burned.

On the evening of Nov. 5, President José Sarney made a major address to the nation, asking for solidarity in support of Brazil's independence from the IMF and the banks—and for continued "independent austerity." Sarney stated that the \$12 billion trade surplus means Brazil is able to keep paying interest on its debt.

Swedish general attacks Palme

Swedish Armed Forces Commander Gen. Lennart Ljung attacked Socialist Prime Minister Olof Palme's claim that Sweden's neutrality "stands firm," in early November.

In an extremely unusual statement for a chief of staff, General Ljung charged that Sweden's neutrality, based for the past 40 years on an extremely strong defense industry, has been seriously jeopardized by a decline in military strength. Ljung charges that Swedish infantry, air, submarine, and surface naval power has been reduced by 50% during the past 20 years.

This corresponds closely with the period of Palme's tenure in office.

Ljung is demanding the Palme government increase military expenditures by at least 3% annually over the next 3 years.

Meanwhile, Norway and Sweden continue to be special targets of Soviet "carrot-

and-stick" tactics. Both have been victims of Soviet military provocations, in the form of "stray missiles," submarine penetration of territorial waters, and the like. But now, Moscow is dangling potentially large mining and construction contracts.

According to well-placed sources in Sweden, the Soviets in recent months have entered into "close negotiations" with 15 Scandinavian construction and mining companies known to be hungry for major contracts in the current depressed Western economies.

Spy trial begins in India

India's biggest spy trial began on Nov. 5, with 17 businessmen and government officials being tried on charges of handing over state secrets to France, Poland, East Germany, and the Soviet Union.

The trial, which is being held in secret, stems from the January 1985 revelations of a vast spy penetration of the Indian government.

The bust-up of this ring, carried out two months after the assassination of Mrs. Indira Gandhi on Oct. 31, 1984, was designed to get "contaminated elements" out of the government.

Izvestia publishes Reagan interview

Izvestia finally carried President Reagan's interview with Soviet reporters, but deleted his offer to share SDI research, his reference to Soviet occupation of Eastern Europe, his mention of the Soviet SDI program, and his account of the Afghanistan invasion.

In a transcript printed in the U. S. press, not in *Izvestia*, Reagan said:

"We won't put this weapon, or this system in place, this defensive system, until we do away with our nuclear missiles, our offensive missiles. But we will make it avail-

able to other countries, including the Soviet Union, to do the same thing. . . . And if the Soviet Union and the United States both say we will eliminate our offensive weapons, we will put in this defensive thing, in case some place in the world a madman some day tries to create these weapons again—nuclear weapons. . . . So, I can assure you now we are not going to try and monopolize this, if such a weapon is developed, for a first-strike capability. . . ."

Government shaken up in Poland

General Wojciech Jaruzelski resigned as prime minister of Poland on Nov. 6, only to be immediately elected President.

Relinquishing the Prime Minister's office, which he assumed at the height of the crisis brought on in early 1981 by the activity of the Solidarnosc labor movement, Jaruzelski is attempting to formalize the alleged end of martial law conditions and the legitimacy of the parliament elected in October.

As President, he will speak with the authority of head of state. Jaruzelski also remains head of the Communist Party.

Canada arrests Sikh terrorists

Acting in the wake of *EIR*'s publication of *Derivative Assassination*, which exposes the role of British intelligence, the Israeli secret service (the Mossad), the Soviet Union, and various Sikh organizations in the assassination of Indira Gandhi, the Canadian government arrested Sikh terrorist leader Talwinder Singh Parmar in British Columbia on Nov. 6. The *EIR* book implicated him in the Air India and Tokyo airport terrorist explosions last June, which left more than 320 dead.

As documented in *EIR*'s book, Parmar, a confessed murderer and leader of Babbar Khalsa, a Sikh extremist group, had been

operating under the protection of the Canadian government for over two years. The FBI also extended protection to his group when in the United States, at terrorist training camps in both New Jersey and Alabama. Mossad, FBI, and RCMP protection of Parmar was proven by *EIR* to have been integral to the assassination of Indira Gandhi, as well as to the ongoing threat to the life of Rajiv Gandhi.

The Canadian government has now announced that Parmar and his accomplices, Inderjit Riad and Manmohan Singh, will be charged with conspiring to blow up the Air India and Canadian Pacific aircraft as well as other, yet undetermined charges.

Congressmen go to Europe on SDI

A congressional delegation left for Europe on Nov. 7 to discuss the Strategic Defense Initiative and Soviet treaty violations.

The five-member delegation, led by the pro-SDI Rep. Duncan Hunter (R-Calif.), will meet with parliamentarians and government officials in Britain, West Germany, and France. The main focus of the trip will be to urge European participation in developing a European complement to the SDI, directed at defense against Soviet short-range or "tactical" nuclear missiles.

The delegation was briefed by Richard Burt on Nov. 3. Burt, the U.S. ambassador to West Germany, formerly the head of European Affairs for the State Department, who is a confirmed opponent of the entire program. The content of his briefing to the delegation is not known.

Soviets attack West Germany again

In another of a continuing series of attacks on the West German government, the Soviet news agency TASS on Oct. 31 said:

"In executing the 'moral and spiritual turn' to the right, proclaimed by Chancellor

Helmut Kohl, Bonn is also reviewing its attitude toward the Nazi past, in particular to the traditions of Hitler's Wehrmacht."

TASS accused Defense Minister Manfred Wörner of encouraging "the traditions of a criminal regime" such as the Third Reich, "by allowing Wehrmacht banners and standards to be carried at solemn ceremonies of the West German army, the Bundeswehr."

Under the 1945 Potsdam Agreement at the end of World War II, the Soviet Union was formally entitled to militarily intervene in Germany if there occurred a revival of Nazism there. For nearly two years now, the Soviet press has, at regular intervals, been charging Germany with such a Nazi revival.

Drug scandal in the Bahamas

Pro-Hitler cocaine mafioso, Carlos Lehder Rivas, and Resorts International's Everett Bannister are implicated in a massive bribery and corruption scandal in the Bahamas.

According to a report in the West German weekly *Der Spiegel* the week of Nov. 4, Bannister, between 1977 and 1983, reportedly funneled more than \$675,000 to the current prime minister of the Bahamas, Sir Lynden O. Pindling, as well as to other senior officials, including the deputy police commissioner. Lehder at that time had gotten major air bases and other infrastructure for transshipment of tons of cocaine from laboratories in Colombia, Peru, and Bolivia to locations within the United States.

Carlos Lehder Rivas is notorious for his expressed admiration of Adolf Hitler. He has publicly supported the German Green Party, as well as the M-19 terrorist movement in Colombia.

During this period of Pindling's tenure, according to Dr. David Allen, head of the National Drug Council of the Bahamas, the Bahamas drug-addict population exploded to the highest levels known in any country, medically classed as epidemic—10% of the total population.

Briefly

● **WEST GERMANY'S** Messerschmitt Boelkov Blohm (MBB) group is developing a laser-beam anti-air defense system which reportedly will be deployable by the end of the 1990s, and capable of destroying aircraft flying at speeds up to 1,000 km/h, according to the *General Anzeiger*. The German paper reveals that the MBB group has been working since the beginning of the 1970s on the project, and has invested \$19 million, half of it financed by the government.

● **A SOVIET EMBASSY** statement broadcast by Beirut radio expressed gratitude to all those who helped secure the release of three kidnapped Soviet diplomats freed on Oct. 30. The radio cited an Islamic Liberation Organization statement viewing the diplomats' release as evidence of the kidnapers' good intentions toward the Soviet Union. The release also shows their intention to resume *jihad* against the United States and Israel.

● **FELIX DZERZHINSKII**, the first Bolshevik head of the Cheka, the former Russian secret police, is to be the subject of a publicity build-up to make him a hero for Soviet citizens, according to the London *Economist*. A recent article in *Kommunist*, the party journal, reportedly signaled this by glorifying Dzerzhinskii's campaign against alcohol and corruption.

● **'U.S. PRESIDENTIAL** candidate Lyndon LaRouche threatened with death," was the 8-column headline across the back page of the Nov. 5 edition of the Caracas daily, *El Mundo*. The paper details death threats to LaRouche, noting, "It has been determined that the threats come from the same terrorist command which, in collaboration with the FBI, assassinated Indira Gandhi."

● **HUGO OTERO**, public relations chief for Peruvian President Alan García, stated on Lima TV news on Nov. 5, "I was pleasantly surprised to see walls all over Rome painted with 'Ni Kissinger, ni Castro, viva Alan García,'" during a recent visit there.

Guatemala opens second front vs. narco-terrorism

by Jeffrey Steinberg

In the predawn hours of Oct. 28, a battalion of Guatemalan army troops, led by guides from the Guardia de Hacienda (Treasury police), descended into the dense jungles of the state of El Peten, near the Guatemala-Belize border, in a search-and-destroy mission targeting that nation's growing narco-terrorist menace. By the time the troops of Special Task Force COBRA emerged from the jungle 48 hours later to assume their positions as part of the security for Guatemala's Nov. 3 presidential and congressional elections, over 40 marijuana plantations—an estimated \$50 million in drugs—had been seized and destroyed. Hard evidence had been captured proving beyond a doubt that the international drug networks operating within Guatemala's borders were indistinguishable from the Soviet- and Cuban-backed terrorist organizations that have been waging a 20-year campaign of violence against the Guatemalan people.

It was a striking irony that the Guatemalan government of Gen. Oscar Humberto Mejía Victores, which has been the target of one of the most brutal economic and psychological warfare campaigns ever launched by the so-called human-rights lobby, chose the eve of the national elections to open a dramatic "second front" in the Ibero-American war against narco-terrorism, thereby securing what international observers, including U.S. Senate Foreign Relations Committee chairman Richard Lugar (R-Ind.), have described as one of the most honest and peaceful elections in recent memory anywhere in the world.

As we go to press, with well over 50% of the nearly 2 million votes already counted (an over 70% registered voter turnout, despite terrorist threats to blow up bridges and block major roadways in the outlying regions of the county), none of the eight presidential candidates had won the 51% required to secure a first-round victory. A runoff election on Dec. 8

will apparently involve frontrunner Vinicio Cerezo (641,193 votes) of Democracia Cristiana and Jorge Carpio Nicole (336,952 votes) of Union del Centro Nacional.

Far more important than the particular election outcome, however, is the fact that the Mejía Victores government has successfully outflanked the international "human rights" mafia—including the U.S. Department of State and other throwbacks to Carter-era politics in Washington—by taking on the narco-terrorists in a highly public fashion. Guatemalan government officials are privately watching to see whether the Washington Office on Latin America, a radical human-rights lobby that sent observers to the country for the elections, will honestly report on the results of the anti-drug strike. WOLA representatives Anna Howard and John Booth, according to Guatemalan sources, received a detailed briefing on the El Peten operation.

On Oct. 30, as the 72-hour anti-drug blitz was winding down, a select group of international and local journalists was invited by the public-affairs director of the Guatemalan Armed Forces, Col. Marco Antonio Castellanos Pacheco, to travel from Guatemala City to the area of operations, to witness the destruction of the marijuana plantations, inspect the captured evidence, and interview several of the dozen prisoners caught during the anti-drug effort, which was code-named Operation Guatusa-1 (the "guatusa" is a rodent that lives in El Peten's jungles and is known for its ability to maneuver through the nearly impassable terrain).

At 7:00 a.m., a busload of 16 journalists, including EIR correspondents Jeffrey Steinberg and Herbert Quinde, escorted by Colonel Castellanos, former director of the Guardia de Hacienda anti-narcotics police, entered the Aurora Air Force base in Guatemala City, boarded an Israeli-made AR-AVA transport plane, and flew 90 minutes north to the heart

of the El Peten jungle. This report is based largely on the eyewitness accounts and interviews conducted during that 12-hour tour and subsequent discussions back in the capital.

The Carter legacy

In August of this year, *EIR* released a 33-minute film documentary and a 109-page Special Report entitled "Soviet Unconventional Warfare in Ibero-America: The Case of Guatemala." The report placed a primary burden of responsibility on the Carter administration for plunging Guatemala into an economic and terrorist insurgency crisis—but the embargo imposed by Carter was never revoked by the Reagan administration. The most recent phase of that crisis has been a post-1981 invasion of the country by U.S., Colombian, and Mexican narcotics traffickers, who have seized upon Guatemala's ideal location (midway between the coca fields and cocaine laboratories of Colombia, Peru, and Bolivia, and the U.S. markets) and optimal soil and climate conditions, to convert it into one of the most important—albeit little-known—centers of illicit drug operations in the Western Hemisphere. From the outset, as the *EIR* study documented, the principal partners of the dopers were the Cuban- and Soviet-sponsored terrorist networks.

Prior to April 1977, when the Carter administration cut off all military and economic aid to Central America's largest and most developed nation on bogus "human rights" grounds, Guatemala was Washington's staunchest and most important ally in the region, a buffer against Soviet expansion in the Caribbean, since the Castillo Armas and Ydigoras Fuentes governments allowed Guatemala to serve as a training base and staging area for the Kennedy administration's botched Bay of Pigs invasion. Despite heavy Cuban and Soviet support for terrorist insurgencies beginning in the mid-1960s, by the early 1970s, the terrorists had been soundly defeated, and Guatemala was enjoying a solid 8% real growth rate.

The Carter embargo, combined with the delivery of Nicaragua to the hands of the Sandinistas, gave new life to the insurgency in Guatemala. Moscow had received a "green light" from Washington to wreak havoc in the hemisphere, and the Soviet bloc was not about to miss the opportunity. On Nov. 14, 1980, under the personal initiative of Fidel Castro, leaders of the four principal Guatemalan terrorist fronts—Fuerzas Armadas en Rebelde (FAR), Ejercito Guatemalteco de los Pobres (EGP), Organizacion Revolucionario del Pueblo Armado (ORPA), and Partido Guatemalteco de Trabajadores (PGT)—met in Managua to forge a joint military-political command, the Union Revolucionario Nacional de Guatemala (URNG). Bolstered by a heavy infusion of Cuban arms—predominantly Vietnam War-vintage captured U.S. equipment—the terrorists launched a "final offensive" during 1981, drawing heavily upon Indian peasants whose strings were pulled by foreign anthropologists and theology of liberationists of the Society of Jesus, the Maryknoll Order, Catholic Action, and even the Evangelical Lutheran Church.

According to one senior Guatemalan G-2 (military intelligence) official interviewed by *EIR*, at the time of the "final offensive," the URNG groups, principally the EGP, could claim over 170,000 Indians living within their "liberated zones," principally in the western highlands. A series of military fronts opened up by the EGP, ORPA, and FAR ran in an arc encircling Guatemala City to the northeast, north, and northwest, threatening to split off the capital from a large section of the country.

By 1981, Guatemala had gone through four years of isolation from all international support, including new military equipment and spare parts for the armed forces' increasingly obsolete air and ground transportation systems. The sole exception was several cash-and-carry purchases from Israel at an average 400% markup, purchases that virtually drained the foreign reserves of the Banco de Guatemala. Guatemala's economy was suffering from the Carter-organized economic embargo, the gutting of agricultural production due to terrorist attacks against plantations, and the loss of tourist revenues as the result of the country being placed on the U.S. State Department's Travel Advisory list.

Despite these grave impediments, the Guatemalan armed forces, in early 1981, launched a surprise counteroffensive against the terrorist strongholds in the western highlands. The "final offensive" turned into another serious setback for the Cuban-Soviet surrogates. International "human rights" groups like Amnesty International, OXFAM, the North American Committee on Latin America, the World Council of Churches' EPICA Task Force, and Cultural Survival screamed bloody murder.

Moscow reacted with more calculation. According to evidence from numerous Guatemalan sources, the U.S.S.R. intervened through Cuba and other surrogates to steer the Guatemalan insurgents, by now a force of no more than 2,000 hardcore Cuban- and Libyan-trained terrorists, into bed with the drug mafia, repeating a process already well underway in Colombia, Peru, and Nicaragua.

The first evidence of a Guatemalan narco-terrorist alliance took the form of a dramatic increase in the quality and volume of military hardware in the hands of the URNG component groups—at the same time that bank robberies and kidnappings of wealthy Guatemalans and representatives of foreign multinational corporations, long the preferred sources of terrorist income, precipitously dropped.

With the first seizures of large quantities of Guatemalan-grown marijuana, and, later, opium poppy, in 1983-84, a clear pattern emerged of drug production zones overlapping virtually 100% with the terrorist strongholds.

According to Guatemalan government officials interviewed by *EIR*, several recent defectors from the narco-terrorist ranks have told of deep ties between the Guatemalan FAR and the Colombian M-19, and of Cuban arms-for-pot flights direct from Havana into clandestine airstrips in the northeast of El Peten, and across the Mexican and Belizean borders.

Operation Guatusa-1

At the Kaibil School for Guatemalan elite forces in the heart of El Peten, less than 40 kilometers from the town of Melchor de Mencos near the border with Belize (see map, page 00), the staging area for the 450 troops deployed in Operation Guatusa-1, Colonel Castellanos pointed to a large map of El Peten, in which the area of operation, a large rectangular grid running north-south along the Belizean frontier, was highlighted with a thick black line.

"El Peten, occupying the northern one-third of Guatemala, has less than 70,000 inhabitants, out of a total population of well over 8 million Guatemalans," the colonel explained. "The area has been heavily targeted by the FAR, which openly calls for the creation of a separate pro-Moscow state. The revenues of the marijuana plantations have provided the terrorists with modern communications and transportation means, and with sophisticated arms—more modern and more sophisticated than those used by the Guatemalan army.

"Unless the dope-for-arms logistical base of the terrorists is broken now, the day may soon come—far sooner than Washington realizes—when Soviet MiGs will occupy the air base at Flores [in the north center of El Peten near a major lake], less than 30 minutes flying time from the Mexican oil fields and just over one hour from the Gulf coast of the United States.

"Operation Guatusa-1 was launched to crack the logistical base of the terrorists before the correlation of force shifts irreversibly to the side of the Soviet-sponsored narco-terrorists."

Indeed, Guatemalan military sources conceded that the lack of field communications systems, helicopter spare parts, and overland vehicles represented the greatest impediments to Operation Guatusa-1 and all military operations against the narco-terrorists. The capturing of over 40 marijuana plantations, some of which were secured with land mines installed by FAR terrorists, involved the use of rented trucks to deliver the troops into their areas of action, and the employment of machetes and hand-held saws to cut through the dense jungle, searching for the plantations. The United States has satellite infrared photography systems capable of identifying precise locations of drug fields; however, all such aid was denied to the Guatemalans.

With the first phase of the elections successfully behind, the big question in Guatemala City remains: Will the United States finally make good on its commitment to aid Guatemala in its war against narco-terrorism, a commitment most recently transmitted in a diplomatic cable to the U.S. embassy under George Shultz's signature? The answer to that question may very well determine whether the United States retains any friends at all south of the border. The alternative, as the Guatemalan military has emphasized, may mean Russian MiGs in El Peten.

Operation Guatusa-1: An EIR report

EIR correspondent Herbert Quinde filed the following report based on interviews conducted with officials of the Guatemalan Armed Forces who were directly involved in Operation Guatusa-1.

In a brilliant military offensive into the jungle state of El Peten, the 450-man battalion of Special Task Force COBRA dealt a devastating blow to the infrastructure of the Soviet and Cuban-backed narco-terrorist forces who had found a safe haven in the thick jungles of northern Guatemala.

Codenamed *Operation Guatusa-1*, the Joint Chiefs of Staff of the Republic of Guatemala, under the direction of Gen. Lobos Zamora, ordered four companies and one platoon from the elite Kaibil Special Forces School into an area of operation next to the border with Belize. It had been more than one year's time since there was been a military presence in the area. Guatemala's military G-2 (Intelligence) had gathered information indicating that the area south of Melchor de Mencos along the Belize border and west to Dolores was inundated with marijuana plantations.

The mission orders, made explicit to each unit commander and soldier, were to seek out, capture, and destroy marijuana plantations; to hunt down and capture narcotics traffickers and terrorists, and to gather additional evidence substantiating the deep ties between the narcotics mafia and the FAR (Fuerzas Armadas en Rebelde).

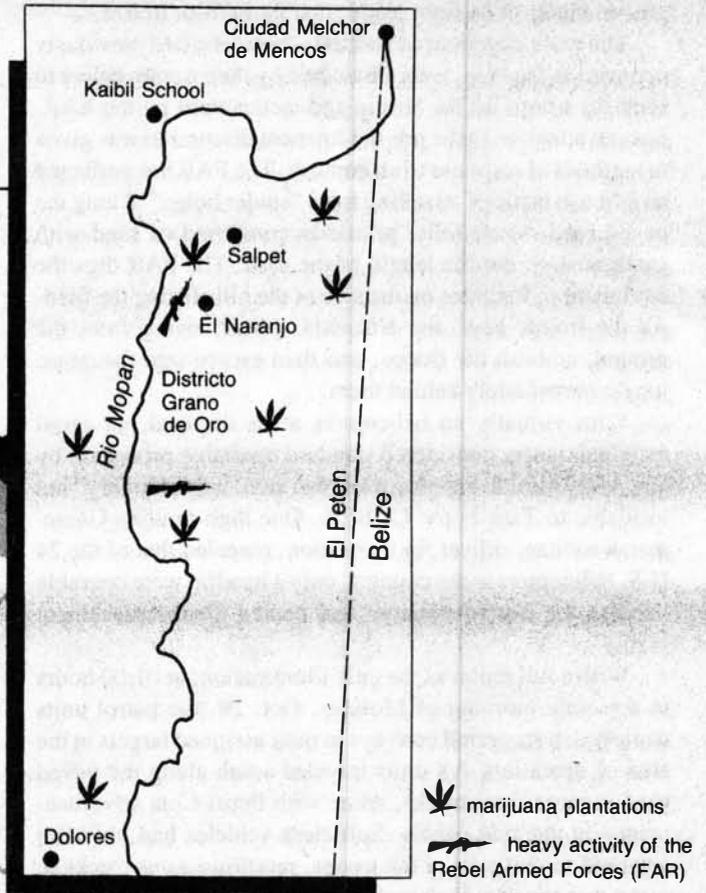
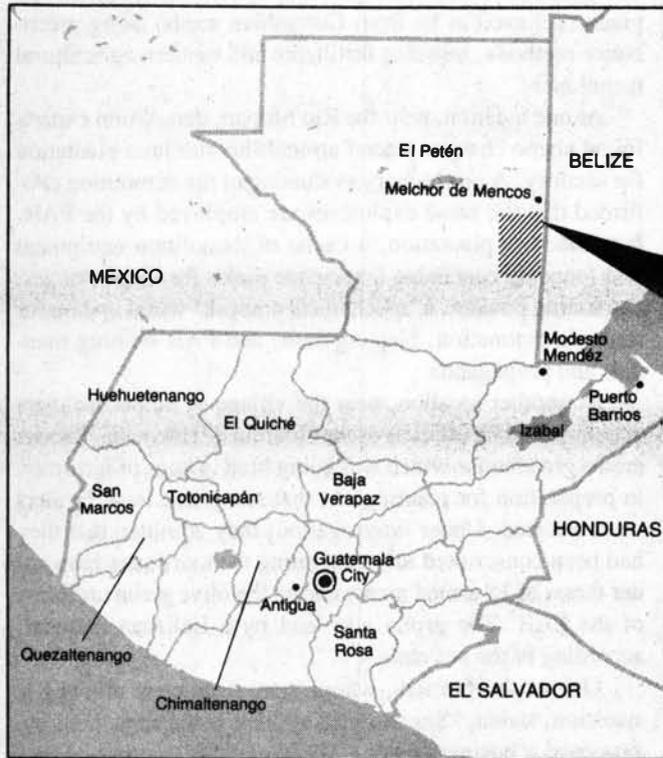
In the end, over 40 marijuana plantations were found and destroyed, with crops estimated at \$30 million. Demolition equipment used by the FAR was found near the plantations, including some explosives planted as perimeter security around the fields. Twelve prisoners were taken, from whom new information confirmed that Operation Guatusa-1 had struck a key center of the international arms-for-drugs network.

Phase 1

Operation Guatusa-1 was divided into into phases of operation.

Phase 1, in many ways, was the most difficult to complete. The different units, platoons, and companies that com-

Guatemala's war on the drug plantations



posed Task Force COBRA were spread throughout the state of El Peten. They had to be brought to a central staging area near the Kaibil Special Forces School to receive their instructions.

What might seem like a simple enough task was a major logistical challenge. First, there is virtually no radio communications grid to speak of. No secured radio transmissions lines existed between the General Staff headquarters in Guatemala City and detachments in El Peten. The FAR, on the other hand, has an extensive radio communications grid and courier network that dots the entire state.

To gain as much advantage with the element of surprise as possible, concentration of troops and their redeployment to the targeted areas had to be done with maximum speed. Traveling at night was optimal to avoid alerting the support apparatus of the FAR in the towns that would have to be traveled through.

The second logistical constraint was vehicles to transport the troops. No one company in the battalion had enough trucks to move its troops to the staging area. After each detachment received its order to move to the staging area, the commander of the detachment had to negotiate with the local

farmers to rent their trucks to move the troops.

Ironically, in some cases, the trucks rented were the same used by the narco-terrorists to transport bales of marijuana across the Belize border.

The detachments that were incorporated into COBRA based in Poptun, to the south of Dolores, had the most difficult task in reaching the staging area. They had an eight-hour trip, traveling north to the east of Dolores, so as to avoid passing through the area of operation which would have set off alarms for the FAR cells in the region.

Phase II

Despite such major logistical impediments, the result of the Carter administration's equipment-embargo, all detachments had reached the Kaibil Special Forces School by early Sunday evening, Oct. 27.

The unit commanders coordinated plans with the officials of the Guardia de Hacienda, who provided guides that could lead and maneuver the troops through the dense jungle. The information gathered by G-2 indicated that some plantations were as much as 20 kilometers off the only paved road, which traversed the area north to south. Processed marijuana is

moved out of these plantations, protected by the thick jungle, on mules or by light planes that fly in from Belize.

The more experienced soldiers, those who had previously operated in the area, were instructed by their commanders to brief the troops on the terrain and tactics used by the FAR. Special attention in the pre-deployment discussion was given to methods of response to an ambush. The FAR has perfected an ambush tactic of attacking from "spider holes." Along the paved road, small hills, primarily composed of sand with small bushes, dot the length of the road. The FAR digs the equivalent of foxholes on the side of the hills facing the road. As the troops pass, the terrorists appear, rising from the ground, ambush the troops, and then escape into the dense jungle immediately behind them.

With virtually no helicopters at its disposal, an aerial reconnaissance, considered standard operating procedure by any Army prior to entering a combat area, was a "luxury" not available to Task Force COBRA. One high-ranking Guatemalan military officer, in frustration, revealed that of the 24 U.S. helicopters in the country, only a handful were operable because the Carter embargo had denied them replacement parts.

With a full moon as the only illumination, at 01:00 hours in the early morning of Monday, Oct. 28, the patrol units deployed in staggered convoys to their assigned targets in the area of operation. All units traveled south along the paved road in large farm trucks, some with Pepsi-Cola advertisements on the side panels. Sufficient vehicles had not been acquired to move all of the troops, requiring some trucks to make two trips to deploy all units to their designated target areas.

By daybreak, the patrols were no longer visible on the road. Moving through the thick vegetation, they averaged 1/2 kilometer an hour, hacking through the jungle with machetes and chainsaws.

By late Monday evening, the first reports by radio reached the Command Post (CP), which was secured in an area just outside the hamlet of Salpet.

The few radios that were available for the operation had been obtained through a nationwide effort of the Army by pooling resources to facilitate the success of the mission.

One story, characteristic of the innovative "can-do" determination of the Guatemalan Armed Forces, revolved around a radio-communications problem. A young lieutenant, commanding a patrol outside of Dolores, had not only found numbers of marijuana plantations, but, dressed in civilian clothes, had managed to get the names of the seven owners of the plantations and taken them prisoner. He had found several bales of processed marijuana, ready for shipment, including two bales in the home of one of the prisoners.

The lieutenant now needed back-up to secure the rest of the area and intelligence support to interrogate the prisoners to exploit his find. But the Israeli-made radio he had could not make contact with the Command Post. His only alterna-

tive was to travel back to the CP. He hired a local framer who had a pick-up truck. Still dressed in civilian clothes, so as not to attract attention, he traveled 7½ hours to make his report.

By late Tuesday, Oct. 29, over 40 plantations, averaging 100 meters by 100 meters, had been located and secured. The Army unearthed a sophisticated production apparatus: The narco-terrorists were planting hybrid marijuana of top grade (believed to be from Colombian seeds) using greenhouse methods, utilizing fertilizers and modern agricultural techniques.

At one location, near the Rio Mopan, demolition experts found shape charges placed around the marijuana plantation for security. A preliminary evaluation of the demolition confirmed that the same explosives are employed by the FAR. Near another plantation, a cache of demolition equipment was found containing homemade molds for shape charges, detonating powder, a "mechanical ambush" wired system for multiple detonation, blasting caps, and FAR training manuals and propaganda.

At another location, near the village of Salpet, soldiers accompanied by officials of the Guardia de Hacienda, uncovered a greenhouse which was being bred in bags of fertilizer, in preparation for planting. At that site, three local farmers were arrested. Under interrogation, they admitted that they had been conscripted into cultivating the marijuana crop under threat of 15 armed men wearing the olive green uniforms of the FAR. The group was led by a Belizean national, according to the peasants.

One of the farmers, whom journalists were allowed to question, stated, "Several men in olive green came here and proposed a business deal: I would plant this crop, and they would pay me. They told me not to ask questions, because they weren't there to give explanations, only seeds. . . . They warned me that if I told anyone, I would pay the consequences."

The farmer also said that one of the narco-terrorists indicated that they need not fear the government authorities, because the police and army were in no position to police the area.

According to Colonel Castellanos, the information provided by the farmers confirmed other reports of a dozen FAR cells operating with impunity across the Guatemala border inside Belize, as the "logistics command" for the guns-for-pot trade believed to be the primary source of arms for the FAR in EL Peten.

Phase III

The concluding phase of Operation Guatusa-1 involved exploiting the information gained through the operation, and redeploying the manpower to secure the national elections from terrorist disruptions. As the commander of Task Force COBRA, rightfully pleased with his success, stated: "This is just the beginning. If we can muster the equipment, there will be two, three, four, many *Guatusas*."

The drug mafia invades Guatemala

by Jeffrey Steinberg

When the Reagan administration, during its first term in office, created the National Narcotics Border Interdiction Service in the office of Vice-President George Bush, things became complicated for some of Ibero-America's preeminent dope peddlers. With southern Florida virtually occupied by an army of U.S. Customs, Central Intelligence Agency, Coast Guard, Border Patrol, and other anti-drug enforcement agents, and, with the long-preferred "Caribbean route" congested with U.S. surveillance planes, ships, and satellites, monitoring and intercepting illicit cargoes, it was clearly "time for a change."

The early 1984 assassination of Colombia's leading anti-drug fighter, Justice Minister Rodrigo Lara Bonilla, only added more heat, as U.S. ambassador Lewis Tambs, a close friend of the slain minister, forged deeper anti-drug collaboration between Washington and Bogota.

New smuggling route

South American sources have confirmed that the drug mafia responded to this temporary threat by shifting from the Caribbean route to an alternative smuggling channel running up South and Central America's Pacific Coast through western Mexico and into the southwest United States.

In this new schema, Guatemala has emerged as a prime piece of real estate targeted by the international dope-for-arms syndicate, with its deep ties to East bloc intelligence services.

According to several recent defectors from the drug syndicate, Colombian-processed cocaine is being flown from Cartagena, Colombia up the Pacific Coast in small planes to private landing strips along the southern plains of Guatemala. Reportedly, these clandestine airstrips once serviced the large plantations of Guatemala's agriculturally rich south, an area gutted by the terrorist upsurge of the early 1980s and the cumulative economic drain brought about by the Carter administration embargo of April 1977.

From their refueling stop in Guatemala, where dope runners are paying between \$50 and \$75 per liter for airplane fuel, for the security of knowing that no radar system exists in the area, and that most of Guatemala's reconnaissance planes have been grounded for lack of spare parts since the

1977 U.S. aid cutoff, the cocaine is shipped on to its final destination—the northwest Mexican city of Guaymas, Sonora—where it is smuggled across the border into the U.S. market.

Guatemalan authorities interviewed by this reporter estimate that each of the small planeloads of cocaine passing through Guatemala carry an average 250 kilos, street valued at over \$500 million a shot.

According to Guatemalan authorities, these drugs are "bartered" for weapons destined for the narco-terrorist gangs operating in the country's outlying areas.

Small planes bearing large volumes of M-16 rifles, grenade launchers, mortars, Russian hand grenades, and hundreds of thousands of rounds of ammunition have been flown from the coastal landing strips used for the Colombia-to-Mexico route into El Peten to the far north of the country, where the Cuban-tied FAR is engaged both in terrorist and separatist activities, and in large-scale cultivation and processing of marijuana.

Not coincidentally, Guatemalan authorities have now established direct links between the FAR and the Colombian M-19, the notorious narco-terrorist gang linked to cocaine trafficker Carlos Lehder Rivas and the Havana-based Robert Vesco.

Opium wars—Latin style

On Sept. 9, Guatemalan officials opened a new flank in their war on drugs when several opium-poppy plantations in the mountainous region of San Marcos, on the Mexican border near the Pacific Coast, were raided. Over \$40 million in poppy (amapola) was seized and destroyed, and a dozen men arrested—all subsequently linked to various Guatemalan terrorist groups.

Months before the raid, three Mexican agronomists carrying passports issued in Tijuana, Baja California Norte, were arrested in Guatemala. Their passports showed frequent trips in and out of the United States. At the time of their arrests, the agronomists were working on expanding the opium cultivation in Guatemala's western highland departments of Alta Verapaz, Baja Verapaz, Chimaltenango, San Marcos, and Huehuetenango. This zone, lying conveniently adjacent to the Mexican border state of Chiapas, a hotbed of separatist insurgency, is believed by Guatemalan authorities to be targeted for major opium cultivation, augmenting the recently revived production in Mexico's own northwest "opium triangle."

Border areas targeted

The opium production in the western highlands has been augmented by a heavy narco-terrorist deployment into the northern department of El Peten, where the border areas with Mexico and Belize have been singled out as preferred areas for cultivation.

The Yucatan region of Mexico, to the north of El Peten,

and Belize, to the east of El Peten, have been confirmed to be favorite areas of operation of Cuban intelligence agents dealing in arms-for-drugs support to the terrorists inside Guatemala.

During the previous, pro-Havana Price government in the former colony of British Honduras (now Belize), Cuban Direccion General de Inteligencia (DGI) agents were "leased" large tracts of land along the Guatemalan border north and south of Melchor de Mencos, as the result of which FAR terrorist cells established support bases inside Belize that to this day service the marijuana trade now flourishing in the region.

According to Guatemalan officials interviewed during the course of *Operation Guatusa I*, Cuban planes have been reported landing in the northeast corner of El Peten, picking up large volumes of marijuana, in exchange for deposits of arms for the FAR.

European rings

Guatemalan officials have established that, in addition to the Cuban presence across the border in Belize, several smuggling rings made up of European nationals are running clandestine flights between El Peten and Belize bringing out the marijuana crops. Once inside Belize, under the watchful eye of British authorities and complicit local officials, the

drugs are trucked over the modern highway crossing the area to the port of Belize City, where the pot is shipped off to its final market.

Similar soft-border arms-for-pot operations have been confirmed by Guatemalan military units operating in the FAR stronghold area along the Usumacinto River, defining part of the Guatemala-Mexico frontier. Mexican officials have long defined this region as a no-man's-land which has been heavily targeted for penetration by Iranian, East German, North Korean, and Cuban agents working with local communist cells tied to the PSUM, formerly called the Mexican Communist Party.

To the extent that a domestic drug market exists, it has also been linked to the terrorist networks. According to Guardia de Hacienda officials familiar with the pot production in El Peten, trucks of grain and chicle have been recently used to covertly transport marijuana into the capital city, where it is distributed through the San Carlos University, a hotbed of insurgency activity. In September of this year, when serious urban disturbances threatened to explode into full-scale riots in Guatemala City, the Guatemalan army entered the campus of San Carlos University and siezed large volumes of pot and weapons which were being used by radical students tied to the banned PGT, once the center of an elaborate urban terrorist infrastructure.

A COMBAT MANUAL for the WAR ON DRUGS

"We must have a formal declaration of war, against narco-terrorism as an entity, and fight it as necessary by the methods of war. It's a war we could fairly easily win, or at least establish major victories in the Caribbean area.

—Lyndon H. LaRouche

EIR's Special Report, "Soviet Unconventional Warfare: The Case of Guatemala," shows who is trying to turn Guatemala into the newest wholly-owned plantation of the international drug mafia—and how to stop them. The dope pushers have a six-month timetable for smashing the resistance of the Guatemalan military. Yet the U.S. State Department has maintained the Carter administration's boycott of aid for the Guatemalan anti-drug effort, on grounds of "human rights violations."

Also available are a slide show and a 25-minute videotape, including on-the-scene action shots, and interviews with military officials in the United States and Guatemala.

- Special Report. *Soviet Unconventional Warfare: The Case of Guatemala*. Order #85016. **\$150.**
- Complete package on Guatemala's war on drugs: Special Report, slide show, and videotape. **\$500.**
- Two Special Reports for antidrug fighters, at a discount price: *Soviet Unconventional Warfare: The Case of Guatemala* and *Narco-terrorism in Ibero-America*. The latter report, issued in 1984, exposes the drug-pushers of Colombia and Peru, with a ground-breaking analysis of the role of gnostic cults in narco-terrorism. **Two for \$250.**

Order from your Regional EIR representative or from:
EIR News Service, P.O. Box 17390, Washington,
D.C. 20041-0390.

LaRouche calls for U.S. to aid Guatemala

On March 13, 1985, at a conference in Mexico City, a continental strategy for a war on drugs authored by Lyndon LaRouche was presented to representatives of Ibero-American governments and the press. This initiative was followed up in July, when EIR released a 33-minute film documentary on Guatemala's battle against the narco-terrorists. The film was played simultaneously on all Guatemalan government-run television stations on Sept. 8 and 15. In it, LaRouche issues the following challenge to U.S. policy:

Narco-terrorism is today an international entity, which functions in some respects like a government. This entity, international narco-terrorism, is conducting warfare against states of the Western Hemisphere and other states. Now, while the President has described his combat against this evil as a "War on Drugs," we cannot win that fight unless we go from the word "war" to the practice of what the word "war" means. The only solution to deal with the drug problem, without which all the other things that should be done won't work, is that we must have a declaration, a formal declaration of war, against narco-terrorism as an entity, and fight it as necessary by the methods of war. It's a war we could fairly easily win, or at least establish major victories in the Caribbean area. . . .

The clock is ticking. Some countries like Bolivia, for example: The armed forces of the drug-traffickers exceed the military capabilities of the government itself. The income, the revenue of the drug sector of the economy in Bolivia, is greater than the legal economy. As a result of this kind of power shift, we have, increasingly, sections of the population who are suffering the effects of the debt crisis and so forth, who find that the way that they can get money, can participate in power, is to go on the payroll of the narco-terrorist apparatus.

Bolivia is the worst case; Peru is similar; Colombia is on the edge of falling totally under the control of the narco-terrorists—you still have a government that's willing to fight this problem, but with diminishing confidence. In Venezuela, we have a similar situation. In Guatemala, we have a strong ally whom we've neglected, but there is a commitment to fight this war.

But, throughout the continent, if we let the clock tick, yes, we will have governments which are owned and controlled by the narco-terrorists. Then, yes, maybe U.S. troops go in. Now, if we act in time, to assist these governments in doing the job themselves, with nothing more than technical support from us, they *can* win the war. So, the question of whether we ultimately go into the hemisphere to fight wars below our Rio Grande border, is a question of whether we have the sense and commitment *now* to help these governments while they still are our friends, before they become completely controlled creatures of the narco-terrorists.

The problem of those countries where forces have been willing to fight the war on drugs, is that the United States uses the word "war," but our performance as a nation doesn't match the words. If we assisted one country, such as Guatemala, to wipe out the major part of the drug-trafficking apparatus, that is, the parts we could hit with military means, which would be the major part, and thus destroy the logistics of the terrorists, we would set a precedent where these countries and their governments would, for the first time, begin to believe that our deeds will match our words.

Here are highlights from LaRouche's 15-point action plan for a continental anti-drug effort, presented in Mexico City:

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 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 the Hemisphere is crushed by the methods and weapons 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. . . .

Pre-summit talks with Moscow: All deals are off

by Kathleen Klenetsky

If the Gorbachov-Reagan summit takes place at all, indications are that it will be a purely *pro forma* meeting which will produce none of the agreements or agreements-to-agree for which George Shultz's State Department has been so ardently striving.

By all accounts, Shultz's mission to Moscow was a total bust. After 14 hours of "vigorous" discussion with Gorbachov and Foreign Minister Edvard Shevardnadze, a glum-looking Secretary of State admitted: "I can't say that anything definitive was settled as such, although we did, I think, narrow our differences. But, as I said, there are deep differences remaining."

Noting that every subject of contention between the superpowers had been discussed, Shultz reported: "There were one or two things that we can say, 'We agreed on that'. . . . Basically we have a lot of work to do."

Shultz's gloomy assessment has been confirmed by various administration officials who accompanied him to Moscow. In light of other recent developments, including the series of Russian defections and re-defections which President Reagan himself has suggested may be part of "a deliberate ploy, a maneuver" by the Kremlin, Shultz's abortive trip has led to widespread speculation that the summit may not take place at all. One rumor circulating in Washington, attributed to high-level White House sources, is that Reagan may develop a "bad cold" which would force him to cancel out of the summit altogether.

Shultz's failure to achieve a meeting of minds with the Soviet leadership was not for lack of trying. The secretary of state had made no secret of his desire to reach an accommodation with Moscow at the expense of U.S. national security, and had trotted off to Moscow for pre-summit consultations with the firm intention of reaching an "agreement in principle" to sell out American interests in the Pacific, the Middle

East, and Europe, as well as the President's SDI program.

Shultz was planning to tell the Soviets that the United States has no objections to their taking over the Middle East—as long as they grant Israel diplomatic recognition. He was also prepared to discuss the transfer of such U.S. allies as the Philippines to the Soviet orbit.

The secretary of state also intended to set the stage for a potential sell-out of the Strategic Defense Initiative, in exchange for some cosmetic Soviet "concession."

Hardened positions

But at this point, all deals appear to be off. Instead of any so-called breakthroughs, there has been a noticeable hardening of positions on both sides. Senior members of the Shultz entourage reported that Gorbachov and Shevardnadze were immovable on arms-control. In fact, the officials said, the Soviet leaders retreated from Gorbachov's recent "concession" that Moscow would permit the United States to continue pure research on the SDI, and are once again demanding a ban on the entire program.

The 68th-anniversary celebrations of the Russian Revolution, which came just days after the Shultz visit, were marked by a fresh wave of threats and warnings to Washington. "If the explosive international situation does not diminish, the Soviet Union and its allies in the Warsaw Pact will continue to strengthen its military might, equipping their armed forces with everything they need" to defend the Motherland, Defense Minister Marshal Sergei Sokolov declared in a Revolution Day speech.

Sokolov sounded the same theme in a *Pravda* article, claiming: "It now seems to the White House that the United States will achieve military superiority by creating a fundamentally new type of weapon—space strike systems." He then stated: "The U.S.S.R. will issue an adequate reply to

the challenge. . . . Only a complete ban on space strike systems, including a ban on target-oriented research, would clear the way to a radical reduction of nuclear armaments."

It is quite likely that Shultz's trip failed because the Kremlin leadership has realized that Reagan simply does not share his secretary of state's inclinations for appeasement. In particular, in the period immediately prior to the Shultz visit, Reagan made a series of statements making it quite clear that SDI concessions were out of the question.

In a widely publicized interview with BBC, Reagan went out of his way to stress his desire to share SDI technology—"one of the most momentous things in the century"—with the Soviet Union. Asked by BBC if he would offer SDI to the Soviets "off the shelf?" Reagan replied: "Why not? I think this is something to be discussed at the summit as to what kind of an agreement we could make. . . . I would like to say to the Soviet Union, we know you've been researching for this same thing longer than we have. We wish you well. There couldn't be anything better than if both of us came up with it. But if only one of us does, then why don't we, instead of using it as an offensive means of having a first strike . . . why don't we use it to ensure that there won't be any nuclear strikes?"

Moscow's reaction was immediate—and blunt: "It follows from the interview that the building up of the arms race and the pursuit of military strategic superiority over the Soviet Union remain the cornerstone of Washington's foreign policy," pronounced TASS. "The President made it clear that the highest levels of the U.S.A. do not intend to discuss the question of the non-militarization of space, but to reduce it to a mere statement of the well-known position of Washington."

The Soviets then censored out the President's repeated references to sharing SDI with the Soviet Union from the interview he gave to *Izvestia* on Oct. 31.

Thus, even before Shultz arrived in Moscow, the Soviets had signaled their total opposition to the core of Reagan's negotiating position—a global shift toward defensive systems. But the Soviets' recalcitrance also set the stage for Reagan to make his commitment to SDI even stronger; and once Shultz had been swatted around the Kremlin, Reagan began to up the ante in earnest.

Reagan took advantage of the confusion that arose over his statements to *Izvestia*, suggesting that the United States would not deploy SDI until it had dismantled its offensive nuclear weapons, to plug SDI with even greater fervor. In an interview with wire services Nov. 6, the President said his statements had been misinterpreted, and that, in fact, the United States is prepared to deploy the SDI unilaterally. "If we had a defensive system and we could not get agreement on [Moscow's] part to eliminate the nuclear weapons, we would have done our best and we would go ahead with deployment, even though, as I say, that would then open us up to the charge of achieving the capacity for a first strike."

Had he meant to give the Soviets a veto over SDI, he was

asked? "Forgive me if I say, hell no," Reagan responded. "When we've got it developed and know that we have that kind of defense weapon, we want to sit with the rest of the nuclear powers and say, hey, now, join us all in getting rid of nuclear weapons and institute a defensive system."

Reagan was then asked how flexible the United States would be on the SDI at the summit. Reagan replied that he plans to use the Nov. 19-20 summit to "try to impress upon them how firmly we believe in [SDI]." The SDI "means too much to the world and to the cause of peace. . . . Flexibility, I think, is not involved."

Although Defense Secretary Caspar Weinberger has not been included in the summit delegation, there is every indication he will play a strong role there nonetheless. Just four days before the summit opens, Weinberger will hand deliver to Reagan a new Pentagon report on Soviet treaty violations. Administration officials say the report, which Reagan commissioned several months ago, will allow him to face Gorbachov armed with specific details on Russian violations of both the SALT and ABM treaties. The report also contains options for the United States to retaliate by exceeding current limits on U.S. nuclear warheads, if the United States gets no assurances that Russian violations will stop. One option is for the United States to ignore SALT II limits on submarine-launched missile warheads.

In a Nov. 4 speech to the New York Foreign Policy Association, Weinberger warned that the United States cannot afford "to isolate arms control from the entire context of U.S.-Soviet relations," and called for a "comprehensive negotiating posture" at the summit that would address "Soviet aggression" in the Third World and Russia's violation of arms treaties. "We do not share the belief of those who hold that the mere process of negotiations on arms reductions, isolated from all other pressing disputes and competitions, is good in itself," he said, adding that focusing solely on arms control could "mask Soviet adventurism."

There is another possible reason behind the summit's devolution, which Gorbachov alluded to in his meeting with Shultz: the LaRouche factor. According to a senior administration official, Gorbachov believes "American policy is heavily influenced by small circles of extremist people who are ideologically anti-Soviet," and is "heavily persuaded by a view that there is an ulterior motive, a hidden agenda, an overriding anti-Soviet influence" in administration policy. The fact that Reagan has repeatedly insisted that he will not bargain away the SDI, despite pressure from the New Yalta crowd, may have convinced Moscow, which regards LaRouche as the intellectual author of the SDI, that the Reagan White House may not have broken "channels of personal contact" with the *EIR* founder.

As LaRouche writes in a Nov. 6 press release, "Soviet officials have stated that unless such channels were broken, Moscow would refuse to enter into summit negotiations with President Reagan—'summit' negotiations which may have now broken down in any case."

Money-laundering bill before House

by Nicholas F. Benton

Back on June 13, Attorney-General Edwin Meese announced administration sponsorship of legislation to make "money laundering"—the process of concealing and disguising the illegal source of drug or other crime-related money—a crime for the first time. Meese motivated the legislation as a matter of utmost urgency, describing it as "one of the biggest problems presently facing law enforcement."

This was underscored less than a week later, when John Walker of the Treasury Department announced major fines against four large, New York money-center banks found guilty of billions of dollars of unreported cash transactions showing all the signs of "laundering."

Now, almost half a year later, Meese's initiative finally found its way into a hearing in Congress. Still a long way from becoming law, and confronted by powerful overt as well as covert opposition from the banking community—especially the major dope-linked banks—Senate Bill 1335, introduced by Sen. Strom Thurmond (R-S.C.), was given its first hearing Oct. 29 before the Senate Judiciary Committee.

Principal witnesses were Meese's assistant, Stephen Trott, head of the DOJ Criminal Division, and James D. Harmon, Jr., executive director of the President's Commission on Organized Crime. The two sounded quite different chords, however.

Trott's main polemic was against the banks and other "respectable" institutions, which he said are involved in the over \$150 billion annually generated in the United States by "drugs, gambling, and vice in general." (Forget about cutting the defense budget or Medicare: This waste is the size of the entire federal deficit by itself!)

Trott attacked in particular "the increasing willingness of professional persons, such as lawyers, accountants, and bankers, at all levels from tellers to senior officials, to become active participants in money laundering."

This was a major departure from the remarks by Harmon. He, who once eloquently attacked money-laundering banks as having the blood of dead youth on their hands, this time intimated that the banks were merely the victims of customers who try to use their institutions for laundering purposes. That notion, a cover-up device, is exemplary of pressures and even blackmail being brought against the administration.

Trott attacked two "alternative" bills that have been introduced—S.572 and S.1385—which were written to appear similar to the administration-backed bill, but in fact exclude financial institutions from liability for laundering. "This," Trott exclaimed, "is unacceptable. Events of the past few years have vividly illustrated that banks should be clearly covered by any new money laundering offense." In an egregious effort to protect dope banks, the "alternative" S.572 and S.1385 bills also sought to exempt money laundering through bank wire transfers!

Needless to say, the otherwise prestigious American Bankers Association is officially on record against the administration bill. Why, it "would virtually repeal all the protections established by Congress in 1978 when it approved the Bank Secrecy Act," the bankers howl.

But Trott was working off the major cases of large-bank involvement in laundering of drug money exposed by the Treasury Department earlier in the year. Following the scandalous revelations against Chase Manhattan, Manufacturers Hanover, Irving Trust, and Chemical Bank in June, Crocker National of San Francisco, the nation's 10th largest, was found guilty of failing to report over \$4 billion in cash transactions—mostly with Honk Kong—in just a five-year period. That was the case which provoked Treasury official Walker to publicly accuse the bank of laundering billions in heroin proceeds.

In his testimony, Trott cited an exemplary case of such "dirty money" laundering, the so-called "Pizza Connection." In October, he noted, "three men were convicted and jailed for laundering \$47 million obtained from heroin sales in U.S. pizza parlors. The scheme involved some 500 people in Switzerland, New York, Italy, and Turkey, who sold \$1.65 billion worth of heroin through the so-called pizza connection." But, despite the magnitude of this case, it is only a tiny fraction of the totals, annually, that are laundered from drugs, gambling, and vice activities in the United States, not only financing criminal and terrorist networks here and abroad, but destroying the minds of virtually an entire generation of our nation's youth.

The administration's bill calls for imprisonment for up to 20 years and a fine of up to the greater of \$250,000 or twice the amount of money involved in the offense. It would find a party guilty "provided that the government can show either of the following: first, that the person acted with the intent to promote, manage, establish, carry on, or facilitate an unlawful activity [defined as a state or federal felony], or, second, that the person knew or acted in reckless disregard of the fact that the monetary instruments or funds represent the proceeds of or are derived from the proceeds of an unlawful activity."

These definitions fit the profile of many "citizens above suspicion" among the U.S. financial elite, whose only hope is that the American public won't notice how hard they are working to prevent this legislation from becoming law, and to cripple the administration's ability to enforce it if it does become law.

State Dept. covers for Soviet aims in Angola

While the Soviet Union is pouring billions in arms and military materiel into Angola to prop up the regime there and secure a strategic grip on southern Africa, George Shultz's State Department has announced that it is actively discouraging any U.S. action in the region except "negotiation."

State Department Undersecretary for African Affairs Chester Crocker told the House Foreign Relations Subcommittee for Africa on Oct. 30 that any move by Washington that could be perceived as threatening to the Angolan regime "should be discouraged." He was referring specifically to the Pepper-Kemp bill to give \$27 million in humanitarian aid to UNITA, the main anti-government group.

Why should any action be discouraged? Because the MPLA has indicated a "willingness to negotiate." Period.

The Soviets have pumped over \$2 billion in military aid into Angola in the last year alone, most of it to build up offensive military capabilities, including expensive, sophisticated helicopters, offensive air capabilities, and anti-aircraft and radar equipment. This has augmented the presence of over 35,000 Cuban troops and advisers who have propped up the pro-Soviet MPLA regime and are poised at any point to make a move south through Namibia, conceivably to confront the Union of South Africa. Massive Soviet and East bloc logistical support is also being supplied to the SWAPO terrorists in Namibia and the African National Congress in South Africa.

The Soviet military designs received a setback during the summer, however, with the repeal by the U.S. Congress of the Clark Amendment, which had prohibited U.S. aid to contra forces. But Shultz and company are now mobilized to reverse this, in the service of the Trilateral Commission's "New Yalta" deal with the Soviet Union.

The State Department has found support for its policy from unscrupulous Wall Street circles. At the congressional hearings, José Sorzano, president of the Cuban-American National Foundation, testified that U.S. oil interests are playing a vital role in propping up the Soviet-Cuban presence in Angola. "Senator Proxmire noted," he said, "that the profits of the Cabina Gulf Oil Company provide 'hundreds of millions of tax dollars in revenue to the communist leaders of Angola.' This revenue goes to support the Cuban troops in Angola and the Soviet and Eastern European advisers."

The State Department's Crocker defended the refusal of his agency to put Angola on a "communist nations list" on the grounds that U.S. business with Angola is so brisk—in the order of \$1 billion annually—and that declaring Angola communist would prevent the Ex-Im Bank from channeling dollars into that country. As it is, Ex-Im guaranteed a \$130 million loan earlier this year as part of an overall \$350 million loan package from the United States.

University of Southern California International Relations expert Gerald Bender testified on just how eager the Angolans are to get U.S. business—and how eager Wall Street, in turn, is to help subsidize the Soviet designs for that region.

Bender said: "At a recent New York luncheon, Angolan President

José Eduardo dos Santos was highly praised for the business-like manner in which his government conducts its relations with American firms. Many of the dozens of businessmen who attended the luncheon, hosted by Chevron and Bankers Trust, were impressed by dos Santos's straightforward and non-rhetorical answers to their questions. . . . In fact, tough economic austerity measures that are being followed to further reduce Angola's relatively small international debt would comfort any IMF official, despite the fact that Angola has not yet joined the International Monetary Fund or World Bank."

Schroeder's farce on Namibia

Representative Pat Schroeder (D-Colo.) is doing her own part to support the Soviets' southern African scenario, by introducing a bill to prohibit U.S. business exploitation of mineral and other natural resources of Namibia.

The bill would give the notoriously pro-Soviet United Nations Council on Namibia legal powers over U.S. jurisdiction—a blatantly unconstitutional move.

Schroeder's bill was introduced, she said, because of the presence of 75 U.S. firms that are exploiting the resources of that country. But in reality, as Namibia expert Marion Smoak confirmed in congressional testimony, there is not one single U.S. firm engaged in mining or extraction work in Namibia. The list of companies Schroeder referred to included the likes of Coca Cola and McDonald's only. Those companies may indeed be a menace to the Namibian people—but not in the way Schroeder contends.

Kissinger Watch by M.T. Upharsin



Henry in hunting season

President Reagan lost a golden opportunity when he recently cleaned house at the President's Foreign Intelligence Advisory Board, but failed to remove Henry Kissinger from that agency. The housecleaning, which is being described by some as a "purge," brought the size of the FIAB, down from 25 to 15, and clearly did get rid of some rotten apples, like Edward Bennett Williams.

But Kissinger, who had been appointed to the official advisory post in the spring of 1984, kept his post, along with his Trilateral Commission crony Howard Baker. Probably someone told the President that to fire him, would send the "wrong signal" to the Soviets.

* * *

Kissinger is clearly active on foreign policy, of course, although he mixes it with profit-making in his consultancy as much as possible. One important upcoming trip will take him to Bangkok during the third week of November. The public reason is a series of seminars which will prominently include Thai Foreign Minister Siddhi Savestila. Privately, sources point out that a major series of *EIR* conferences

on the strategic and economic perspective in the Pacific are scheduled for late November and early December. And if there is one thing that Kissinger takes a special interest in, it's trying to sabotage events organized by associates of Lyndon LaRouche, events which also promote economic development.

However, Kissinger may not get the welcome he bargained for. The *Siam Mai* magazine has recently put out an exposé of Kissinger's latest assassination plot, and a dossier of dirt on "Bor" is now circulating widely throughout Bangkok.

Kissinger has been made the case officer on a new extermination campaign in the far East, in particular, the case of General Kriangsak of Thailand. Kriangsak, once a prime minister of Thailand, is a strong advocate of industrial development of Thailand, including of the Kra Canal, which has been heavily advocated for by LaRouche and his associates in the Fusion Energy Foundation. Kriangsak is also strongly pro-United States. Hence, Kissinger's assignment to get rid of him.

The means for accomplishing the task was the arrest of Kriangsak as a conspirator in the Sept. 9 attempted coup in Thailand. According to Kriangsak, however, he was forced at gunpoint into the coup headquarters, and had nothing to do with it. The real explanation is, that Kissinger has ordered the leading government officials to get rid of Kriangsak, by any means necessary. Thus, the Thai government is putting a former head of government on trial for treason for his alleged role in the Sept. 9 coup. Yet, at the same time, it is letting the real ringleaders of the coup—the Young Turk officers—go scot free.

According to the *Far Eastern Economic Review*, Young Turk leader Manat was permitted to escape over

the border to Burma, and has even been seen since in Bangkok itself, but there has been no effort to nab him. Young Turk leader Manoon, Manat's brother, is in West Germany, where he is living with an exiled leader of the Communist Party of Thailand.

Meanwhile, sources in Washington confirm that Kissinger's orders have gone down for the judicial murder of former Prime Minister Kriangsak Chamonon.

* * *

Right before Henry's trip to the Far East, however, he has another engagement—as long as the Reagan-Gorbachov summit goes ahead, that is. As he proudly announced on the ABC morning show on Nov. 3, Henry plans to be in Geneva during the summit talks.

Since the Yurchenko affair had still not blown up in Secretary of State Shultz's face, Henry had every reason to appear optimistic on this talk show. He poured out his usual obscure prognostications, with their usual contradictions and bows to traditional wisdom. All in all, he advised Reagan to carry out discussions on regional problems, and at the same time, not to give up the Strategic Defense Initiative. (If you're trying to get someone to listen to you, it's a good idea to parrot what they had to say.)

Henry was probably feeling confident also because he knows what's been going on in the Senate. With all the talk about possible exoduses of Soviet Jews to Israel, and the possible suspension of the Jackson-Vanik amendment, it seems that whole sections of Kissinger's memoirs on how to deal with the Soviets on the Jewish question, were circulating around the Senate. Now that both Viktor Louis, and the Yurchenko affair have poured cold water on that exodus idea, Henry may be disappointed.

AFL-CIO backs tests of teachers

The action, initiated by Albert Shanker, has received the endorsement of EIR's LaRouche.

All beginning teachers should be tested and required to meet a standard which represents at least the average of all college graduates," according to a resolution passed Oct. 30 at the national AFL-CIO convention in California.

The resolution, passed unanimously by the nearly 1,000 delegates, is the first time that the 13.2-million-member labor federation has formally backed the idea of a uniform national teacher competency test for beginning teachers.

The resolution was introduced by American Federation of Teachers (AFT) President Albert Shanker, who has been fighting for the idea of a national competency test for many months, mainly within the ranks of teachers and teacher organizations.

"It is a very significant position we've taken here today," Shanker told the AFL-CIO convention. "Salaries and working conditions have been so poor recently, we have some teachers who shouldn't be there," Shanker said. "We have a strong interest in improving the quality of public education. The willingness of the public to support public education depends on how well we are doing."

Shanker's proposal was warmly greeted by Lyndon LaRouche, *EIR* contributing editor, when first announced some months ago. "Given the constraints within whose bounds you have been obliged to maneuver, most of your policies respecting education, as known to me, have been consistent

with the public interest," LaRouche told Shanker, in a 65-page memorandum to the labor leader on the subject, "Saving Our Children: Reintroducing Classical Education to the Secondary Classroom."

Implementation of such a competency test must be done on the state level, but federal funds can be used as leverage to force adoption of such a test by recalcitrant states.

The resolution also called for "higher teacher certification requirements that specifically include greater emphasis on subject matter competence and less emphasis on method courses." The federation also called for "radical increases" in beginning teachers' pay, calling for entry-level salaries averaging \$23,000 per year, to be raised from the national average of \$14,000 per year.

The AFT, affiliated with the AFL-CIO, represents 610,000 teachers nationwide. Its fight for a national teacher competency test has been opposed by the ultra-liberal National Education Association (NEA), representing 1.4 million educators, which this summer endorsed state competency tests but specifically refused to call for nationwide uniform testing of teachers. The NEA is not affiliated with the AFL-CIO.

Commenting on the NEA's position, the AFT's monthly newsletter, *The American Teacher*, says, "By not proposing a national standard, the NEA has essentially kept the status quo in which teachers are not per-

ceived as professionals who enforce a shared standard of competence. The NEA position leaves individual states with discretion to lower test cut-off scores to fill classrooms with warm bodies during the coming teacher shortage."

The question of teacher competence is central to the proper functioning of the United States, as LaRouche notes in his memorandum to Shanker. "Universal public education must foster a general level of moral and political culture consistent with the functions of the electorate in a democratic republic."

To establish competent public education, the greatest obstacles to be overcome within the classroom, LaRouche says, "will arise not from the students, but rather in terms of new requirements for preparation and continuing education of teachers. To meet the requirements of a climate of technological progress, the teacher must be guided by knowledge of the secondary-school topics from an advanced standpoint." Hence, teacher competency in subject matter, and adequate salary to attract top professionals in the subject field, are absolutely essential preconditions for the needed reform in public education.

LaRouche locates the turning point downward in American education as the "breaking of the back of the high standards once set by the New York City Board of Education," during the provoked New York Teacher's strike of 1968 and subsequent establishment of "Big MAC" austerity during New York's municipal debt crisis. This "set the precedent for erosion of education in the nation at large," LaRouche charges.

The AFT/AFL-CIO's resolution is clearly a welcome signal of change in what has been nearly two decades of collapse in the nation's educational standards.

The keelboat or the steamboat?

by Anton Chaitkin

Argentine Juan G. Labaké proposes a sweeping solution for the hemispheric crisis of debt and poverty, in his book *A Proposal of 30 Million: A Common Market for the Industrialization of the Ibero-American Nations*, and a debtors' cartel that could put a ceiling on the annual debt payments of those countries. He has recently shared these ideas in meetings with the leaders of several nations, who have reacted with growing enthusiasm.

That the United States should endorse these proposals, and itself join such a development-oriented hemispheric Common Market, has perhaps not seemed within the realm of possibility. The International Monetary Fund, and a set of giant creditor banks for whom the IMF is the policeman, call the tune for the docile U. S. government, though the banks' usury and anti-development policies are fast sinking the U.S.A. with the Third World in a common ruin of debt and stagnation.

The blind giant forgets the source of its own power. American industrial greatness was deliberately constructed on Alexander Hamilton's program of guided progress, starting with a moratorium and stretching-out of the debts of the American Revolution.

After a period of lapse, in which "free market" idiocy dropped the country into idleness and depression, the second generation of American nationalists revived the Founding Fathers' program. On March 30 and 31, 1824, Congressman Henry Clay of Kentucky, speaking in favor of a protective tariff, outlined certain *universal* principles of national development. With the re-adoption of these principles, the United States, under the leadership of Clay, John Q. Adams and, later, President Abraham Lincoln, built its railroads, its steel mills, its entire massive agro-industrial complex.

'General distress'

Clay spoke of "the general distress which pervades the whole country . . . the diminished exports of native produce . . . the depressed and reduced state of our foreign navigation . . . our diminished commerce . . . successive unthreshed crops of grain, perishing in our barns and barn-yards for want of a market . . . the numerous bankruptcies, not limited to the trading classes . . . universal complaint of the want of

employment, and the consequent reduction of the wages of labor. . . ."

Clay attributed the depression to the fact that "we have shaped our industry, our navigation, and our commerce" entirely to foreign requirements and dictates.

"The policy of all Europe refuses to receive from us anything but those raw materials of smaller value, essential to their manufactures, to which they can give a higher value, with the exception of tobacco and rice, which they cannot produce." The bankrupt U.S.A. exported only certain raw materials, and imported most of its manufactured goods from Great Britain.

This quasi-colonial relationship was maintained by repeated British trade-war attacks. "Gentlemen are incredulous as to the attempts of foreign merchants and manufacturers to accomplish the destruction of ours. Why should they not make such attempts? If the Scottish manufacturer, by surcharging our market, in one year . . . should so reduce the price as to discourage and put down the home manufacture, he would secure to himself the monopoly of the supply," and subsequently raise the price.

He quoted British writer Joseph Lowe:

"It is now above 40 years since the United States of America were definitively separated from us, and since their situation has afforded a proof that the benefit of mercantile intercourse may be retained, in all its extent, without the care of governing, or the expense of defending, these once regretted provinces.' Is there not too much truth in this observation? By adhering to the foreign policy, which I have been discussing, do we not remain essentially British, in everything but the form of our government? Are not our interests, our industry, our commerce, so modified as to swell British pride, and to increase British power? . . ."

'The overwhelming influence of foreigners'

With the United States in a position like today's Third World, Clay told the Congress in 1824, "Now our people present the spectacle of a vast assemblage of jealous rivals, all eagerly rushing to the sea-board, jostling each other in their way, to hurry off to glutted foreign markets the perishable produce of their labor. The tendency of that policy, in

conformity to which this bill is prepared, is to transform these competitors into friends and mutual customers; and by the reciprocal exchanges of their respective productions, to place the confederacy upon the most solid of all foundations, the basis of common interest."

"We must naturalize the arts [manufacturing] in our country; and we must naturalize them by the only means which the wisdom of nations has yet discovered to be effectual; by adequate protection, against the otherwise overwhelming influence of foreigners."

Clay named the opposition: "The British factors and the British influence are inimical to our success. . . . The eagle does not dart a keener gaze upon his intended prey, than that with which the British manufacturer and merchant watches the foreign market, and the course even of our elections as well as our legislature."

British lobbying was carried out, in part, through bending the national loyalties of the native plantation aristocracy: "[Does] not a perseverance in the foreign policy, as it now exists, in fact make all parts of the Union, not planting, tributary to the planting parts. . . . The existing state of things, indeed, presents a sort of tacit compact between the cotton grower and the British manufacturer, the stipulations of which are, on the part of the cotton grower, that the whole of the United States, the other portions as well as the cotton growing, shall remain open and unrestricted in the consumption of British manufactures; and on the part of the British manufacturer, that he will continue to purchase the cotton of the South."

Clay refuted the arguments of the anti-nationalist lobby, several of which are still heard today:

Argument: "That the manufacturing system is adverse to the genius of our government, in its tendency to the accumulation of *large capitals* in a few hands; in the corruption of the public morals, which is alleged to be incident to it; and in the consequent danger to the public liberty. The first part of the objection would apply to every lucrative business, to commerce, to planting, and to the learned professions. Would the [opponent Congressman] introduce the system of Lycurgus [i.e. Spartan communism]? . . . The enormous fortunes in our country—the nabobs of the land—have been chiefly made by the profitable pursuit of that foreign commerce, in more propitious times, which the honorable gentleman would so carefully cherish. Immense estates [slave plantations] have also been made in the South."

Argument: that the change to a new system will "disable us from paying the *public debt*. . . ."

Here Clay enunciated the universal principle of national sovereignty over the claims of usury.

"The payment of that debt, and the consequent liberation of the public resources from the charge of it, is extremely desirable. No one is more anxious than I am to see that important object accomplished. But I entirely concur . . . in thinking that no material sacrifice of any of the great interests of the nation ought to be made to effectuate it . . . by a postponement of the payment of the principal of the public

debt, in which the public creditors would gladly acquiesce, and confiding for the means of redeeming it in the necessary increase of our revenue from the natural augmentation of our population and consumption, we may safely adopt the proposed measure. . . ."

Argument: that "we are not prepared, in consequence of the *high price of wages*, for the successful establishment of manufactures. . . ."

Clay responded: "The alleged fact of the high price of wages is not admitted. The truth is, that no class of society suffers more, in the present stagnation of business, than the laboring class. That is a necessary effect of the depression of agriculture, the principle business of the community. The wages of able-bodied men vary from five to eight dollars per month. . . . But, if the fact were true, that the wages of labor are high, I deny the correctness of the argument founded upon it."

"Labor is the source of all wealth; but it is not natural labor only. And the fundamental error of the [opponent Congressman], and of the school to which he belongs . . . consists in their not sufficiently weighing the importance of the power of machinery. . . . Such are the improvements and perfection in machinery, that, in analyzing the compound value of many fabrics, the element of natural labor is so inconsiderable as to almost escape detection. . . . Formerly Asia, in consequence of the . . . lowness of wages, laid Europe under tribute for many of her fabrics. Now Europe reacts upon Asia, and Great Britain in particular, throws back upon her countless millions of people, the rich treasures produced by artificial labor, to a vast amount, infinitely cheaper than they can be manufactured by the natural exertions of that portion of the globe. . . ."

"The difference between a nation with, and without the arts, may be conceived, by the difference between a keelboat and a steamboat, combating the rapid torrent of the Mississippi. How slow does the former ascend, hugging the sinuosities of the shore, pushed on by her hardy and exposed crew, now throwing themselves in vigorous concert on their oars, and then seizing the pendant boughs of overhanging trees: she seems hardly to move; and her scanty cargo is scarcely worth the transportation! With what ease is she not passed by the steam-boat, laden with the riches of all quarters of the world, with a crowd of gay, cheerful, and protected passengers, now dashing into the midst of the current, or gliding through the eddies near the shore! Nature herself seems to survey, with astonishment, the passing wonder, and, in silent submission, reluctantly to own the magnificent triumphs, in her own vast dominion, of Fulton's immortal genius!"

"I would pray to God, in his infinite mercy, to avert from our country the evils which are impending over it, and, by enlightening our councils, to conduct us into that path which leads to riches, to greatness, to glory."

The bill was passed, and under the 1825-29 administration of President John Quincy Adams, with Clay as secretary of state, the U.S.A. made one of its great leaps to world power status.

Congressional concern on AIDS grows

The House Republican Study Committee held hearings on the "Public Health Implications of AIDS" Nov. 7. The hearings reflected the growing fear of the AIDS epidemic, anger at the inaction of the Atlanta Centers for Disease Control in handling of the crisis, and popular pressure for congressional action to halt the spread of the disease.

Co-chaired by Reps. Bill Cobey (R-N.C.) and Tom Bliley (R-Va.), the hearings heard calls by nurses, dental health care professionals, and school officials for screening and quarantine, and "drastic revision" of health-care procedures in dealing with AIDS victims.

Reps. Joe Barton (R-Tex.), David Monson (R-Utah), William Dannemeyer (R-Calif.), and others, roasted CDC acting Director Dr. Donald Hopkins. "Why haven't you people in public health told the American people there is a crisis in the blood supply?" Dannemeyer demanded.

Hopkins claimed he would have "no hesitation" in taking a blood transfusion if he needed one today. Barton told Hopkins, "If we had adopted some fairly rigid quarantine measures four years ago we would not have one million people walking around with AIDS today. Why is quarantine not being seriously considered?" Hopkins claimed that current cases are the result of spread occurring before the educational campaign on how to protect oneself began. Monson then told Hopkins that the "fact is it's growing, it's not being curtailed. Warning people is not taking care of the problem."

Monson also questioned Hopkins on the "possibility that the traits of the

virus will change and be transmitted in other ways." Hopkins said this "will not happen, or if it does it will be very, very, very rare."

Under the pressure, Hopkins did promise that CDC will issue guidelines that health care professionals should wear protective garments, and will send a letter "today or tomorrow" to state and local health officials that bathhouses and similar establishments "can facilitate spread" of the disease and that they should consider steps to "regulate" them, or close them "only if it [stopping infection spread] can't be done by some other means." The senators were not placated.

One witness who came before the committee, Walter Johnson, District 16 N.Y. City school board member, called for screening for the AIDS virus for "all children and employees entering the public school system within the United States beginning the 1986-87 academic year," monitoring carriers, and removing those who come down with the illness from the schools to be given "proper home instruction." Johnson emphasized that AIDS was not a disease of drug users or homosexuals, but one "that has the general population 'at risk'. . . . The most 'at risk' group is the teenager." "I am today requesting federal intervention at all levels," he said.

Stephen Smith, President of Dental Services and Information Corp. of Michigan, testified on the dangers of AIDS spread through dental offices. He described some equipment as "in essence an open sewer," and called for Food and Drug Administration regulation of dental equipment, for proper inspections, and screening of dental health care personnel. Norma Watson, R.N. San Francisco General

Hospital, detailed for the committee how nurses there are ordered not to wear protective clothing when treating AIDS patients, and are now facing dismissal for their insistence that they protect themselves.

Candice Comstive, R.N. Houston, warned that health care professionals will leave their profession if not protected. She urged "regular mandatory screening" for all food handlers and health care professionals, that AIDS patients be isolated from the general hospital population, and that isolation procedures and needle precautions should be "drastically revised."

Rep. Cobey voiced his concern about the consequences of failure to address the AIDS epidemic "now, in a sane and rational manner."

McClure blasts State Department on ABM Treaty

Senator James McClure (R-Idaho) blasted the State Department on the floor of the Senate Nov. 1 for insisting on a "restrictive interpretation" of the ABM Treaty. "The State Department has already in effect traded away President Reagan's Strategic Defense Initiative (SDI), even before the summit, and for no quid-pro-quo at all in Soviet arms reductions," McClure said. "The State Department's unfounded restrictive interpretation of the ABM Treaty binding us but not the U.S.S.R. simply constitutes U.S. unilateral disarmament."

McClure demanded that SDI be accelerated and geared toward near-term deployment. "I believe that it is imperative that the U.S. SDI program be restructured as soon as possible to

be consistent with the President's 'fully justifiable' interpretation of the ABM Treaty. . . . This would mean U.S. SDI technology demonstration tests as soon as possible," he said.

McClure said that it would be impossible to "deter illegal land-based Soviet ABM deployments" without "reorienting our own strategic defense initiative." "If America will not face up now to the necessity of responding proportionately to Soviet SALT breakout violations and their massive military buildup, will we be any more likely or able to respond five years into the future when the Soviets will be even stronger and we will be even weaker?"

McClure said the restrictive interpretation "is a way of putting off for 20 years a crucial decision needing to be made today" to redress Soviet offensive and defensive superiority.

Senators blast Soviet arms violations

Senators Jesse Helms (R-N.C.), Steve Symms (R-Idaho), and James McClure (R-Idaho) wrote President Reagan on Oct. 29, asking that he include "on the Geneva summit agenda" with Soviet leader Gorbachov, the 32 Soviet SALT violations which the administration has officially confirmed to the U.S. Congress.

In addition, the newest Soviet violation, the deployment of the SS-25 recently announced by Defense Secretary Caspar Weinberger, "implies other developments which trigger at least four more violations," they said, and urged the President to confront the fact of these "five dangerous new Soviet SALT violations."

Putting the arms control process in

the context in which it might be credible, the Senators said to the President that in "our judgment, no new U.S.-Soviet arms control treaty can receive the advice and consent of two-thirds of the Senate for ratification until the Soviets reverse this pattern of 'break-out' from arms control. We believe that a summit confrontation on all Soviet violations of existing treaties is absolutely essential to preserve the credibility and prospects for improving international security through arms control."

According to press accounts, Helms, and several aids and associates including Dave Sullivan, Tom Ellis, and Jim Lucier, will travel to Geneva while the summit is taking place to try to ensure that nothing is given away on the Strategic Defense Initiative.

Senate committee hears counter-terrorism request

The Senate Foreign Relations Committee chaired by Richard Lugar (R-Ind.) held hearings Nov. 5 on the Reagan administration's request for legislative authority and \$54 million in supplemental appropriations funding to initiate a Central American counter-terrorism program. Assistant Secretary of State for Inter-American Affairs Elliott Abrams told the committee that the request is necessary to "combat the rising threat of terrorism in Central America."

The bill, S. 1757, would earmark \$27 million for "specialized military counter-terrorism assistance" to be run by the Pentagon, \$26 million for training of civilian police forces to be run by the State Department, and \$1 mil-

lion to provide protection to individuals who cooperate with the U.S. counter-terrorism program. Abrams said that "the most blatant terrorist attacks" have been in El Salvador, but there are also increasing threats in Honduras, Guatemala and Costa Rica. "There is the possibility" of terrorism in Panama, Abrams said, and the bill requests authority for a program for Belize but no specific program is contemplated at this time. "Passive measures . . . while essential, are not sufficient unto themselves," Abrams said.

An important political aspect raised by the other witness, U.S. Lt.-Gen. Phillip Gast, Director of the Defense Security Assistance Agency, went totally ignored by the committee. "There is a growing concern on the narco-terrorist threat" to Central America, Gast said. He described this as "an extension of the worldwide threat," where terrorists are trained by the Soviet Union, Cuba, Libya, and other countries. Gast also described the counter-terrorism program as one that would include special training, communications, vehicles for mobility, and maintenance help from ammunition to office supplies. Special units would be created for such operations as hostage rescue and "enhanced measures to detect terrorism and to go out and disrupt" terrorist operations before they strike.

Sen. Claiborne Pell (R.I.), the ranking Democrat on the committee, evidenced strong displeasure with the proposal. In terms reminiscent of the Carter administration, Pell said that most "human rights" violations were being conducted by right-wing organizations with the backing of these governments which the United States was trying to help.

National News

Rabbis censure 'Crazy Eddie'

New York Mayor Edward "Crazy Eddie" Koch was "excommunicated" the first week of November by a group described as "ultra-conservative Jewish rabbis," furious at his defense of homosexual rights. Koch attacked them as a "small fringe group" exploiting religious principles "for vulgar political purposes."

The mayor of the nation's largest city enjoys an extremely favorable press. Whenever there is cause for the matter to arise, New York newspapers refer to him as "a bachelor."

Rabbi Isaac Levy, chairman of the board of the Orthodox "Jews for Morality," denounced Koch's "zealous support of the homosexual cause and its harmful effects on the public, especially children," his refusal to close bathhouses frequented by homosexuals despite their proven role in the spread of Acquired Immune Deficiency Syndrome, and his participation in a parade given by homosexuals which reportedly included the radical pederast group, the North American Man-Boy Love Association (NAMBLA).

The Rabbis' group carried signs saying, "Koch AIDS NY."

UAW leader pledges WWII-type mobilization

Hank Wilson, an executive board member of UAW Local 600 and a member of the Schiller Institute trade union delegation, in a speech to the Augustine Conference in Rome on Nov. 2 (see Feature), drew on his personal experience of the World War II mobilization of the American automobile industry to compare the moral challenge successfully met by American labor in the early 1940s with that of stopping the genocidal policy of the IMF and rebuilding the devastated continent of Africa today.

Mr. Wilson began by citing the "casualties" of the ongoing depression in the United States—11,000,000 manufacturing jobs lost since 1979, one-quarter of which have not been replaced; 240,000 jobs in the steel in-

dustry, 62,000 in farm equipment manufacture, 215,000 in automotive. Mr. Wilson then compared these figures to the state of American preparedness on the eve of the Second World War—3,000,000 men in arms for the Nazis, 370,000 for the United States; 40,000 planes for the Nazis, 5,000 for the United States.

He told the conference participants: "I am proud of the role we played in World War II, and we're ready to do it again. . . . I know the power of the American workforce; if President Reagan mobilizes it, we can solve the problems of development. For me, this is the American dream: Use Detroit to make the world better."

Mr. Wilson concluded by quoting Dr. Martin Luther King: "As wondrous as Handel's *Messiah*, as wondrous as the stars, is the mind that contemplates them," and by making an appeal to halt the industrial and moral decay that denies the world's children the chance for development.

Nuclear Winter: 'Codswallop'

Ninety-six percent of scientists surveyed at the annual meeting of the Society of Vertebrate Paleontologists in October dispute the theory that dinosaurs were wiped out 65 million years ago by the impact of a large meteorite.

"It's codswallop," said Dr. William A. Clemens of the University of California at Berkeley.

The meteorite theory inspired the nuclear-winter hypothesis, championed by romper room physicist and nuclear-freezenik Carl Sagan. The original source of the theory was Soviet scientist Alexandrov. The Soviets then promoted it in the West as part of their building of the nuclear freeze movement.

Weinberger warns on arms control

Defense Secretary Caspar Weinberger warned on Nov. 4 that the U.S. cannot afford "to isolate arms control from the entire context of U.S.-Soviet relations," and called

for a "comprehensive negotiating posture" at the summit that would address "Soviet aggression" in the Third World, the Soviet chemical warfare buildup, Moscow's violations of arms treaties, and so forth.

"We do not share the belief of those who hold that the mere process of negotiations on arms reductions, isolated from all other pressing disputes and competitions, is good in itself," Weinberger told the New York Foreign Policy Association. In fact, focusing on arms control alone could "mask Soviet adventurism."

He blasted those who do not want to go public with evidence of Soviet arms treaty violations for fear they will upset Moscow: "Blinking at Soviet violations and aggression may make us feel comfortable and secure, but this feeling, history shows, will be short-lived."

U.S. plane fired on from Cuba

A U.S. Blackbird spy plane was fired on while over Cuba photographing the transfer of large amounts of heavy Soviet war material from Soviet and Bulgarian ships to coastal freighters bound for Nicaragua in October.

The plane evaded Soviet surface-to-air missiles (SAMs) fired at it from Cuba. Cuba protested the Blackbird's flights and mustered 20,000 demonstrators to protest outside the U.S. Interests Section of the Swiss Embassy in Havana.

Prisons to free AIDS victims?

The Washington, D.C. prison system wants to "kick out" AIDS patients now in jail because of inadequate facilities to handle them.

At present, an AIDS victim in the prison system is being held in a locked room in a hospital with no running water or sanitary facilities. A local union of prison guards met in the first week in November to decide on the issue of protective clothing.

AIDS in the prisons is under control, but "there's certainly the potential for it becom-

ing unmanageable," said Donald Soskin, health administrator for the D.C. Department of Corrections.

Meanwhile, in testimony before the House Republican Study Committee, Registered Nurse Norma Watson of the San Francisco General Hospital said: "Myself and my colleagues were 'forbidden' to wear mask, gloves, and gown while in close direct personal contact with AIDS patients . . . we have been formally reprimanded for protecting ourselves, and we are now facing termination."

Jack Kemp bash raises \$1 million

A fundraiser at New York's Waldorf-Astoria Hotel for presidential hopeful Rep. Jack Kemp (R-N.Y.), raised more than \$1 million Nov. 1.

The bash was chaired by Herbert Siegel, president of Chris-Craft Industries. Other major contributors included: Morris Amitay, a lobbyist for Israel; Norman Bateman, owner of the Philadelphia Eagles football team; and Thomas Pownall, chairman of Martin-Marietta Corporation.

'Astounding' progress on SDI

"Remarkable and in some cases astounding progress" has been made on the SDI over the past two years, White House science advisor George Keyworth told a London *Financial Times* conference on "The SDI and Eureka" on Nov. 4. Eureka is a French-proposed project for civilian use of SDI technologies.

Keyworth said the work had convinced scientists that a shield to defend the West from Soviet missiles was feasible.

SDI Organization chief scientist Gerald Yonas reported specific advances in sensors, optics, and computers, moving things to the stage where engineers would attempt to mass produce devices such as small anti-missile warheads and microscopic sensors.

Dr. Allen Puckett, chairman of Hughes Aircraft, said: "We should expect to discov-

er new phenomena and totally unexpected results."

But Lord Chalfont, chairman of the all-party defense group in the House of Lords, expressed the fear that the Pentagon would object to transfer of sensitive SDI technologies. History Professor Michael Howard of Oxford said SDI could lead to greater international tensions; and R. V. Jones, World War II's scientific intelligence chief, wasn't sure SDI would work, and demanded answers to the arguments of groups like the Union of Concerned Scientists, which have already been exposed as either wrong or simply fraudulent.

Money-laundering ring broken

Five men, including a vice-president of the Bank of Texas, have been arrested in Dallas on charges of running an international money-laundering ring involving an unnamed Swiss bank.

The arrests capped an undercover investigation by the Internal Revenue Service into a multi-million dollar drug-money laundering operation. The money-laundering scheme was allegedly operated by David Fisher, vice-president of the Bank of Texas, and Johannes Faul, a Dallas diamond importer.

A third term for Reagan

A new group called "Patriotic Americans For a Reagan Third Term" took out an ad in the Nov. 7 *Washington Times* urging that the U.S. Constitution be amended to allow Reagan to serve a third term as President.

The ad motivates this on the grounds that the Soviets are expecting a "less security-conscious, more conciliatory" president to be elected in 1988.

Though the ad does not mention it, Reagan himself has indicated several times recently that the two-term limit, which was added to the Constitution in a reaction against Franklin Roosevelt's four-term presidency, should be revoked.

Briefly

● **THE SUPREME COURT** has agreed to decide on the constitutionality of "gay rights," including sodomy, child molesting, and other such "freedoms." The Supreme Court has heard cases involving homosexuality only twice before: in 1967, when a homosexual foreigner was deported for having a "psychopathic personality," and in 1984, when an Oklahoma school teacher encouraged homosexuality.

● **AIDS RESEARCH** money is largely taken from other disease research budgets, which has harmed other programs, such as that for T-cell leukemia (ATL), a rare and lethal cancer found in hundreds of AIDS victims. The ATL researcher who reported this to *EIR* speculates that this leukemia was acquired from African monkeys, like AIDS, and transmitted to other countries in the 16th century via the Portuguese slave trade. Five percent of the heroin addicts and homosexual men with pre-AIDS symptoms also carry ATL virus, but only 1% of apparently healthy members of these groups do.

● **ROY WILLIAMS**, the imprisoned former Teamsters' international president, in testimony to the President's Commission on Organized Crime, named alleged mafia-Teamster connections in Las Vegas casino deals, including connections to current Teamster president Jackie Presser.

● **LLOYD CUTLER**, Carter administration special counsel and self-appointed lawyer for the Greenpeace anti-nuclear group in its battle with the French government, is now defending George L. Ball, current chief executive of Prudential Bache Securities Inc. Ball is former president of E.F. Hutton. During hearings in Congress the last week in October, Ball denied involvement in the massive check-kiting schemes that Hutton has been accused of during the past few years.

The monetary system is dead

The world monetary system now careens toward certain doom—and the result depends on a political decision that will be taken very soon.

The U.S. government is bankrupt, and on Nov. 15, will not have the means to meet its obligations.

The Third World is bankrupt. In Ibero-America, where Peru's Alan García has courageously stepped out in front of the rest of the continent to say a resounding no to subjugation by usury, political pressures are now building, in Mexico, in Colombia, in Brazil, for adoption of a rational course *à la Peru*, a refusal to continue paying what cannot be paid.

Counterpressures also build, in the form of brutal atrocities by "guerrillas" who are nothing but the armed thugs of the drug traffickers whom the International Monetary Fund is now elevating toward "dual power" in numerous Ibero-American nations.

The world tin market has crashed. Tin-producing nations, to save export prices amid the depression produced by the IMF system, had indebted themselves for a period of four years in order to collectively buy large portions of their own tin exports. The absurdity of this condition was all at once acknowledged at the end of October, when the producers announced that they would no longer borrow to buy their own tin, they would no longer buy their own tin at all, and could not repay the lenders. The tin exchange in London shut down, and has not reopened. The bankers involved, some of the British empire's largest, are demanding a bailout.

U.S. savings and loan institutions are bankrupt, and going under so fast and in such large numbers that the FSLIC itself is bankrupt, requiring a special fund to absorb insurance obligations it cannot meet.

The Farm Credit System is bankrupt, because America's farmers are bankrupt, and also requires a multibillion-dollar bailout.

Each of these, reported in this issue of *EIR*, are reflections of a very simple, underlying fact. Usury, in

the form of the international financial system represented by the IMF, the World Bank, the Bank for International Settlements, and the New York, London, and Swiss banks whose means of existence is to launder funds from the international drug trade, has destroyed the farms and factories of the world. With these debtors bankrupt, however, so, in fact, are the usurers.

There are no longer any willful decisions to be taken within the framework of the existing monetary system. The debt, everyone's, will not be paid because it cannot be paid. The existing monetary system is dead.

The political question is now posed: The monetary system will be reorganized. But by whom? By the forces of usury, inaugurating what will surely be the darkest of human dark ages, ultimately presided over by Soviet Russia? Precedents have been set—for example, in Maryland, whereby Chase Manhattan, not a bank, but David Rockefeller's dirty-money laundry, has moved in to buy up several actual banks destroyed by the Federal Reserve policy of former Chase board member Paul Volcker.

Or will it be reorganized by the forces of Reason, the forces represented at the conference in Rome in honor of the great St. Augustine. A precedent for this has also been set—in Peru, where the García government coupled its rejection of any IMF role in economic policymaking with the destruction of more drug-plantations and facilities in 60 days than in the entire history of anti-drug efforts, in Guatemala's daring raid on jungle-entrenched drug-plantation operators, and in other converging efforts globally.

It is time for economic growth again, and sovereign governments, above all, the United States, must combine to the purpose of creating a monetary system pivoted around development projects on the grand scale, the LaRouche program, or those governments, and millions, perhaps billions of human beings, will cease to exist in the maelstrom usury is about to bring on.

EIR Alert Alert Alert Alert

Our special service for the policymaker who needs the best intelligence EIR can provide—**immediately**.

World events are moving rapidly: The economy is teetering on the brink, and even the largest American banks are shaking at their foundations. Soviet-backed terrorists have launched a shooting war against the United States. In Washington, the opponents of the President's defense program are in a desperate fight to finish off the Strategic Defense Initiative, the only hope for averting Soviet world domination.

We alert you to the key developments to watch closely, and transmit 10-20 concise and to-the-point bulletins twice a week (or more often, when the situation is especially hot). The "Alert" reaches you by electronic mail service the next day.

Annual subscription: **\$3,500**

Contact your regional EIR representative or write:

EIR News Service P.O. Box 17390,
Washington, D.C. 20041-0390.

Executive Intelligence Review

U.S., Canada and Mexico only

3 months \$125
6 months \$225
1 year \$396

Foreign Rates

Central America, West Indies, Venezuela
and Columbia: 3 mo. \$135, 6 mo. \$245,
1 yr. \$450

Western Europe, South America,
Mediterranean, and North Africa: 3 mo. \$140,
6 mo. \$255, 1 yr. \$470

All other countries: 3 mo. \$145, 6 mo. \$265,
1 yr. \$490

I would like to subscribe to
Executive Intelligence Review for

3 months 6 months 1 year

I enclose \$_____ check or money order

Name _____

Company _____

Phone () _____

Address _____

City _____

State _____ Zip _____

Make checks payable to Campaigner Publications,
Inc., P.O. Box 17726, Washington, D.C. 20041-
0726. In Europe: *EIR* Nachrichtenagentur GmbH,
Postfach 2308, Dotzheimerstrasse 166, 62
Wiesbaden, Federal Republic of Germany,
telephone (06121) 44-90-31. Executive Director:
Michael Liebig.