

EIR

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- Proposals on how the United States can help secure Panama, through a series of Canal-centered development projects, which break Panama's economic dependence on the "off-shore" economy run by the international banking cartel.

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EIR

From the Editor

As we go to press, we learn that President Alan García of Peru has just been elected vice-president of the Non-Aligned Movement, and that a Peruvian government official has been named to head the meeting's economic commission. The García government has taken the point in fighting the world economic crisis in a way similar to Lyndon LaRouche's "Operation Juárez," the 1982 plan for the Ibero-American debtor nations to combine politically, reorganize their unpayable debt, and launch a Common Market that will create 100 million new jobs in Mexico, the Caribbean, and South America by the year 2000.

This week, *EIR* begins serializing, exclusively in English, the chapters of the book that gives the concrete details of how to implement "Operation Juárez" (page 18).

The need for the political will to shift the direction of U.S., and world, economic and monetary policy has never been more acute:

- Africa is faced with genocide even more brutal than the effects of the 1984-85 drought, unless measures are taken *now* to reverse the deliberate neglect of the International Monetary Fund and its sister organizations, the Food & Agriculture Organization and the World Health Organization (page 34).

- Public statements by the Pasteur Institute in Paris, revealing that African insects bear the AIDS virus, have blown up the World Health Organization and the U.S. Centers for Disease Control's efforts to cover up the role of austerity policies in bringing about the deadliest plague known to history, AIDS (page 8).

- If the House Democrats are able to cut, or even slow, the increase of defense spending, the last prop holding up American industry will come crashing down (page 4).

- The deeper, cultural issues in this crisis are coming to the fore in the fights in the religious world. The British royal family, which *EIR* has been documenting to be an instrument of the Russian intelligence cult called the "Trust," is orchestrating a meeting in Assisi, Italy later this month, dedicating to subverting the major world faiths and destroying the "industrialization matrix" (page 50).

Nora Hamerman

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Defense budget: the last prop for U.S. industry

by David Goldman

Congress will return from its summer recess to face incontrovertible evidence that the federal budget deficit for the fiscal year starting on Oct. 1 will exceed, by at least \$30 billion and perhaps \$100 billion, the Gramm-Rudman-Hollings deficit limit of \$144 billion. The Democratic-controlled House of Representatives will take immediate aim at the President's defense budget, which the House already refused to accept immediately before leaving for vacation.

If the House Democrats are able to cut, or even slow, the increase of defense spending, the last prop holding up American industry will come crashing down. Defense Secretary Caspar Weinberger can take an ironic sort of credit for whatever remains of U.S. industry. A glance at Commerce Department data for manufacturing orders demonstrates, without question, that the administration's defense buildup now supports 40% of U.S. durable-goods manufacturing activity, and 53% of all capital-goods production. Durable goods are the core of the American economy, and capital goods are its driver. Excluding the economic fluff, more than half of the economy's core capital-goods production depends upon the defense sector.

Since an important part of the Pentagon's increased spending funds research and development in the high-energy physics required to shoot down incoming Soviet ballistic missiles, the long-term benefits for U.S. productivity are incomparably larger than the short-term support for manufacturing due to defense procurement. In other locations, *Executive Intelligence Review* has evaluated the economic benefits of the Strategic Defense Initiative, whose associated technologies promise a revolution in every field of industry. What is more surprising, is that the scale of the military's support for the economy has already become huge by peacetime standards. It is not that the military has grown, but that

the civilian economy has collapsed around it.

That is a remarkable transformation. Back in 1980, the last full year of Jimmy Carter's presidency, defense capital-goods orders were a mere 20% of manufacturers' total unfilled orders. During 1981, the first year of the Reagan administration, this rose to 23%. By 1984 it had risen to 37%, to 39% in 1985, and 40% as of May 1986.

What is most remarkable in this development is the fact that total manufacturers' unfilled orders, after inflation, are 3% lower now than they were in 1980. Using the Commerce Department's own dubious inflation data, the \$318.797 billion of manufacturers' unfilled orders of 1980 rose to \$371.866 billion in May of 1986, an increase of 16%. But inflation for durable goods, the Commerce Department says, amounted to 19% over the same period. In other words, the apparent 16% increase in unfilled orders was, in reality, a 3% decrease.

However, the Commerce Department's numbers have been proven to be fraudulent; the government adds a spurious "quality adjustment factor" to eliminate price increases supposedly justified by improvements in the product. A good rough guess is that the after-inflation decline in unfilled orders is closer to 10% than 3%.

The inescapable conclusion is that Secretary Weinberger's defense buildup saved the United States from a 30% decline of durable-goods output. Defense orders, as a percentage of the total, rose from 20% to 40%, while overall orders declined by 10%. Except for the defense sector, the economy had entered a tailspin equivalent to the production declines of the worst of the 1930s.

To be precise, the unfilled-orders data reflect the activity of the durable-goods sector, rather than manufacturing as a whole, for the simple reason that producers of non-durable

goods do not maintain the same sort of orders backlog as durable-goods producers. Therefore, when we speak of a 30% decline in output, we refer to the core capital-goods and related engineering sectors of the economy, rather than industrial production as measured by the Federal Reserve's catch-all industrial production index. Even if that index were not manipulated, as it is, for political purposes, the Federal Reserve's measure fails to capture what drives the economy in the first place.

Apart from imports, defense spending has kept the United States economy from plunging into an outright crash of production—until June of this year, judging by data available for basic industry. That is to say that Japan and the Pentagon are the only friends American industry still has. If we consider that net imports (i.e., the trade deficit) made up 18% of America's total physical consumption during 1985, as well as 25% of total capital-goods purchases, the picture becomes considerably worse. Had the United States not been in a position to buy goods from the rest of the world at much less than their home production cost, and not been able to borrow \$150 billion per year to finance these purchases, physical production in the United States would have fallen by something less than the 18% of total consumption that imports provide.

However, White House Chief of Staff Donald Regan proposes to remedy the present economic disaster by getting rid of both props to this economy. Regan is notoriously hostile to defense spending, and, with Secretary of State George Shultz, acts as Secretary Weinberger's principal adversary inside the White House. He is also the author of the lunatic effort to "talk down the dollar," which brought the U.S. currency down by 40% against the West German mark and Japanese yen during the past year.

The present economic disaster can be traced, in fact, to the dubious success of Donald Regan's efforts, aided and abetted by Treasury Secretary James Baker. The United States now pays considerably more for a smaller volume of imports; the trade deficit, as a result, has risen from \$150 billion last year to \$170 billion this year. However, the physical volume of imports is roughly 10% less. Since much of our import bill appears as production inputs for U.S. manufacturing, the result is a decline of manufacturing activity.

That makes the defense sector all the more important, and its role has increased proportionately. During the second quarter of 1986, defense spending totaled \$69 billion, or \$3 billion more than during the previous quarter, or \$12 billion more at an annual rate.

How long can it last?

The areas of increased spending are precisely those which help the economy the most: weapons procurement, operations and maintenance (including provision of spare parts), and research and development. Despite efforts to sequester Defense Department funds under the Gramm-Rudman law,

Weinberger has used spending authority, especially for R&D, left over from previous years, to get around the budgetary constraints. Whether he will be able to do this next year depends on whether the President can push his defense budget through Congress undamaged; that, in turn, depends on the outcome of this November's congressional elections.

The major financial institutions are well aware of what the Pentagon has done, and warn that Secretary Weinberger won't get away with it for long. Salomon Brothers wrote in an Aug. 4 report:

The Department of Defense generally receives a larger dose of spending authority than it will use in a single year. Some of the budget authority is then carried over as "unobligated" funds that may be spent in subsequent years. In the early 1980's, defense budget authority grew so rapidly that spending could not keep up, leaving in its wake a large storehouse of unspent or 'unobligated' funds. In operations and maintenance, the Department of Defense appears to be exhausting its fiscal 1986 spending authority at an unusually rapid clip and, in this category, will carry less unused budget authority than usual into fiscal 1987. . . . By disbursing this year's authority more quickly and drawing on funds held over from prior years, the Department of Defense has buoyed fiscal 1986 spending, effectively nullifying this year's Gramm-Rudman-Hollings restrictions. Note, however, that the same device may be less powerful in future years. A pickup in the drawdown of operations and maintenance authority can only raise spending temporarily, while the storehouse of unobligated research and development funds must be exhausted eventually. Consequently, although defense spending may continue to grow faster than defense budget authority in fiscal 1987, the overshoot may be reduced.

Salomon gives the following table showing the comparative growth rate of budget authority and outlays:

	Budget authority	Outlays
1980	13.8%	15.2%
1981	25.1%	17.5%
1982	20.2%	17.7%
1983	13.2%	13.3%
1984	8.2%	8.3%
1985	11.2%	11.3%
1986	-2.6%	8.2%
1987	1.8%	4.8%

The Defense Department is still working off the President's political successes of the early 1980s, and the spending authority that derived from them. Without a fundamental change in the composition of the incoming Congress, both America's defense, and defense-related economy, will be devastated during 1987.

The IMF has not 'isolated' Peru; new monetary fund proposed

by Mark Sonnenblick

Ever since the International Monetary Fund (IMF) declared Peru "ineligible" for loans on Aug. 15, the financial pages have asserted that "Peru is isolated" from sources of capital and bereft of support from its neighbors. For example, *The Economist* of London opined on Aug. 23, "Without fresh credit or foreign investment, Peru's economy is likely to wilt." A Wall Street "adviser" to less fortunate debtor countries, predicted in the Aug. 26 *Washington Post* that García's "rhetoric could destroy the house of cards that he has constructed."

Such posturing by bankers betrays their gnawing desire to launch economic warfare against the only debtor who has called their bluff by limiting debt service to what the nation can afford. Peruvian President Alan García has been anticipating such an onslaught since last October. He has prepared for it by such measures as turning most of Peru's \$1.2 billion in foreign reserves into gold and flying the gold from Basel to government vaults in Lima. But, even more important is his strategy for turning the tables on the IMF.

"We are not isolated," García stressed at an Aug. 23 press conference in Lima, "since we have the solid support of many nations, and the IMF will have to change its unjust and obsolete rules. . . . Human history is the history of the change of codes and rules which at some moment were thought to be eternal," the Peruvian President said. "Why won't the IMF rules change? Everyone in the world—in Peru, in the Latin American countries and personalities of the United States itself—knows that the foreign debt as it is posed now turns out to be unpayable. Why then do they not listen to our voice? . . ."

The harder the IMF diehards try to silence García, the more his voice is listened to. This fact has dissuaded creditors from launching total economic warfare during the past year. Backing for García and his policy response to the debt crisis is gaining momentum among the continent's labor and political leaders. No one knows what will happen in Ibero-America when rabid bankers start throwing up the "trade embargos and a slew of legal claims against Peru" which the *Wall Street Journal* and *Washington Post* threaten. But the reaction to a revival of President Theodore Roosevelt's "gunboat diplo-

macy" to collect debts from an impoverished democratic nation may prove the death knell for the IMF.

The Latin American Monetary Fund

The revolt was evident at a planning meeting of the Latin American Economic System (SELA) in Caracas. "With the decision the International Monetary Fund made," SELA resolved Aug. 22, "it caused grave harm to a member state which has been making intensive efforts to comply with its financial obligations in accord with its real possibilities of paying." SELA asked the IMF to retreat, "so that Peru continues being an eligible country and receives appropriate treatment which takes into account the socio-economic requirements of its people."

The ministerial-level meeting which SELA is holding in Lima, Oct. 16-17 could be a turning point in the continent's history. This is the first time SELA—organized a dozen years ago by Mexican President Luis Echeverría, Juan Perón of Argentina, Gen. Juan Velasco of Peru, and Panama's Omar Torrijos—has met outside its Caracas base. A hint at the kind of concrete measures which may be taken to protect Peru appeared Aug. 20. García had just held a long meeting with the junta members of the Andean Pact, the integration group of Peru, Colombia, Venezuela, Ecuador, and Bolivia.

According to Andean Pact coordinator Pedro Luis Echeverría, they talked about creating a "Latin American Monetary Fund" to replace the IMF. García's central-bank head Leonel Figueroa first broached the idea in March, just before García's visit to Argentine President Raúl Alfonsín. Echeverría proclaimed, "Now is the moment" for it to be implemented. He urged the García government to present the SELA meeting concrete proposals for its implementation.

Echeverría stated, "The declaration of ineligibility made by the IMF against Peru demonstrates a clear intention to isolate it in the international financial community, due to the valiant position which it has taken in respect to payment of the foreign debt." The proposed fund "is *not* one of the alternatives, but the *only one* left to the Latin Americans." He urged that Ibero-American central banks open credit lines so that Peru could buy from them what it now buys from the

home countries of the bankers. It is senseless to have integration only in times of an economic boom, Echeverría argued.

The Peruvian idea, as explained by García several months ago, was to forego endless negotiations about a global regional fund. He suggested it could be created by simply bringing Argentina or Brazil into the existing Andean Reserve Fund (FAR), raising the quotas for today's Andean Pact members, and then opening it for wider membership. The almost invisible FAR already has given more financial aid to the Andean countries than the IMF has, and without any of its infamous conditionalities. Peru has received \$100 million, and another \$100 million is expected from the Andean Development Corporation.

Despite the drumbeat in the press, Peru's credit has not been cut off. Several low-interest lenders have given signs they will ignore the IMF. When García became President, Peru had \$250 million in commercial credit lines; now it has \$300 million, the President announced in late August. "Most of these are unwisely extended by European banks," *The Economist* complained.

The European Economic Community gave a \$19 million loan and the World Bank and Inter-American Development Bank approved a \$100 million loan just after the IMF proclamation. Italy confirmed its \$145 million in concessional lending. French undersecretary for foreign affairs, Didier Bariani, pledged to García on Aug. 21 that the IMF would not interfere with relations between Peru and France.

Relations with West Germany and the United States are problematic, since IMF zealots rule the economic policy of both cabinets. West German Chancellor Helmut Kohl invited García to visit, and the Third World Relations Minister Jürgen Warnke assured García of continued aid in development and in fighting terrorists. Japan made an important gesture by granting a \$19 million loan for extending the water-supply system of the town of Chosica in late August.

Ibero-American solidarity

The political framework of solidarity is rapidly falling into place. García's long-awaited visit to Mexico, anticipated in last week's *EIR*, will take place during September or October, according to reports to the press of Mexico and Peru. The meeting takes place immediately after the IMF annual meeting and in time to plan a surprise for the Lima SELA meeting.

The Latin American Parliament's president, Luis Leon, sent García a telegram promising "to accompany our brothers in Peru in the efforts and sacrifices imposed by their fight for dignity and sovereignty." Both chambers of the Argentine Congress passed resolutions Aug. 21 which called on "all Latin American parliaments to come to the defense of our beleaguered brother republic." It blasted the IMF for adopting its "unjust attitude . . . in the midst of difficulties stemming from crisis, the foreign debt, terrorism, and the drug trade." It sought action for Peru through the Cartagena Accord, signed by Ibero-America's 11 major debtors. This pact commits its signers to supporting any country which is forced

to take unilateral action on its debt.

Similar support came from the Bolivian congress, the Colombian and Argentine labor movements, and even from the regional labor body ORIT, which claims to represent the AFL-CIO and pro-American unionists of Ibero-America.

Capitalize by not paying debt

The Peruvians have calculated the risks and benefits of a total break with foreign capital. There is no doubt their policies are not enticing to foreign investors. But, haven't foreign investors been pulling their capital out of the developing sector for years and reducing their proportion of total investments for decades?

García told his people on Aug. 22, "We must be confident, because more wealth has left Peru than has entered, and by caring for every dollar which is generated inside the country, little by little we will make the national economy bigger. That is my message." He continued, "We are a poor country because we have been impoverished by the rules of the international system. We are not the poorest country, but if we followed IMF dictates we would be among the poorest."

He recalled, "The IMF rules brought us 250% inflation, loans inside the country at 300% to 400% interest. Do you think the IMF allows in its letters of intent for a country to charge zero interest? . . . We even have given ourselves the luxury of loaning at zero interest in the most depressed Andean areas of the country."

Although some Peruvian capitalists have responded enthusiastically to the opportunities for profit and patriotism offered to industry-builders, others have been sent into a tizzy by the scare stories about creditors planning to cut credit and seize Peruvian assets abroad. The *Washington Post* is happy to cite the manager of the oligarchic Banco de Crédito, "The situation with the IMF has created much fear, especially among small and medium entrepreneurs." Banco de Crédito is the flagship bank of Peru's oligarchical families. Its branch offices in the jungle took in four planeloads of dirty \$10 and \$20 bills weekly from cocaine traffickers, the monthly *Andean Report* wrote in April 1985, until García's work on drugs spoiled the "business climate."

García charged in his Aug. 23 press conference that the factually false "isolation" gloom and doom dished out by the international media was intended to be reprinted in the drug-tainted part of the Peruvian press in order to encourage a coup bringing in "another ruler who would faithfully obey imperialist impositions." He noted, "Every time a ruler has confronted the IMF in defense of his people, he has not lasted. Several Presidents who confronted the Fund only got coups d'état which finished them off. The press of their own countries isolated them, making them [seem] empty, and even ridiculed them, because that was the immense power held by the world system."

García predicted, "They are going to fill us with ever more alarming news via the foreign press which is reprinted internally." But, he was confident history were on his side: "We are going to win, as difficult as that may seem."

African insects shown to be carriers of the AIDS virus

by Warren J. Hamerman, Director
EIR Biological Holocaust Task Force

Professor Jean-Claude Chermann of the Paris-based Pasteur Institute has released a study proving that insects randomly selected in the heart of the African "AIDS Belt" are active carriers of the AIDS virus, a study which has shaken the worldwide medical, scientific, and public-health community. Professor Chermann's report, delivered on Aug. 23 in Budapest at the 14th International Congress on Cancer, stated that the Pasteur Institute research team had isolated the AIDS virus from four different types of African insects—mosquitoes, cockroaches, tsetse flies, and lion ants.

The details of the Chermann study were published in the Aug. 30 issue of *The Proceedings of the Paris Academy of Sciences*. In interviews to the media prior to the publication of the paper, Chermann reported the following findings:

- "We were surprised to notice that insects we had brought from Zaire and the Central African Republic were infected by the AIDS virus."

- "The fact that the AIDS virus has been found in insects, means that the 'reservoir' for the virus is no longer the T4 lymphocytes alone, as insects have no T4 cells. . . . [T]he fact that only the insects living in endemic areas are contaminated, coheres well with the AIDS epidemiology, which is different in the West and in Africa. The insects could therefore be, in Africa, natural 'reservoirs' for the AIDS virus and a possible means of contamination of the disease."

- "Of the 50 insects we collected from Kinshasa and Bangui, all appeared to be infected by the AIDS virus. . . . The presence of sequences homologous to the HIV virus [the AIDS virus] in the insects' genes captured in Zaire and Central African Republic, an area where the virus is endemic, reinforces the idea of the possibility of AIDS transmission by this means, and the formation of a natural reservoir for the virus. . . . It only needs a slight mutation and the mosquitoes would become potentially infective."

- The Pasteur Institute research approach proceeded in

two phases: 1) First, they discovered in their Paris laboratory that cultured cells from *Drosophila* (fruit flies) and mosquitoes could be infected by the AIDS virus; in the laboratory experiments, the AIDS virus became integrated into the DNA genetic material of the host insect cells. 2) Subsequently they sent research teams to collect randomly selected insects in Kinshasa, Zaire, and Bangui, Central African Republic; they discovered that virtually all of the 50 insects (including mosquitoes, tsetse flies, lion ants, and cockroaches) from Zaire had the genetic material of the AIDS virus integrated into their own DNA; at least 30 insects (including mosquitoes, ticks, and bedbugs) from the Central African Republic were similarly AIDS virus carriers.

Dr. Whiteside upheld

I had the honor of informing Dr. Mark Whiteside of the Miami-based Institute of Tropical Medicine by telephone of the historic Pasteur Institute declaration, minutes after receiving a direct report from Europe. Based upon the preliminary report on Professor Chermann's statements, Dr. Whiteside, who has courageously withstood a vicious and unethical campaign by the World Health Organization (WHO) and Centers for Disease Control (CDC) to impugn his work on Belle Glade, happily declared:

"I think that the African insect declaration has the potential to blow the whole policy question open on the question of environmental factors in public health, especially in the poverty pockets of the tropics. I would be most happy to see the Pasteur Institute investigate the environmental factors of AIDS in the Third World tropical areas. I eagerly look forward to getting the details of their study. I am very happy that, at last, there is a real break in the scientific news on what we have been fighting to focus people on for a long time. I look forward to seeing the reactions in the international and national scientific community. I can hardly wait to get to-

tomorrow's news."

The release of the Pasteur Institute study followed by only 11 weeks an international scientific conference in Paris on "The Importance of Reviving the Method of Louis Pasteur for Fighting AIDS and Other Pandemics Today," at which Dr. Whiteside, various European and American scientists, and I spoke.

EIR vindicated

The release of the Pasteur Institute results is seen as important vindication of the "Environmental Factors Hypothesis" developed by Dr. Mark Whiteside's and Caroline MacLeod in their famous case study of Belle Glade, Florida and the numerous published writings of the *EIR* Biological Holocaust Task Force on the causal relationship between economic breakdown and the outbreak of the deadly pandemic. The view that AIDS is a tropical-based disease which was being "mechanically" transmitted by insects in the African AIDS belt, southern Florida, and Central America has been a continuous subject in *EIR* for years. Our *EIR* Biological Holocaust Task Force issued a Special Report on Feb. 15, 1986 entitled, *An Emergency War Plan to Fight AIDS and Other Pandemics*, which featured an entire chapter on the case of Belle Glade, Florida and another on the subject of the unfolding AIDS "biological holocaust" in Africa.

Not everyone was encouraged to learn of Dr. Chermann's revelations. Dr. Harold Jaffe, the chief of the Centers for Disease Control (CDC) Epidemiology section, called the results "puzzling" and proceeded to speculate on why they could not be true. Dr. Jay A. Levy of the University of California at San Francisco told the media that he was "perplexed" at the findings. Dr. Bruce Francie of the CDC's Arbovirus Unit at Fort Collins expressed skepticism.

In a pathetic attempt to maintain "the line" of the Centers for Disease Control and the "AIDS Establishment," Prof. Robert Gallo of America's National Cancer Institute whimpered: "He [Chermann] didn't demonstrate that the virus is transmitted by insects, he just mentioned it. I don't think he made any claim that the disease was transmitted by insects, at least I hope he didn't."

A broken Mann

Dr. Jonathan Mann of the World Health Organization AIDS Task Force put forward a bizarre "all or nothing" theory to try and discredit Dr. Chermann; Mann, formerly the CDC's man in Kinshasa, Zaire, commented that if Chermann were correct, then all Zaireans would have AIDS, given the large number of mosquitoes there. Mann's comments were particularly pathetic. Up through the Atlanta AIDS Conference in April 1985, Mann was a respected scientific researcher who, on assignment in Kinshasa, Zaire, did original breakthrough studies on the possibilities of mechanical insect transmission of AIDS in Zaire. According to eyewitnesses, after Mann put forward this hypothesis at the

Atlanta conference, he was called into a room by high CDC officials, and came out of the room a broken man with a marked personality change. Mann was subsequently awarded the post of WHO African AIDS Task Force head, and has since worked to discredit the insect and environmental factor theory.

This journal has documented in detail that the WHO is controlled at the top by the Soviets. In fact, a top Soviet WHO official based in Europe told a reporter: "What Chermann has discovered, is *not* a real revolution in the epidemiology of AIDS, not at all! The idea that he is talking about, has existed for a long time, but it's only an idea. There was always suspicion that insects played a role in transmitting AIDS, but Mann did the work, and found no evidence." The Soviet official, who has a key input into WHO policy toward AIDS, confessed, "We have not given research into insect transmission of AIDS much priority. We have to identify a problem, before we decide to develop research. If we feel that something does not play an important role, we decide and act accordingly. Insects do not play such an important role, so we act accordingly. From the epidemiological side, there's no indication that insects are an important factor in transmitting AIDS."

Central and South America next

Even as the new studies on Africa were released, a vast insect-disease public-health emergency is being suppressed in the Western Hemisphere.

The health ministers of all Central American and Caribbean nations have called an emergency meeting in Honduras to review an "out of control" public-health emergency throughout the area of rampant insect-transmitted diseases such as malaria and Dengue hemorrhagic fever. Informed sources report that the situation in both Nicaragua and Honduras is particularly acute. Other sources report that the AIDS crisis in Puerto Rico is a total emergency.

In addition to the Central American meeting, there will soon be a meeting of all Ibero-American health ministers in Uruguay to plan out a continental strategy against insect-borne diseases. In addition to the insect-borne diseases, tuberculosis—which is the best "marker disease" for economic collapse—is on a rampage throughout Central and South America. Given all these indications, tropical disease experts believe that an heretofore *undocumented* full-scale "African-style" AIDS epidemic is brewing in Ibero-America.

The reports of African insects carrying the AIDS virus and the uncontrolled outbreak of insect-transmitted diseases in Central and South America have to be viewed against the backdrop of the dramatically unfolding African locust crisis. (See *Feature*, page 34-43.)

A new EIR study

The *EIR* Biological Holocaust Task Force has prepared a new study on AIDS, commissioned by economist Lyndon H.

LaRouche, Jr., which was publicly released at an international conference in the Washington, D.C. area on Labor Day Weekend.

The detailed *EIR* study compares AIDS to various other diseases—malaria, typhoid, bubonic plague, Lassa fever, hepatitis B, yellow fever, the common cold, influenza, measles, cholera, and dengue hemorrhagic fever. Ironically, the Atlanta Centers for Disease Control (CDC) has prepared a study which is consistent with the new *EIR* report. Existing statistics show, that AIDS is among the most highly infectious epidemics known, and is the most deadly. It appears to be the case, that very high rates of transmission occur only in some atypical modes as homosexual acts and hypodermic needles; otherwise, according to the statistical evidence, AIDS appears to be approximately 1% as communicable per day as highly infectious viruses. However, AIDS has today the highest rate of fatality of any epidemic, and the AIDS carrier transmits the infection over at least a 100 times as many days as fast-spreading viruses. So, per AIDS-carrier, AIDS is as infectious over the long term as fast-spreading viruses, and twice as deadly as other killer-epidemics.

Among the specific conclusions of the new *EIR* report are:

1) Since AIDS is a slow-acting “lentivirus,” a biological time bomb, the contagious window of an AIDS carrier has a value of 96 on the Communicable Index (CI), as compared with a CI of 1 for the common cold and influenza.

2) The disease-specific Mortality Index (MI) of AIDS is 100%, as compared with a mortality rate of 50%, for example, for plague, yellow fever epidemics, untreated cholera, and untreated Dengue hemorrhagic fever. In other words, a European in 1348 had a 50% chance of surviving if he or she contracted the Black Death, but a person who gets AIDS today currently has no chance of surviving.

3) The Mortality-Communicability Index (MCI) for AIDS is 9,600, making it the deadliest disease in human history, by 40 times over the next closest disease. Other diseases have an MCI value of: malaria (240); yellow fever (150); typhoid (60); plague (50); dengue hemorrhagic fever (50); untreated cholera (50).

4) The MCI was used to calculate numbers of “average points of spread” through active carriers at any one time, the “casual threat of AIDS to the world’s population,” the spread of disease dynamics, and infection densities in tropical, economically collapsed “high-risk areas.”

There are two public-health factors chiefly to be considered, in estimating the number of new cases of AIDS-infected persons per year:

1) The total number of already infected carriers of AIDS in a locality, both in absolute numbers, and as a percentage of the population in that locality.

2) The number of available routes of transmission from infected to non-infected persons: bodily contact, aerosols, insect bites, and other.

Homosexuals and drug-users, the fast-track transmission routes through bodily contact and direct serum-transfer, affect the potential for transmission to non-homosexual, non-drug-user populations, by means of increasing the number and concentration of AIDS-carriers in a locality. The transmission from existing concentrations of AIDS-carriers to non-infected persons, is, relatively speaking, the slow-track transmission. The question then becomes, what is the factor of transmission through each of the possible types of vectors corresponding to the slow track?

The rate of slow-track transmission must tend to vary most significantly according to environmental factors in the locality. Areas of concentration of insect bites, and of poor sanitation generally, must be suspected to have relatively the highest rates of transmission. To the degree the conditions in the locality converge upon tropical-disease conditions, the environmental factors must be relatively greater.

New research needed

Prominent among the needed medical and related biological studies, are included:

1) Insect-bite transmission. The first question, is whether an insect which bites an infected person, and then promptly bites a non-infected person, is transmitting infected serum to the non-infected person. As the Chermann studies indicate, the second question is whether a biting insect can be a systemic carrier of the AIDS virus, and, if so, whether the bite of that insect conveys the AIDS virus efficiently into the system of the person bitten.

2) Opportunities and mechanisms of aerosol transmission. At a certain stage, AIDS infection presents itself in the form of respiratory AIDS; for obvious reasons, in this form, AIDS has a *potential* aerosol transmission in approximately the order of active tuberculosis infection. Statistical evidence indicates already, that AIDS prompts eruption of latent tuberculosis infection; the question is, is AIDS transmissible in aerosols emitted by such victims of tuberculosis?

Medical and related biological research must approach final answers to such questions, by successive steps. The heretofore anti-scientific recklessness of those WHO and CDC officials who *a priori* exclude “non-high-risk” modes of transmission, now stands exposed. The worst behavior among spokesmen for such anti-scientific arguments, is the effort to suppress any experimental evidence along these lines, and the effort to prevent such experiments from being funded. That sort of behavior among medical and biological professionals, is sufficient proof that their arguments are intentionally fraudulent ones. In common parlance, this is sufficient proof that they are liars.

The only rational response to the latest studies of AIDS-virus insect carriers and the new *EIR Risk Threat to Mankind* report, is for a concerted world action plan to commence now, modeled on the 12 points of the *EIR* War Plan released last February.

AIDS insect vector 'cannot be excluded'

The following interview was given to EIR by Professor G. Leigheb, head of Dermatology Department of the Main Hospital (Ospedale Maggiore) of Novara, Region of Piedmont, Italy. Novara is a large city near the center of the rice-growing region, between the two largest industrial cities of northern Italy, Milan, and Turin. The interview was conducted by Marco Fanini and Stefania Sacchi; it has been translated from Italian and abridged.

EIR: Professor Leigheb, you are the head of dermatology at the Ospedale Maggiore of Novara. When did you first hear of AIDS?

Leigheb: The problem has been talked about in the medical literature for several years, at first in a hazy way, and then more and more focused, also because the knowledge of the disease has become more and more refined. In practice, what counts most for a dermatologist (we are morphologists) is to directly see the sick person, and I have had the opportunity to see some AIDS cases, among the first ones confirmed in Europe as a matter of fact, at the clinic of Professor Orfanos in Germany, where there were cases of the disease confirmed among Americans stationed in Berlin.

. . . There are cases in Piedmont, as well as in other regions of Italy, of some minor conflicts among the various specialists in dealing with the disease. In fact, the disease is considered in some cases to be an infectious disease, in others immunological, in others dermatological, in others venereal, while others are interested in the disease principally from the social standpoint. . . . In regard specifically to Novara, the AIDS problem has been entrusted to the Division of Infectious Diseases, which is dealing with the issue by screening all the high-risk groups, drug users, and homosexuals. . . .

EIR: Do you know if the Piedmont region has launched any plans or put any initiatives on the drawing boards for prevention of AIDS?

Leigheb: I know that there have been meetings, to which I was not convoked, and where I do not know what was discussed. I can say that we received a circular from our

health administration which informed us about the ministry's circular concerning how health care workers should proceed regarding the AIDS infection.

EIR: Now we are coming to a point of extreme interest. Some American doctors, such as Dr. Whiteside, believe that it is possible that mosquitos may act as vectors for the transmission of the AIDS virus. What is your thinking about this and what do you think of this problem, in a region like yours which has particular characteristics, because of the kind of agriculture you have (ricefields, marshes) and the presence of these insects?

Leigheb: On mosquitos, and to be more precise in regard to transmission, on Diptera, which include both mosquitos and sandflies and *Aedes*, i.e., a group of insects among the major carriers of infection and infestation in the world, I can say that it cannot be excluded *a priori* that they may represent a possible vector of the virus. Suffice to say that the mosquito, and particularly the female (since only the female is a blood-eater and must necessarily feed on a blood meal, not just human but also of other animals, to be able to procreate and to be able to deposit its eggs), can engage in a zone like ours, where it is endemic, in repeated bites of the same person. A subject could be bitten in one evening by 10, 20, 50 mosquitos.

Therefore, the risk of acquiring the AIDS virus, as well as viral hepatitis, is not an eventuality to be excluded *a priori*. Therefore, it could be hypothesized in my opinion that in the Po Valley in Italy and in the zones where there are the greatest numbers of these insects, it would be a good idea to evaluate the problem in depth, to establish whether in fact: 1) the virus can be carried from an infected person to a healthy person by this mechanism, and 2) if the virus can, and for how long, survive in the gastric cavity of the insect, and hence, if one can define the mosquito or another dipteran as a passive carrier of the infection.

EIR: Are you an expert on insects?

Leigheb: I can specify to you that I have a certain experience with insects, as I am also an entomologist as a hobby, and statements I make regarding insects involve me as an entomologist; I published a monograph which was the subject some years ago of the National Congress of Hospital Dermatologists in Reggio Emilia, where I in fact treat all the skin diseases that can be transmitted via insects.

EIR: Beyond the AIDS problem, can insects transmit other diseases?

Leigheb: A topic which would require a more in-depth study is that related to arborviruses, i.e., the viruses transmitted by arthropods. Arthropods include insects and arachnids, which are invertebrates. Well, many of these invertebrates are capable of transmitting viral agents, above all certain ticks, but also some insects of the dipterous type. These are also ex-

tremely widespread in Europe, above all in the Russian Steppes, where the reservoirs of infection are represented by rodents, which are very abundant in those zones, but where the biological cycle of the virus and the transporting of it occur in fact via dipterans. We are speaking about infections which have not yet been pinned down and studied in a complete way, such as certain forms of encephalitis, certain forms of meningitis, serious and often mortal forms which are hence very important.

It is therefore not to be excluded that other viruses we do not know, may also use this type of transmission. We think that some viruses are spread to a notable degree by mosquitos, such as, for example, the myxomatosis virus, which kills millions of rabbits every year. . . .

Let me give some figures. Diptera [an order of insects—ed.] are represented by no fewer than 90,000 species, and 140 families. The *Culicidae*, the group to which the *Culex pipiens* belongs, i.e., the mosquito, is represented by 3,100 species. Among these *Culicidae*, the most important are the *Culex*, the *Anopheles*, and the *Aedes*. *Aedes aegypti* is widespread in the world, both in America and in Africa; it transmits yellow fever and dengue fever. The mosquito that bites us in cities arose by differentiation from the *Culex pipiens*, which generally lives in the country and is mainly a parasite on birds; it takes the name of *Culex pipiens autogenicus* or *molestus* and has adapted itself to feed on human blood: a kind of natural selection.

It is very important that always in the *Culicidae* and the *Diptera*, the *Phlebotomus* is very tiny, about 4 millimeters of wingspread, and it transmits the famous sandfly fever, or four-day fever. Many of the little fevers that last three-four days, are due to sandflies. Sandflies are capable of transmitting, above all in central-southern Italy, especially along the coast, cutaneous leishmaniasis (oriental button), whereas in the south, they can cause visceral leishmaniasis, a disease which can be deadly. Its natural reservoirs are wild dogs, and it seems that in the south they are affected by leishmaniasis. So it is a big problem, above all in Sicily and in southern Italy.

Then there are other types of dipterans. *Leptoconops irritans*, for example, with its painful bites causes enormous problems in the beach areas in Tuscany, with allergic phenomena and widespread edemas, so as to render life near the sea coast intolerable for particularly sensitive persons; they also transmit tularemia, a kind of pestilence that mainly strikes animals.

Other dipterans are the *Simuliidae*, which are very tiny gnats which in general live along running waterways which are very widespread in our country, especially in the Trentino region, and in zones of northeastern Europe where they can cause the death of entire herds of cattle or their dispersion, because of the painfulness of the bites or the poison from them. In our area, the mosquito, and I have encountered recently some cases even in the province of Novara, also

transmits worms, a filaria, which is 10, 12 centimeters long. The bite inoculates a worm which creates subcutaneous nodes which persist for months or years. In dogs, on the other hand, *Dinofilaria*, present in the Po Valley, causes cardiac *Dinofiliarasis* which can cause the death of the dog, because the heart of the dog is invaded by these worms.

The *Aedes aegypti* carries yellow fever, dengue, and other infections. *Anopheles* can transmit even malaria and many micetic forms and worms.

EIR: In Milan they are disinfecting manholes and water conduits. Do you think this is effective?

Leigheb: Yes, because mosquitos lay their eggs in stagnant water, or even in little puddles. It is difficult to succeed in eliminating the small sources of infection, marshes, rice-fields, small canals. Not least is the problem of ecological disequilibrium from disinfecting.

EIR: We were told in Rome, in parliamentary circles, that these disinfestation programs have been slowed down in recent years. As to AIDS in general, there is a good deal of discussion about what to do; in California, there is an organization called PANIC which collected 700,000 signatures to take the necessary measures against AIDS, applying those measures which are appropriate to every infectious disease. What do you think should be done on the general level to stem what seems to be a growing danger to everyone?

Leigheb: I am against alarmist news *per se*, but I believe that in the face of a problem of this magnitude, it is not alarmism if we defend certain ideas which support a prophylaxis, a study of the disease, and the precautionary norms in regard to hygiene, precisely to avoid, if we are still in time, the spread of that terrible disease. For this reason, broadly speaking, I would be favorable to embracing the perspectives of the PANIC initiative [California Ballot Initiative Proposition 64, on the November state electoral ballot—ed.] insofar as it seems logical to me that, as has been done for the prevention and safeguarding against diseases of an endemic and then pandemic nature, one intervenes with opportune legislation and with opportune research into people and the modes of transmission of the disease among people.

EIR: In case our government should decide on a serious effort at prevention, study, and research, that would have direct repercussions on the budget of the ministry and the regions. It means carrying out a greater effort, more funds would have to be allocated; simply the mass screening requires a lot of financing. Do you think it is possible to make government institutions take on these needs?

Leigheb: Undoubtedly yes. I think these would be well-spent funds and not wasted, because the problem is too important and it cannot be neglected, and one cannot be blind in the face of a problem of worldwide consequences such as this, which directly involves us.

An Emergency War Plan to Fight AIDS

EIR's Biological Holocaust Task Force has prepared the world's only science-intensive "Emergency War Plan to Fight AIDS." The newest discoveries of optical biophysics and advanced laser technology can improve diagnosis and lead to research breakthroughs—if governments move now.

The War Plan begins with the President of the United States, in his capacity as civilian leader and commander-in-chief, declaring a War on AIDS and invoking National Emergency powers to avert disaster. In parallel, heads of state of other nations of the Western alliance shall declare war on this scourge to mankind.

A 150-page *Special Report* for governments, scientists, public health officials, and all citizens concerned with a policy to fight AIDS, before a pandemic wipes out millions.

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Italian judge seizes Libyan accounts

by Galliano Maria Speri

On July 30, at the request of the Cofa and C. F. companies, a Milan judge, Dr. Curtò, ordered the preventive attachment of property of the Libyan government and six Libyan banks on deposit in five Italian financial institutions: Banca Commerciale Italiana, Banca Nazionale del Lavoro, Banco di Roma, Credito Italiano, and Ubae Arab Italian Bank. The two Italian firms which brought this legal action did so to obtain payment on loans that added up, with revaluations, to ca. \$5 million, after all attempts to collect in Tripoli had failed. A provision of preventive attachment on the wealth of a foreign state had never been tried in Italy, and it is a very interesting legal precedent from various standpoints.

First of all, given the type of legal procedure, the frozen Libyan funds amounting to about \$21.2 million will be blocked until May 1987, the date set for the first hearing. This means that other creditor industries could take similar actions against Libya, forcing Colonel Qaddafi to back down. The Italian loans are ca. \$92 million and the firms awaiting payment are more than 300! The most important side of this maneuver is, however, the political aspect, given that this action is a torpedo against the ongoing policy of rapprochement with Libya, which would wipe out the strategic gains obtained by the U.S. bombarding of Tripoli and Bengasi.

After the bombing last April, the Roman and Venetian oligarchy, which has traditional historical ties with the ex-colony of Libya, started to sound out the possibility of bringing about, with their Russian allies, a change of the guard which would keep Libya as a lucrative business center (for the oligarchy, of course) and as a base for destabilization in the Mediterranean. The Italian Foreign Office encouraged a modest reentry of Italians into Libya, whose number had dropped in a few months from 8,000 to about 2,000.

But the Roman oligarchy, via their faithful servant Foreign Minister Giulio Andreotti, did everything to keep the bombing of Tripoli from creating the preconditions for a radical change in the Libyan regime. Andreotti was very careful not to step on the gas and demand, using the temporary Libyan weakness, that the loans to Italian companies be paid off. While hundreds of creditor companies were in financial straits, the Italian state-run Agip oil company continued to pay cash for Libyan oil at extravagant prices. An accord drawn up three years ago, according to which the

proceeds of the sale of Libyan crude would be deposited by Agip in an account at the Banca Nazionale del Lavoro, to then be paid out to a list of creditors established by the Bank of Italy, has never been respected.

The incredible thing is that despite the Libyan missiles lobbed last April against the Italian island of Lampedusa, Minister Andreotti is even reviving military visits. In mid-July, a Libyan military mission visited the offices of Oto Melara, a munitions manufacturer in La Spezia, to discuss new sales. This was *after* the investigating magistrate of Venice, Carlo Mastelloni, had issued subpoenas to ranking diplomats such as Ambassador to Paris Walter Gardini, ex-Ambassador to Teheran Luigi Cottafavi, Ambassador to London Bruno Bottai, and the present chief of political affairs of the Foreign Office, Boris Bianchieri. One hypothesis making the rounds about these subpoenas says that officials are reluctant to talk about a shipment of Italian arms that ended up in Lebanon a while ago, and then reappeared in Italy via the PLO and Red Brigades leader Mario Moretti.

This highlights the testimony secret service Captain De Feo gave in January 1985 before the Commission of Inquiry into the outlawed P-2 lodge. De Feo stressed that the military reinforcement of Libya, in which Italy was playing a major role, had a destabilizing effect on the whole Mediterranean. He added that he was sure that weapons sent under various pretexts to the Middle East all came back to Italy through the channels of common and political criminality. This testimony once again confirms the danger for Italy of selling arms to Soviet puppets.

Dodging trade sanctions

Moreover, while the U.S. government was asking for trade sanctions, above all concerning crude oil, Italy increased its own imports from Libya by 25%, to the point of buying one-third of Tripoli's production. The major Italian creditor industries which had agreed to be paid in oil, such as Oto Melara, Cogefar, Italmont, Lodigiani, Techint, and Technimont, acted in practice as commercial agents of Tripoli, placing stocks of Libyan oil abroad. Because the Libyan crude was turned into a refined *Italian* product, no embargo could be applied.

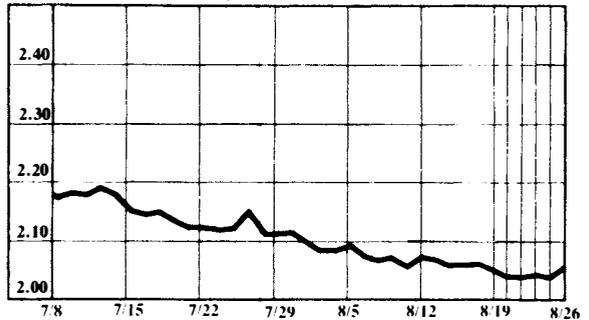
The preventive attachment ordered by the Milanese judge may have interesting international effects, given that it could reopen the discussion of American oil companies still operating in Libya.

Still open is the question of the 15% of the shares of Fiat in Qaddafi's hands. Lafico, the Libyan finance company which holds the stock packet, has repeated that it is not interested in selling. Even if Fiat tycoon Agnelli were again to don pro-Western garb, after the State Department lent him a hand in re-opening relations with the Pentagon, many still remember that the first official meeting between Agnelli and Qaddafi, after the Fiat shares were sold to Libya, took place in the Kremlin on Dec. 9, 1976.

Currency Rates

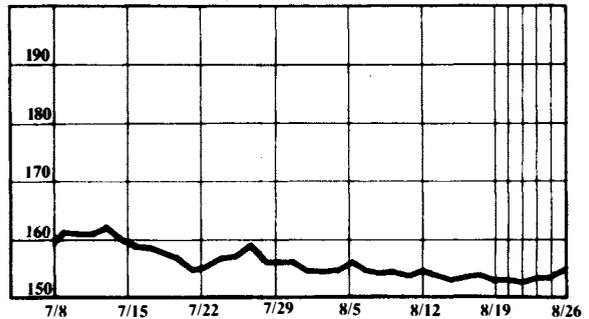
The dollar in deutschemarks

New York late afternoon fixing



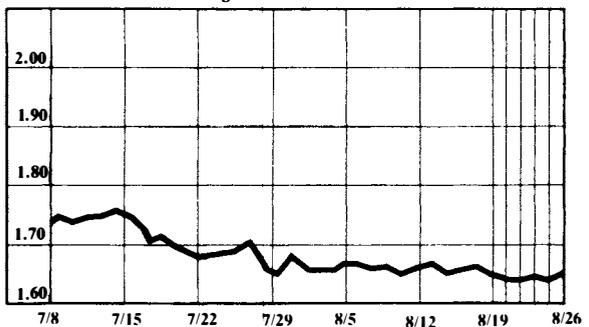
The dollar in yen

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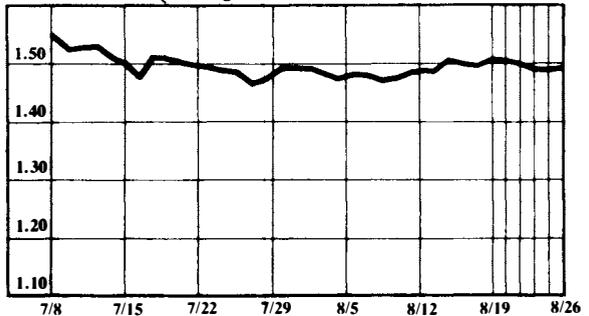
The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



46 farm bank failures this year

The federal farm banks are complaining about having to manage foreclosed farmland.

As of Aug. 22, forty-six U.S. farm banks have failed already this year, of a total of 93 failed banks. In addition, the federal Farmers Home Administration (FmHA), and the Federal Land Banks have acquired record amounts of foreclosed farmland.

Congress has taken the approach of "studying" the matter.

Meanwhile, farm infrastructure—farms, suppliers, storage and transportation systems, and the farm communities are shutting down.

On Aug. 21, the 46th, the United Bank of Minneapolis, Kansas failed—the 11th bank failure in the state this year alone. Also, the Danbury Bank failed in Danbury Texas—the 15th bank failure in the state this year. The process of farm bank failures in the "foodbelt" states signifies the shut-down of farm infrastructure on a scale so vast as to threaten the national food supply, and global food potential.

In a Government Accounting Office report of June, *Farmers Home Administration—Federally Acquired Farm Property Presents a Management Challenge* (GAO/RCED-86-88), the scope of the farm bank failures and farmland foreclosures was presented, but only from the point of view of how difficult the problem is for the bankers to "manage."

In 1985, it is estimated that more than 20% of all farm property that changed hands in the United States, was on the market as the result of foreclosure. At present, billions of dollars of farm property has built up in the inventory of the Farm Credit System or FmHA, awaiting the decision of

whether to be sold, leased, or otherwise disposed of.

FmHA's farm property inventory has increased over 14-fold, from an estimated 288 farms in December 1979, to an estimated 3,969 in October 1985.

Billions of dollars more of farmland will be acquired over the coming months. According to the GAO report, "GAO has noted in other reviews that as much as half of FmHA's farm loan portfolio is in danger of default. . . ."

By the turn of 1985, Congress had legislated the mechanisms by which the Farm Credit System—which holds up to 33% of the \$200 billion worth of farm debt—could "warehouse" foreclosed land. What was created was a new entity—the FCS Capital Corp., with sweeping powers to take and hold land, and to also mandate the movement of funds from one district of the FCS into another. In other words, the FCS Capital Corp. can preside over the dismantling of the extensive Farm Credit System, in whatever way it chooses.

The current record rates of farm bankruptcy and foreclosure come from the process of rapid farm-income decline, accumulated debt burden, and collapse of farmland values. The value of a farmer's collateral on his debt declined as the value of his land fell, dumping more of a debt burden on him which he cannot pay. Many local farm banks have tried to extend credit, but they are under pressure from the Federal Reserve and federal banking regulators to lower the valuation of the

collateral and refuse more credit to farmers. The large money center banks—for example, Citicorp., Chase Manhattan, Mellon, and others—then expect the elimination of rural banks to pave the way for the "megabanks" to move across the country, taking over what remains of the economy.

According to figures released in August by the Federal Reserve Bank of Chicago, farmland values in the five Midwestern states in its district—all top farm-producing states—dropped on average by 45% in the last five years, causing a huge loss in the net worth of Midwest farmland-owners. From 1985 to June 1986, land values in these states have fallen by 15% on average.

Officials at the Chicago Federal Reserve have tried to downplay the implications of this, by saying that the rate of farmland-value decline is slowing down. During the second quarter of this year, values fell in the five Midwestern states by "only" 2%, and the Federal Reserve bankers are predicting the decline will "level off." To break down the farmland-value decline during this period: Indiana, down 3.5%; Iowa, down 2.45%; Michigan, down 1.5%; Illinois (northern half), down 1%; and Wisconsin, leveled off.

However, even the Federal Reserve admits that the five-year decline is only comparable to the collapse in the 13-year period between the end of World War I and the Great Depression, when farmland prices collapsed 57%. Federal Reserve officials prefer to call such a collapse a "profound" decline.

The state with the largest such "profound" decline, is Iowa—the heart of the farmbelt. There, prices have dropped by 55% since 1981. Land values in Illinois and Indiana have dropped by more than 45% over the same period, and by 30%, at least, in Michigan and Wisconsin.

Business Briefs

Population

Europe has negative population growth

A spokesman for the European Community has revealed to *EIR* that every nation of Western Europe but the Republic of Ireland now has a negative birth rate, the lowest being West Germany, followed by the U.K.

According to a report just adopted by the EC's Protocol Committee, the reasons for the collapse in births lie in the "shake up in marriage patterns," rising costs of raising children, "vague unease about the future," and the ability to plan births.

West Germany can now be described as an "anti-child" society, the spokesman said. Most housing, for example, is restricted against children.

The most serious economic repercussions will be the increase in the number of the old to be supported by a shrinking number of active workers.

Sanctions

South Africa unveils 'mineral bomb'

South Africa announced on Aug. 26 that its vast mineral wealth was a potentially powerful weapon in the battle against sanctions, but that such a weapon would not be used lightly.

State-run Radio South Africa said the country was a key supplier of manganese, vanadium, platinum, and chromium, vital to the West's defense and industry.

"If there were to be a total cut-off of supplies of these and other critical minerals and metals found in abundance in South Africa, no Western industrial country would be able to sustain present levels of economic and technological progress or to uphold present military and defense capabilities," the radio warned in a daily commentary which reflects government views. It said the "minerals weapon" was a potentially powerful arm in the economic war that certain countries were preparing to wage against

South Africa through sanctions. "But it is not a weapon that should be used lightly, if at all," the radio said.

Fears that Pretoria could retaliate against sanctions by cutting off platinum supplies recently upset international markets, and the price of the metal soared.

According to official figures, South Africa has the world's largest known reserves of vanadium, platinum chrome, manganese, gold, fluorspar, and aluminium. The radio pointed out that South Africa depended on mineral exports for more than 70% of its foreign-exchange earnings. To sacrifice this would be to risk the continued growth of the economy, it said. Other sectors of industry have to be strengthened so that South Africa could be made even more self-sufficient, it said.

The Informal Economy

Soviets fighting domestic war on drugs?

After decades of denouncing the decadence of the Western capitalist world and sneering at Western problems with drugs, the Soviet press is exploding with revelations about drug-activity in the U.S.S.R., with almost daily tales of helicopter raids on dope fields, drug rings, and thefts from hospitals. Leading journals such as *Izvestia*, *Literaturnaya Gazeta*, *Sovietskaya Rossiya*, and *Sobesednik* are all running stories to show that the Soviets, who have been running drugs into the West since 1967, are rather victims of drugs.

According to *Literaturnaya Gazeta*, large areas of the Soviet Union are dedicated to growing drugs. The acreage of land used to produce drugs is immense, especially in the Kirgisian provinces, the magazine says, and 300 party officials have been sentenced for operating a "private" drug market.

An agricultural expert is quoted in the article saying that there are 10 main areas in the country producing drugs, which is not illegal, since there are no laws banning such production.

The same article notes that the Soviet Union has a large drug consumption prob-

lem. Soviet Health Minister Potapov is quoted as saying that drug consumption is spreading among the youth, and Boris Yeltsin, head of the Moscow party section, admitted that there are 3,000 drug addicts known in Moscow alone, with many more presumed.

U.S. Economy

Hit tax reform for damaging research

A Stanford University official, Larry Horton, said on Aug. 25 the new Tax Reform bill nearing congressional approval could kill the type of research that spawned the high-tech Silicon Valley in California.

He said provisions in the bill would make it very difficult for major private universities to raise money for vital scientific research. It is believed that the House-Senate conference committee on tax reform voted to impose a ceiling of \$150 million on any tax-exempt bonds an independent school could sell, he said.

"About 20 to 25 of the top private universities in the country would face a decline in the kind of long-term research that made the development of Silicon Valley possible," Horton said. Stanford, which already has \$300 million in such bonds, would be ineligible to sell more.

International Debt

Chile pioneers in 'debt-for-equity' swap

Chile is implementing a "debt-for-equity swap plan," and has already converted \$450 million in debt. The *Washington Post's* James Rowe, Jr. bragged on Aug. 24 that the scheme is being implemented, and claims that it is working perfectly and is giving banks expertise for implementing such schemes in other Ibero-American countries.

Chile has been encouraging both domestic and foreign investors to buy outstanding dollar-denominated foreign loans and "con-

Briefly

vert" them into either domestic, peso-denominated loans or direct investment in Chile, Rowe writes. Through June 30, the nation's conversion program has sliced about \$450 million from the country's \$19.5 billion debt. By the end of the year, Chile's Central Bank international director Francisco Garces says an additional \$550 million in foreign debt will be converted.

One of the largest transactions was that of Bankers Trust, which spent \$43 million buying into the pension plan run by Chilean fund-management firms and insurance companies. The Chilean pension system was "privatized" about five years ago, as part of the Pinochet government's "free enterprise."

Rowe claims that other debtor nations and multinational institutions, such as the World Bank, are studying the Chilean experiment, and that the Chilean strategy can serve "as a model for others."

Industry

German economy going down fast

There is nothing but bad news coming out of West German industry these days:

West German machine exports took a deep dive during the first six months of 1986 according to figures released at a press conference by the Association of German Machine Builders (VDMA) in Frankfurt. Sales of special machinery to Third World nations and the United States were 12% lower in the first half of 1986, than during the same period in 1985. Machine and machine-tool exports have been the big "conjuncture locomotive" of West Germany's industry.

Meanwhile, Germany's biggest producer of steel pipe is in trouble. The Mannesmann Corporation, West Germany's biggest producer of specialty steel pipes, has been hit badly by the collapse of oil revenues in the OPEC and other oil-producing countries. Foreign sales, especially in the oil pipeline sector, dropped by 9% in the first six months of the year.

Soviet orders for specialty high-pressure gas pipeline from Mannesmann have ex-

pired. The company will be forced to lay off at least 4,400, but more likely 6,300 workers within the next 6 to 12 months.

Were this not enough, West Germany's shipbuilders have announced they want to cut 30% of their workforce. A troubled sector for several years now, shipbuilding will receive no further subsidies from the government. When orders expire in September-October, between 6,000 and 8,500 workers stand to lose their jobs.

Finance

Argentine economic restructuring in trouble

Argentine central-bank head Alfredo Conception, along with the entire bank's board of directors, has resigned under government pressure. Conception became surrounded with controversy when, on Aug. 19, he accurately observed that the Ibero-America debt was structured in "unpayable" terms, and therefore, "We will all be ineligible [for international credits] like our Peruvian brothers."

Conception is being scapegoated for the collapse of President Raúl Alfonsín's Austral Plan. Finance Minister Jacques Sourrouille has accused Conception of being responsible for an inflationary explosion because of his refusal to reduce the money supply, raise interest rates, and further lower living standards in the midst of a depression. July inflation was 6.8%, bringing this year's to 33% and an annualized rate of 119%, compared to a government target of 28% for the year.

"Confidence evaporated with the July inflation figures and people ran for the dollar," according to Carlos de Roa, an Argentine businessman.

According to the *Wall Street Journal*, Sourrouille will push through a 10% reduction in real wages. "Wage agreements have been far too generous and give a sense of government weakness," said economist Carlos Heibling.

Conception is a founder of Alfonsín's wing of the Radical Party and is, or was, a close friend of the President.

● **JAPAN DONATED \$19 million** to Peru to finish a water system in the town of Chosica. The project began with an earlier Japanese donation in August 1985. Peruvian Foreign Minister Allan Wagner said, "The cooperation of friendly countries like Japan permits valuable support for the government's efforts in favor of the people." The IMF declared Peru "ineligible" for international credits on Aug. 15.

● **GENERAL MOTORS** confirmed on Aug. 25 that it will immediately offer its 142,000 North American salaried workers an "incentive separation program" in an effort to reduce staff 25% by 1989.

● **SOUTH KOREA'S** sixth nuclear plant came on line on Aug. 25, and nuclear power now generates more than 25% of the nation's total electricity consumption. The 950-megawatt pressurized water reactor in Yongkwang cost \$1.2 billion. Westinghouse built the reactor and the turbine generator. South Korea will build three more plants by 1989 and plans to produce 37% of its electric power by nuclear means by 1996.

● **FLOODING** could delay the start-up of the first Cattenom nuclear plant in France, according to Electricité de France.

● **TAX REFORM** in the form now nearing congressional approval will cause state income-tax increases in 35 states, some by as much as 20%, according to estimates prepared by the National Association of State Budget Officers.

● **MENDON STATE BANK** became the first Illinois bank to fail since Continental Illinois collapsed in August 1985. It was the 91st U.S. bank to fail this year. It reopened at 9 a.m. Aug. 21 as a branch of the First Midwest Bank of Quincy, Illinois. To ease the transaction, the FDIC is advancing \$6.6 million to First Midwest.

Ibero-America's strategy to defeat financial collapse

by Lyndon H. LaRouche, Jr.

This installment begins EIR's serialization of the new Spanish-language book, La integración iberoamericana: Cien millones de nuevos empleos para el año 2000! (The integration of the Ibero-America: 100 million new jobs by the year 2000!). This is Part I of the introduction contributed by economist LaRouche, "Economic Science as an alternative to liberalism: Ibero-America's strategy to defeat the coming financial collapse." The book is to be published by New Benjamin Franklin House in September.

The nations of Central and South America are shaped by a Catholic cultural matrix. Amid the sea of corruption, domestic and imported, which is to be found in these, as other nations of the world, the viability of these nations depends upon the influence of the Augustinian tradition, and upon those special doctrines of Augustinian statecraft first defined by the 1439 Council of Florence.

As this Augustinian heritage bears upon the leading issues among these nations in today's great crisis, the basis for policy is centered in the Augustinian denunciation of the practice of usury as a mortal sin. This issue was emphasized by Joseph Cardinal Ratzinger, in an address to an assembled body of Catholic economists, on Nov. 19, 1985, immediately prior to the convening of the Extraordinary Synod of Bishops in Rome. Cardinal Ratzinger denounced, by name, Adam Smith, Max Weber, U.S. President Theodore Roosevelt, and the Rockefellers, for seeking to impose upon Ibero-America the immoral dogma of Adam Smith, a dogma which licenses both usury and the drug-traffic, a dogma based on the assertion, that no man or government should be held morally

accountable for the foreseeably wicked consequences of an economic policy of practice.

In respect to what Cardinal Ratzinger stated upon that occasion, no moral person could disagree. However, the Cardinal did not attempt to define a body of economic science to replace the monetarist dogmas of Smith, Jeremy Bentham, James Mill, John Stuart Mill, Alfred Marshall, and John M. Keynes. We can neither blame the Cardinal for not being a professional economist, nor for omitting specific recommendations on this point. Indeed, the Cardinal acted most appropriately, in assigning to conscience-stricken economists the task of defining economic policies which are consistent with moral principle, and which might replace the wicked dogma of the "free market." That assigned task is therefore left to those among us who are specialists in this aspect of statecraft.

The practical difficulty is, that the economics doctrines taught and studied at the leading universities of Western Europe, North America, and Ibero-America, are all varieties of the axiomatically immoral, monetarist dogma. Not that a well-developed scientific alternative to monetarism has not existed. The traditional opponent of Adam Smith's dogma was the American System of political-economy adopted by the administration of U.S. President George Washington, and named the "American System" by U.S. Treasury Secretary Alexander Hamilton. That anti-British American System was the leading issue of the American Revolution of 1775-83, and was continued as policy by such American Whigs as Henry Clay, the two Careys, and Benito Juárez's friend, Abraham Lincoln, during the first half of the 19th century. This American System was spread into the practice of Euro-

pean nations by Friedrich List, and was hegemonic among the patriots of Mexico, Argentina, and other Ibero-American republics during various periods of the last century. Indeed, the practice of Peronism is consistent with the principles of Hamilton's American System. The problem has been, that since international rentier-finance seized control over the U.S.A.'s currency, national credit, and public debt, through the treasonous U.S. Specie Resumption Act of the late 1870s, the teaching of the American System was eradicated from the universities, as it was expelled from the policy-making of the U.S. government.

The difficulty is, that only a very tiny number among the professional economists have any degree of competence in economics. What they call "economics," is not economics at all, but merely rentier-financier money-theory, monetarism.

Although some of the leading states of Ibero-America have sections of their populations who enjoy a European or North American standard of material subsistence, the majority of the people of these nations are desperately poor, and kept poor by the looting practices of industrialized nations and supranational monetary authorities. Hence, any government or political party of Ibero-America, which is patriotic, and not merely a compradore of foreign rentier interests, which is dedicated to the well-being of the nation, and the improvement of the condition of all of its citizens, is not merely placed into irreconcilable conflict with the monetarist dogmas of Adam Smith, but finds that most of the professional economists are no better than unwitting agents of the special interests of those foreign rentier-financier interests which are looting the nation and region. To be a patriot of an Ibero-American republic, a professional economist must begin by repudiating most of that for which he was awarded his university degree.

This predicament of the professional economists, has caused numerous among them to be misled into believing that to be a patriot, one must be a Marxist. Since most of them have no knowledge of the history of political-economy, no knowledge of the American System, they are rather easily misled to believe, that one is either an apologist for foreign financier interests, a monetarist, or a Marxist.

Those patriots who reject both monetarism and Marxism, have produced some excellent policies, and some very competent proposals for economic reform; however, with rare exceptions, those patriots lack a coherent body of economic science. Since they lack knowledge of economic science, the proposals of these patriots take the form of a collection of fragmentary recommendations for the development of the economy as a whole; they lack an effective, general theory of economic development. The enemies of the republics exploit this situation, by attacking the patriots' policies on the flanks, by forcing concessions, often described as compromises, in areas which the patriots are poorly equipped to analyze.

As a patriot of the United States in the tradition of Frank-

lin, John Quincy Adams, and Abraham Lincoln, it has been one of my leading objectives to establish a true and equitable community of principle among the republics of the Americas.

We republicans of the Americas are cut from the same cloth. We established our republics according to the kinds of Augustinian principles of statecraft introduced by such Golden Renaissance events as the 1439 Council of Florence. While we represented European republican networks, to which we were closely tied during the 18th and early 19th centuries, Europe had failed to rid itself of the institutions associated with both feudal aristocracy and the Venetian rentier-financier nobility. We sought to establish a new quality of republic, based on the equality of the individual soul under Augustinian natural law, in which no distinctions of privilege excepting those of moral merit and service to mankind, were permitted. This, Secretary of State John Quincy Adams asserted, in his arguments for the United States' unilateral promulgation of the 1823 Monroe Doctrine. The United States' government, supported in this by two former Presidents, Jefferson and Madison, rejected any treaty with Britain, because, as Adams emphasized, we and the new republics of Hispanic America shared no commonality of moral principle and law with a Britain dedicated to the evil colonialist dogmas of Adam Smith's employer, the British East India Company.

Unfortunately, within the United States, there has arisen a powerful faction whose original great wealth and power was derived from partnership with the British East India Company in the China opium-trade. This faction is composed of families, chiefly from New England and the vicinity of New York City, which were pro-British Tories during and after the American Revolution, and which are, today, the masters of Harvard and other "Ivy League" universities, and the dominant, self-styled "patrician" class of the Liberal Eastern Establishment. These "patrician" families have always been the dedicated adversaries of the republics of Hispanic America within the United States. With the accessions to the U.S. presidency by Theodore Roosevelt and Woodrow Wilson, the anti-Hispanic policies of the Liberal Establishment became integral to U.S. foreign policy.

So, just as Abraham Lincoln, as U.S. Representative from Illinois, denounced British agent of influence Polk's complicity with the Duke of Wellington, in plunging the U.S. and Mexico into a war, I opposed my government's violation of its own law, in the Reagan administration's backing for Britain in the Malvinas War. Although I have sometimes aided the British, when they happened to be right, or when the entanglement of U.S. and British interest demanded this, the U.S. toleration for British military action against Argentina was a violation of the most fundamental strategic interests, as well as moral commitments, of the United States. It is bad enough when the United States is complicit in injustice against our friends of the hemisphere; to allow extrahemispheric powers to make war in this hemisphere is both a



Lincoln's Mexican ally, Benito Juárez. "Essentially, the patriots of Ibero-America and the United States have the same purpose and the same enemies. In my capacity as both a U.S. patriot and a world citizen, the patriots of Ibero-America are, by definition, my friends and allies in a common cause."

violation of solemn U.S. treaty-law, and a betrayal of the United States' own most vital strategic interests.

The advantage of Ibero-America to the United States, is not to be construed as defining these states as in any approximation U.S. colonies or satrapies, as Theodore Roosevelt and Woodrow Wilson did wickedly define the existence of those states. Today, Ibero-America represents approximately 350 million souls. Since the culture of these nations is a product of the highest European Augustinian traditions, the educated individual person in each of these states has an exceptional potential for efficiently assimilating the most advanced science and technology. The United States can only benefit from rich and powerful neighbors which share the same moral principles upon which the U.S. Declaration of Independence was premised. It is in the vital interest of the United States that each and all of the republics of this hemisphere be fully sovereign, prosperous, and politically and socially secure and stable in self-government of their affairs. With such states, the U.S.A. must establish and maintain an unbreakable community of principle, a much firmer and stronger bond of mutual assistance than any mere military alliance.

Essentially, the patriots of Ibero-America and the United States have the same purpose and the same enemies. We in the United States must, urgently, free our institutions from the virtually dictatorial grip of the Liberal Eastern Establishment, so that we may once again order our internal and foreign affairs according to the principles expressed in the formulation of our Declaration of Independence and federal

Constitution. This Liberal Establishment, together with its Venetian and Swiss rentier-financier partners, is at the same time the dedicated adversary of the republics and peoples of Ibero-America.

I have been engaged in the problems of Ibero-America for approximately 12 years, since 1974. My commitment to the welfare of those sovereign republics has been threefold. First, in my capacity as both a U.S. patriot and a world citizen, the patriots of Ibero-America are, by definition, my friends and allies in a common cause. Second, in every circumstance, I must act, ad hoc, as my principle instructs me to employ my limited capacities, as I reacted in the matter of the Malvinas War. Third, it continues to be my special personal responsibility, as an economist, to work to supply the patriots of Ibero-America, as well as my own nation, with that body of economic theory we all desperately require for the needed ordering of our affairs.

The best and most useful method, for providing a large assortment of patriots with knowledge of economic theory, is to present economic theory as an integral part of working through concrete, practical solutions to problems of national and regional economic development. Rather than saying to our friends, "Here is the economic theory. Now, go and apply it yourselves to the tasks of national economic-development policy," it is more fruitful to cooperate with those friends in working through, step by step, the kinds of concrete programs needed.

Over the past dozen years, many such research projects have been launched, with several useful studies of entire Ibero-American economies completed. At the present juncture, a time when the entire U.S. banking system is now on the brink of a general collapse, the governments of Ibero-America will be soon confronted with saving their nations from the chaos which a collapse of the international banking system will bring. When the imminent banking collapse occurs, those governments will be confronted with political decisions which must be made within days. There will be no time available for scholarly commissions to spend weeks or even months in constructing long-winded academic treatises. Governments must act immediately, within days, in decisions which have revolutionary impact on existing banking institutions and monetary agreements, decisions of broad and profound scope, and of great pungency and substance. Worse, at least a number of the governments of the hemisphere, must act in concert, and reach agreement on such common forms of concerted action within a few days. At the present moment, most of the leading forces of Ibero-America are not yet prepared for such crucial decision-making; there is a lack of insight into the nature and breadth of the problem to be confronted, and a lack of agreement on the kinds of coherent and concrete measures which must be taken suddenly as soon as the crisis erupts. This book provides a summary of an assortment of the major economic options on which governments might act in concert at the moment of crisis.

For my part, in the remainder of this introduction, I shall summarize relevant general points on three areas of major concern. First, I shall describe the yardstick which must be employed to measure both economic performance and proposed economic policies. Second, I shall identify the central features of changes in technology which will dominate the world's economies during the coming 40 years. Third, I shall indicate the policies which the member-states of an Ibero-American "Common Market" must implement, to ensure economic progress and political stability during the period ahead.

How to measure 'economic value'

In what modern ethnologists allege to be mankind's most primitive state, "hunting and gathering society," approximately an average of 10 square kilometers of our planet's land area would be required to sustain an average individual. This would put an upper limit on the size of the human species, of about 10 million individuals. Today, our population is approaching five billion persons; the greatest part of this increase in population has occurred as a result of policies set into motion by the 1439 Council of Florence. The entirety of this increase in Earth's potential human population-density is the result of mankind's ability to willfully modify its economic behavior. Those kinds of modification which cause an increase in potential population-density, are of a form we associate today with scientific and technological progress.

Man's capacity for scientific and technological progress, is the most fundamental practical, and moral, distinction between being human and being a mere beast. Each healthy newborn child, is dominated by a quality of hedonistic, "instinctive" behaviorisms like those of a mere beast; however, that same child is also distinguished absolutely from the beasts by the child's possession of a quality often called a "divine spark" of potential for creative reasoning. If that potential is cultivated, educated, the child becomes less and less beast-like as it matures into an adult; the individual's behavior, instead of being dominated by bestial forms of hedonistic irrationalism, is dominated by those qualities of reasoning we associate with mastery of the physical sciences. Through this agency of reason, mankind is able to discover the laws of cause and effect in our universe, and to use those discoveries as guides to progressive changes in mankind's behavior. These progressive changes have many facets, in politics, in art, and in economic practice; technological progress is the most direct expression of this human capacity for progressive change.

Science is very old, much older than the founding of the Dravidian ("Harrappan") colony of Sumer, which brought the agricultural revolution to the savage Semites of western Asia. The first known science is solar astronomy, developed by the ancestors of a Vedic civilization based in Central Asia between 6,000 and 4,000 B.C. Primitive science was introduced to Europe from India and by way of the priests of



Nicolaus of Cusa. "Although there were many essential forms of technological progress over the nearly 2,000 years between Plato and Cardinal Nicolaus of Cusa (1401-64), modern science begins with Cusa's De Docta Ignorantia."

Ammon in Egypt and Cyrenaica. The first European science, was Greek science, which reached its highest development under Plato's Academy at Athens. However, there was no significant progress above the level of Plato's science until the 15th century Golden Renaissance. Although there were many essential forms of technological progress over the nearly 2,000 years between Plato and Cardinal Nicolaus of Cusa (1401-64), modern science begins with Cusa's 1440 *De Docta Ignorantia*, and the work of Leonardo da Vinci and his collaborators after Cusa. The policy of basing the existence of modern society on a policy of scientific and technological progress, is an outgrowth of profound changes in principles of statecraft set into motion by the 1439 Council of Florence.

The first attempts to create republics based on the principles of the Council of Florence, were the efforts of Cosimo de Medici, and, later, by Leonardo da Vinci at Milan. These efforts in Italy were defeated. So, the first modern form of sovereign nation-state consistent with these principles, was the reconstruction of France by King Louis XI. The second such state, was the establishment of Tudor England by the English faction associated with such figures as Erasmus of Rotterdam and Sir Thomas More. When the English counterrevolution of 1589-1603, plunged England into backwardness, the Erasmian faction in England founded 17th-century English-speaking colonies in North America.

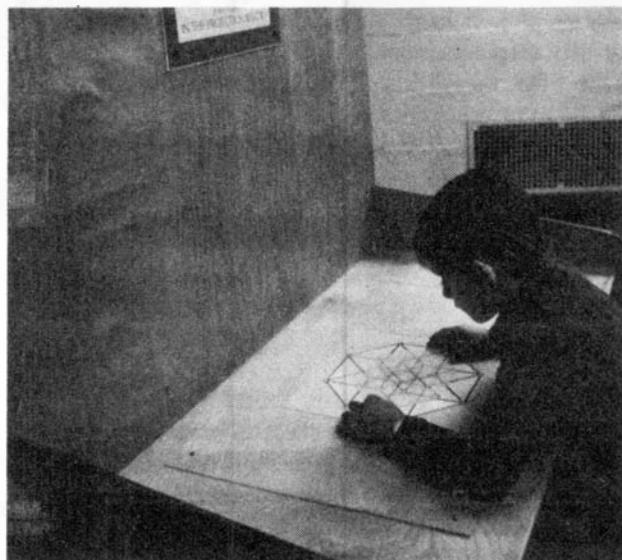
From these beginnings, the new form of sovereign nation-state spread its influence throughout more and more of the world as a whole. It is a fact which must be emphasized, that the old feudalist faction, which the 1439 Council of Florence attempted to defeat, has remained very powerful down to the present time; the rentier-financier faction, centered around Venetian, Swiss, and other financial families, and wealthy elements of the old feudal aristocracy, do dominate the world's affairs at the present time. However, every stage of progress in the condition of mankind over the past five centuries has been a result of the spread of the influence of either European science, or Renaissance humanist notions of natural law and political institutions, or a combination of both. The net growth of the world's potential population-density since the Council of Florence, has been the result of modifications in human behavior set into motion by Nicolaus of Cusa and his collaborators.

Although the principles of machinery were first elaborated by the Leonardo da Vinci who was the first to explore scientifically the notion of powered machines, economic science was first established as such by Gottfried Leibniz, beginning Leibniz's short treatise on wages-policy, his 1672 *Society and Economy*. Leibniz's development of a science of physical economy, is the basis for defining a yardstick capable of measuring "economic value."

The pivotal point of departure, for Leibniz's founding of economic science, was his study of the principles of heat-powered machinery.

Leibniz's work had an emphatically practical reference-point. The use of wood and charcoal as an industrial fuel, had reached its limit in Tudor England during the 16th century, where the scientist William Gilbert and others had already proposed the development of coal as a superior fuel. Leibniz saw that economic progress depended upon both the use of coal-fueled heat-power for machinery, and the use of heat-powered machinery for developing of mining of coal and ores. He was determined to uncover the mathematical function, through which we might predetermine the relationship between an increase of heat-power applied to a machine, and an increase of the rate of output by an operator using that machine.

While the increase of heat-power per capita, is the most obvious source of increase of the productive powers of labor, this is not an adequate explanation of the relationship between heat-power and productivity. To discover the additional factor, it is sufficient to consider the following hypothetical case. Imagine two machines, each designed for the same kind of work, and each consuming the same amount of coal per hour as heat-power; yet, in this case, the same operator using the one machine, has a higher rate of output than in using the second. In this case, the difference between the two machines is some difference in the geometry of internal organization of the machine's construction. Those changes in geometry of internal organization of machines, or analogous processes,



NSIPS/Carlos de Hoyos

"Any reasonably intelligent secondary school student can master elementary synthetic geometry. The greatest single obstacle to understanding of physics, is the naive person's refusal to accept the simple fact that the images of the world supplied by the senses are highly distorted reflections of reality."

which in themselves cause increase in the productive powers of labor, are the definition of the term "technology."

Two other leading considerations enter into the function. As the French collaborators and students of Gaspard Monge and Lazare Carnot were first to demonstrate, as we increase the average temperature at which heat is produced, not only does the efficiency of heat-power increase, but at higher temperatures, we are able to perform chemical operations which are impossible at lower temperatures. The use of technologically advanced machinery, or analogous processes, requires a higher cultural standard for members of the labor force, including improvements in life-expectancies and the general standard of living of households from which the labor force is recruited.

So, on condition that the education and material conditions of life of households are increased sufficiently, the chief preconditions (i.e., "constraints") for economic progress are the following four:

- 1) The average amount of usable energy, both per capita and per hectare, must increase.
- 2) The average temperature, or equivalent, at which heat-power is supplied to production, must increase.
- 3) The ratio of employment for production of machinery and other producers' goods, to employment for production of households' goods, must increase.
- 4) The technology of production must increase.

The increase of mankind's potential population-density, is dependent upon such technological progress. Therefore, for purposes of statecraft, we must measure technological (and economic) progress, in terms of variable rates of increase of the potential population-density. We must have an

“equation,” which puts a “variable rate of increase of potential population-density” on one side of the equation, and measures increases, in per capita and per hectare heat-power, in energy-density cross-section, in capital-intensity, and technological progress, on the other side of the equation.

It should be obvious, at this point, that the theories of labor-value of Ricardo and Marx, are absurd. We must grant to Marx, than at various locations in his four-volume *Capital*, he repeatedly admitted, that all of his analysis ignored the effects of technological progress. Once we take into account the role of technology, both the various theories of labor-value and the utilitarian (“monetarist”) notions of economic value, are worse than useless.

Put the same point another way. Modern econometrics, since the proto-fascist Swiss economist Leon Walras, of the Lausanne School, has been based on Prof. John von Neumann’s false assumption, that the solution to all problems of economic analysis can be stated as solutions of systems of simultaneous linear-algebraic inequalities. That axiomatic assumption of modern econometrics, is false to the degree of absurdity. If we leave out of account two parts of the equation, increase of absolute households’ consumption and technology, we are able to express the other variables of the function in terms of linear inequalities. Once we introduce the impact of marginal depletion of primary resources, an economy consistent with the assumptions of von Neumann is dominated by a spiral of physical collapse. No linear-equilibrium model of an actual economy exists, or could ever exist. It is only through technological progress, that mankind is able to overcome marginal depletion of primary resources, and also meet the requirement for increased consumption by households.

These observations enable us to isolate the crucial question of economic science. How can we measure technology mathematically? Although Leibniz supplied a correct, general answer to this question, no adequate application of Leibniz’s principle was presented until my own discoveries of the early 1950s. I shall indicate and describe the nature of my discovery, limiting my references to facts which can be understood by readers who have completed a secondary school program in mathematics.

Leibniz based the deeper side of his economic science, like his physics generally, on what is described as his Principle of Least Action. To understand how technology may be defined mathematically, one must understand what is meant by the Principle of Least Action. The concept of Least Action is entirely a geometrical concept, which can not be described competently from the starting-point of an algebra based on either axiomatic arithmetic or algebra in the disguise of Cartesian geometry. Leibniz did not discover the Principle of Least Action; the discovery was made by Nicolaus of Cusa, and first stated in Cusa’s 1440 *De Docta Ignorantia*. Cusa termed this discovery “The Maximum-Minimum Principle.” Cusa’s discovery of this principle performs a central

part in the contributions to physics by Leonardo and Kepler. Leibniz gave the principle new emphasis.

The easiest route to understanding the Principle of Least Action, is to start with Euclidean geometry. Euclidean geometry assumes, wrongly, that space is a three-dimensional emptiness. It assumes that the existence of an infinitely small point is so self-evident, that one need not account for the way such points might come into existence. Euclidean geometry adds to the idea of the point the idea of a straight line. These and a few additional arbitrary assumptions, are adopted as axioms and postulates. Once these assumptions have been adopted, the rest of geometry is built up through a hierarchy of theorems which are derived from the axioms by formal-logical deduction. Mechanistic physics, such as that of Descartes and his followers, assumes that physics is a matter of points roaming in empty space, and that the points act upon one another either by percussion, or by forces acting at a distance along a straight-line pathway.

Such geometry, such physics, is wrong, because it is based on axiomatic assumptions from the beginning. Nicolaus of Cusa was the first to present a proof of this fact. Cusa’s discovery was first reported in the 1440 *De Docta Ignorantia*, and in some among his sermons. Cusa reworked Archimedes’ study of the problem of attempting to construct a square whose area is equal to that of a circle, using nothing but geometric construction. In the course of this reworking, Cusa discovered his “Maximum-Minimum Principle.”

In Euclidean geometry, it is assumed, wrongly, that the point and straight line are the self-evident forms of existence, and that the circle comes into existence through constructions based on a point and a straight line. Exactly the reverse is true. Circular action is the only self-evident form of action in physical space; points and straight lines are among the products created as by-products of circular action. The only thing which is truly self-evident in the geometry of physics, is the existence of a least amount of perimetric action required to generate a relatively maximum area or volume; that is the reason Cusa’s discovery is also known as the Principle of Least Action, and is called the Isoperimetric Theorem in modern topology. Cusa’s “Maximum-Minimum Principle,” Leibniz’s “Principle of Least Action,” and the Euler-Bernoulli “Isoperimetric Theorem,” are more or less equally valid ways of describing the same conception.

Cusa’s discovery made possible the development of a complete replacement for Euclidean geometry. This new kind of geometry is known today, by the names of either “constructive” or “synthetic” geometry. To understand any among the fundamental discoveries in mathematical physics by such persons as Leonardo da Vinci, Kepler, Leibniz, or the collaborators of Karl Gauss, the student must have learned to think in the language of synthetic geometry, instead of Cartesian geometry, or algebraic deduction.

Any reasonably intelligent secondary school student can master elementary synthetic geometry. The student may find

some difficulty in making the leap from understanding Least Action as a concept in geometry, to Least Action as a physical concept. The greatest single obstacle to understanding of physics, is the naive person's refusal to accept the simple fact, that the images of the world supplied by his sight, hearing, touch, and smell, are highly distorted reflections of reality. For this reason, the uneducated person clings stubbornly to the convictions, that "matter" is built up out of the "bricks" of indivisible, very small particles, and that action "naturally" tends to move in "straight lines." The greatest pedagogical problem in the teaching of physics, is twofold: assisting the student to make the leap from geometry, to physics, and to understand physics from the standpoint of constructive (synthetic) geometry.

By "action," in "Least Action," we mean motion in physical space-time. This motion, is in itself the primitive idea of "substance," "substantiality." The simplest proof that Least Action is the form of substance, is the refraction of light-beams; light is refracted precisely as the Principle of Least Action specifies, and never in any other way, never in any deviation from that way. In other words, a properly constructed synthetic geometry, if developed to a sufficient degree, is already in itself mathematical physics: geometric motion according to Least Action, as it occurs in synthetic geometry, is the only form of physical action which occurs in the universe.

Synthetic geometry becomes physics, through experiment and related observation. Synthetic geometry is a method for mapping the terrain of physical experiments and observations; we discover the nature of particular experimental phenomena, by discovering which sort of synthetical-geometrical theorem fully accounts for those phenomena: that is the essential feature of mathematical physics as "mathematical."

In abstract synthetic geometry, such as the elementary synthetic geometry of Prof. Jacob Steiner, every geometric relationship within the same scope as Euclidean plane and solid geometry is derived from circular action alone, without any other assumptions required, and without any resort to deductive reasoning. After the student has mastered the isoperimetric theorem, the only difficult conception in elementary synthetic geometry, is the student's initial difficulty in grasping the notion of "multiply-connected circular action." We explain this briefly, so that we may then show how "technology" is defined mathematically.

Instead of imagining only simple circular action, like action in a plane, imagine that a second circular action is acting upon every "point-interval" of the first circular action. This generates a sphere, of course, and is the basis for constructing ("creating") the existence of a "straight line" and a "point." This is called "doubly-connected circular action." "Triply-connected circular action," generates a hypersphere, and is the first approximation of the geometry of action in physical space-time.

However, simply circular action exists as such only in abstract geometry, not in physics. In physics, action is time-extended. So, we say "physical space-time," rather than "physical space." There are only two possible primitive varieties of time-extended Least Action: spiral action on the surface of a cylinder, or self-similar-spiral action on the surface of a cone. Cylindric extension generates what we see as a coherent sine-wave form of radiated light; all forms of action in the universe associated with work accomplished, are based upon conic self-similar-spiral action.

The central accomplishment of Karl Gauss, was to work out the first steps of mastering the mathematics (synthetic geometry) of a physical universe which has been generated by multiply-connected, conic self-similar-spiral action. The mathematical physics of a complex variable, is nothing but the synthetic geometry of a multiply-connected, conic self-similar-spiral action. The mathematical measurement of technology, is a definite kind of continuous such, Gaussian function of a complex variable.

A doubly-or-triply-connected such function, is a pure type of what we call a "non-linear" function. By "non-linear," we mean three things:

1) We mean an algebraic function which is normally best represented in trigonometric terms, preferably in terms of an elliptic or hyperbolic trigonometry.

2) We mean a function which is efficient over the full range of its indicated application, and which is, in this sense a continuous function like any continuous algebraic function.

3) We also mean a function which appears to be discontinuous within many intervals of its full range of application. A so-called "Weierstrass function," is the simplest classroom illustration of such "non-linear" functions.

The simplest case is this. If conic least action is doubly connected, the function generates hyperbolic discontinuities. These discontinuities, which each cover a definite small interval of the continuous function as a whole, are of such a nature that no linear algebraic analysis of these intervals is possible. In the normal function of such a function, these intervals appear with increasing frequency, increasing density.

The continuous functions corresponding to such a physical process, can be represented only by a special type of mathematical function known as a "Riemann Surface," or, as Riemann himself indicated, a "Riemann-Weierstrass Surface."

All competent attempts to represent technological progress mathematically, must assume the form of a "Riemann Surface" function. This function must be set in terms of the general expression we summarily described above: increasing potential population-density as a function of technological progress in an energy-intensive, capital-intensive mode.

That is the mathematical core of the LaRouche-Riemann method of economic analysis.

To be continued.

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U.S. defense industry comes under attack

Part I of Robert Gallagher's examination of a serious threat to American defense industry's performance: the mentality of cost-accounting imposed by Robert McNamara.

This is the first in a two-part series dealing with a serious threat to the ability of U.S. defense industry to perform. In the first, we look at the spurious case of criminal fraud against the executive management of the General Dynamics Corporation. In the second, we review the implications of the Packard Commission recommendations on procurement policy. The broader point to be made in both cases is the destruction created by the mentality of cost-accounting which has been imposed upon defense policy-making since the tenure of Robert McNamara.

The case of General Dynamics

This month, Federal Judge Ferdinand Fernandez is expected to rule on a motion to dismiss the federal grand jury indictments of former NASA administrator James Beggs, the General Dynamics Corporation, and three of its managers for violation of and conspiracy to violate Armed Services Procurement Regulations during their development of prototypes for the "Sergeant York" Division Air Defense (DIVAD) gun system.

The indictments had been put together by the "Defense Procurement Fraud Unit" in the Justice Department's Criminal Division, headed by Stephen Trott, an associate of Attorney-General Edwin Meese from Alameda County, California. The indictment, issued Dec. 1, 1985, led to Beggs' resignation as NASA administrator and the temporary appointment as acting administrator of William Graham, a member of the California Republican Party.

Examination of the indictment papers and of the motion to dismiss submitted by lawyers for General Dynamics, Mr.

Beggs, and the other defendants show that the government has no case at all.

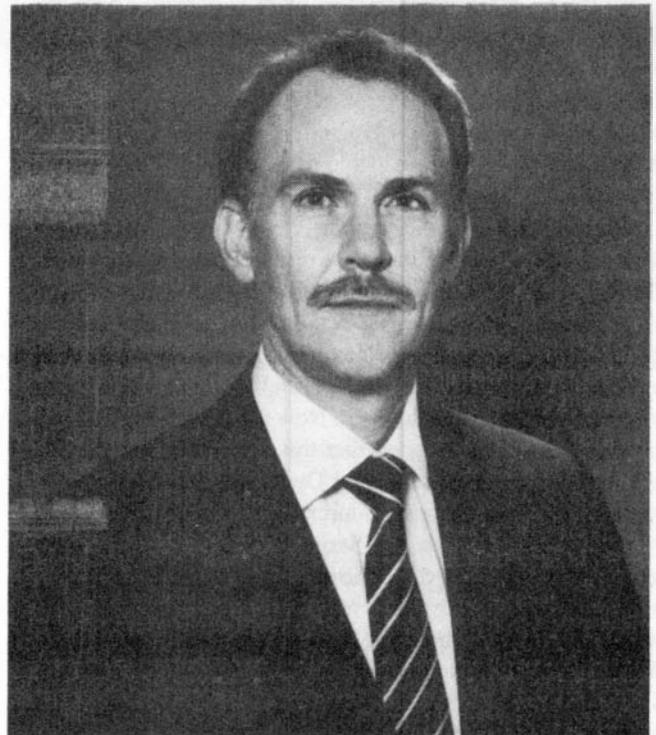
1) The Sergeant York gun program involved a new type of contract, known as "Firm Fixed Price, Best Effort," for which there were no governing Armed Services Procurement regulations. Beggs and the other defendants are charged with violating regulations that do not exist.

2) The indictments charge that General Dynamics overbilled the government by charging certain expenses relating to the contract to "Internal Research and Development" and "Bids And Proposals" accounting categories. However, in the items in question, the Army explicitly told General Dynamics in the development contract not to charge these items to the contract.

3) The proper jurisdiction for resolving disputes on interpretation of Armed Services Procurement Regulations, does not lie with the U.S. District Court for the Central District of California, where, for some reason, the Justice Department Criminal Division organized the grand jury. Jurisdiction lies officially with the Armed Services contracting officer, the Armed Services Board of Contract Appeals, and the federal circuit courts. The indictments charge that Beggs and the other defendants deliberately misallocated costs in order to keep down losses on the contract, involving the technical interpretation of the procurement regulations that govern accounting practices in the conduct of defense contracts and research-and-development. The Armed Services Board of Contract Appeals is the administrative body with authority to resolve such technical questions. General Dynamics has moved that the indictments be dismissed and that the case be



James Beggs



William Graham

referred to the Armed Services Board.

4) From reading the indictment, and the flow of press coverage that followed it, one would conclude that the government lost millions as a result of General Dynamics' accounting practices, and that the company protected itself against losses by dishonestly billing contract costs to the cited cost categories. In fact, nothing of the kind occurred. The government lost nothing.

Each year, the Armed Services set a limit on the amount of "internal research-and-development" and "bids-and-proposals" funds for which a contractor may be reimbursed by the Defense Department. In the years in question, according to reliable sources, General Dynamics spent more on research-and-development and bids-and-proposals work than was reimbursable—in fact, more than the amount that the Justice Department charges they misbilled to the government. The company had to swallow huge losses as a result; the issue of the billing is therefore irrelevant to the reimbursement which they would have received, since, in any case, they were owed the maximum. Therefore, even if General Dynamics did misbill certain costs, there was no injury to the government. This was, at worst, a "victimless crime."

Therefore, why?

In light of these points, the question that should come up is, why were these indictments issued? One way to answer, is to look at the effects of the indictments.

One hypothesis is that the target of the investigation was James Beggs, who, at the time, was the administrator of NASA. As we have stated before in *EIR*, there is a serious

question of how the incompetent William Graham came to be placed as Mr. Beggs' deputy, despite opposition within the space agency. Was there patronage or political blackmail involved in Graham's forced appointment which was also involved in the targeting of Mr. Beggs?

Certainly, those who opposed a strong U.S. presence in space had much to gain from weakening NASA, by removing Beggs from leadership. While the problems which led to the Challenger disaster predated Beggs' withdrawal from the agency, it is more than likely that under his personal oversight, a flight under the conditions then prevailing at Cape Canaveral would have been cancelled.

While Mr. Beggs was at the helm, NASA conducted 23 successful Shuttle flights. Beggs was a strong proponent of space exploration, the development of a space station, and a manned mission to Mars, and was an outspoken opponent of the Malthusian Club of Rome. His indictment placed NASA in the hands of Graham, whose management contributed decisively to the Challenger disaster.

We must also evaluate the purpose of the indictments from the standpoint of what precedent would be set were they to result in a conviction. Let us assume for the moment that, some way, the Justice Department wins its case. Were that to occur, research-and-development work in aerospace and defense industries would grind to a halt. The Justice Department seeks to establish the precedent that any research-and-development expenditures in an area remotely related to an ongoing contract must be charged to that contract, and cannot be charged to internal research-and-development, even though it is devoted to future technological capabilities.

With any defense contractor, work is performed by the same personnel on several programs at the same time. Who decides when the work of an engineering team on antenna technology is billed to one of several projects it might be construed as applicable to? Up until now, the companies and the military services have made that decision. The DoJ indictments dispute just that.

Presently, the services grant contractors discretionary R&D funds under "internal research-and-development (IRAD)," and "bids and proposals" (B&P), to carry out advanced work. Every year, the services review a contractor's R&D. If they think they're coming up with some good results, they might raise their R&D funding. If they don't like what they see, they may lower it. Now the Justice Department has stepped in and asserted that this relationship is illegal, and that any work that General Dynamics had done on advanced, next-generation anti-aircraft guns under IRAD was "really" work done on the Sergeant York. If this charge holds, at the awarding of a contract, R&D will grind to a halt, and scientists and engineers who design program hardware might face layoffs, because Harvard lawyers like William Weld, current nominee for head of the Criminal Division, will ban their companies from work on R&D that could possibly be construed as related to the contract.

As the General Dynamics' and defendants' joint motion to dismiss states, "The policy issues involved in this case are of [great] significance. . . . At stake in this case are the B&P or IRAD regulations that will apply to the billions of dollars of contracts that the Department of Defense undertakes for national defense. . . . The decisions made in resolving the cost allocation issues in this case will set precedents with respect to the defense industry's use of bids-and-proposals and internal research-and-development funds in situations where proposals and research efforts are conducted parallel with the performance of an existing contract."

Industry sources report that the Justice Department was determined to get an indictment. The Criminal Division in 1984 sent special agent Gary Black to Los Angeles to handle the grand jury. By February or March of 1985, after one year, Black reported that there was no basis for an indictment and there were no criminal violations by either General Dynamics or the other contractor on the prototype development project, Ford Aerospace.

Black was immediately transferred back to Washington and placed in the Civil Division, and Robert Bellows from the Criminal Division was sent to Los Angeles to revive the case. Bellows never informed the companies of the revival of the grand jury. Reportedly, he orchestrated offers of immunity and threats of prosecution toward lower-level employees at General Dynamics to contrive the case against the company and its executive officers. Indeed, the indictment papers themselves make several references to unnamed "General Dynamics employees" who are cited as having done allegedly criminal acts in cooperation with the defendants, but who are not named in the indictment itself.

The DIVAD contract: study in incompetence

The Army's "Sergeant York" Division Air Defense (DIVAD) gun system was designed to fail. The contract included several features inspired by "cost-effectiveness" which guaranteed a system that would not be a significant advance over existing air defense guns. Because of this, Defense Secretary Caspar Weinberger cancelled production in 1985. The contract's ridiculous features were as follows:

1) In order to save money, it required the use of "off the shelf" components, developed for other weapon systems, so that DIVAD system integration, the development of computer software, would be the primary development task of the contractors. A May 1986 General Accounting Office (GAO) report, *Sergeant York: Concerns About the Army's Accelerated Acquisition Strategy*, states:

The integration of the weapon's major subsystems and their application to a weapon for which they had not been originally designed apparently represented a greater technical undertaking than originally anticipated. . . .

2) The development contract was a fixed price contract. However, since development costs cannot be accurately predicted, this led to a situation where contractors were forced to compromise performance to stay within the contract's fixed price. GAO reports:

The Army established 12 firm requirements that each competing contractor's weapon system had to meet. Beyond these, the army identified 43 system requirements in priority order which each contractor could trade off to help lower the program's cost. For example, Ford Aerospace elected not to equip its weapon with night vision capability, 1 of the 43 tradable items, in an effort to keep unit production costs down.

3) The contract included a first-ever "warranty [that] required Ford Aerospace to correct characteristics of the weapon system which did not meet the specifications at no

increase in price to the Army.” This set up a situation in which the contractor became occupied with finding loopholes, rather than producing a weapon with the required performance. As GAO reports:

The contract to acquire the Sergeant York provided protection against cost increases emanating from defects in the design, component integration, materials, or workmanship which could preclude meeting the specification requirements. This protection went beyond that generally obtained for other weapon systems, where the contractor’s liability does not cover design defects. The warranty provisions made the contractor responsible for correcting the defects without increases to the contract’s target cost, target ceiling, or ceiling price and without extensions of delivery time. . . .

One significant item was that:

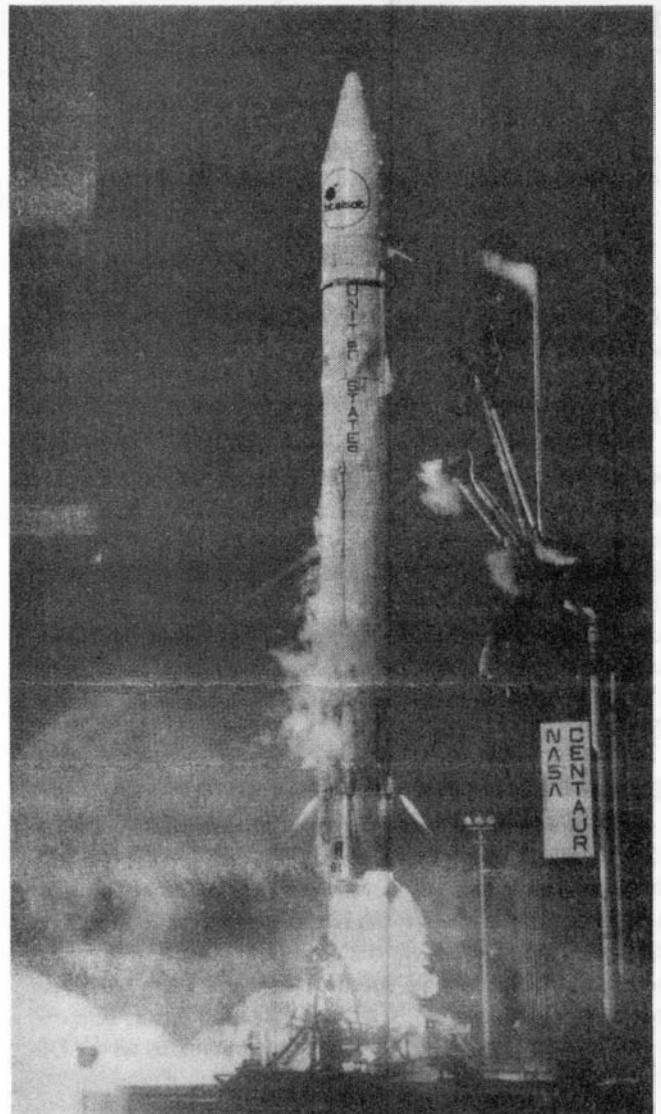
The contractor’s warranty responsibilities did not extend to performance of the Sergeant York in operational testing against operational requirements. . . . The Sergeant York warranty, while it provided protection against the weapon system not meeting the contract’s performance specifications, offered no guarantee that the weapon would perform satisfactorily in an operational environment, where factors such as weather, terrain, and countermeasures aggravate the difficulties of coping with the threat. . . .

The system flunked the operational tests. GAO reported:

The Army Materiel Systems Analysis Activity . . . found that the Sergeant York either met or exceeded 141 of the 163 contract specifications tested. Of the 22 that were not met, 7 were considered by the agency to be particularly significant. These concerned the reliability of the gun’s power and actuation subsystem, its survivability against certain countermeasures, a safety hazard involving the turret’s rotation, a problem with the proximity fuse, and the gun’s performance against certain threats. The power and actuation mission reliability specification called for a mean time between failures of 260 hours. The Sergeant York achieved only 36 hours between failures during the test. The Army agency estimated that the entire gun system mission reliability for the test was 21 hours of operation between failures as compared with the specified 37 hours.

Despite the fact that the contract caused performance failure, GAO concluded that:

The technical difficulties experienced by the weapon system were not a fault of the acquisition strategy. . . . Up to the program’s termination, costs to the government had remained relatively stable, a signif-



NSIPS/Carlos de Hoyos

General Dynamics built the first American ICBM, the Atlas. In 1961, the Atlas carried the first American into orbit. The Atlas launch shown here carried the Centaur upper-stage rocket developed by Krafft Ehrlicke.

icant achievement considering the pattern of cost growth exhibited by many weapons during their development and early production. The use of mature components contributed to this favorable cost experience. . . . The Sergeant York’s accelerated acquisition strategy involved risks, particularly in view of the planned concurrency and limited testing. To make these risks acceptable, several safeguards were built into the program. These included using proven components, obtaining more extensive warranty coverage than generally found in other major weapon contracts, and negotiating fixed-price development and production contracts.

The indictment and motion to dismiss

The following are excerpts from the indictment of James Beggs, General Dynamics, and three of its managers, issued Dec. 1, 1985 by the U.S. District Court for the Central District of California.

E. THE CONSPIRACY

15. From on or about January 1, 1978, continuing until on or about August 31, 1981, the exact dates being unknown to the Grand Jury, in the Central District of California and elsewhere, Defendants GENERAL DYNAMICS, BEGGS, [RALPH] HAWES, [DAVID] MCPHERSON, and [JAMES] HANSEN, did willfully and knowingly combine, conspire, confederate, and agree together and with persons both known and unknown to the Grand Jury to defraud the United States of America and to commit offenses against the United States. . . .

F. THE CONSPIRATORIAL PURPOSE

16. It was the plan and purpose of the conspiracy for the defendants to obtain money for GENERAL DYNAMICS from the Department of Defense by fraudulently shifting to government-funded B&P and IRAD accounts several million dollars worth of expenses which should have been charged to the DIVAD prototype contract, or which were otherwise not legitimate B&P and IRAD expenses, all for the purpose of fraudulently reducing non-reimbursable losses on the DIVAD program.

The following are excerpts from the "Memorandum of Points and Authorities" attached to the motion to dismiss introduced by General Dynamics, James Beggs, and the other defendants. The subheads in brackets are EIR's.

[Proper jurisdiction]

The Armed Services Board of Contract Appeals ("ASBCA") is the adjudicating board within DOD charged with the responsibility for making determinations as to the propriety of cost allocation decisions in DOD procurement contracts. Pursuant to the doctrine of primary jurisdiction, as well as basic principles of efficient administration of justice, the issues of cost allocation that underlie the indictment should be resolved first by the ASBCA. See *United States v. Yellow Freight System, Inc.*, 762 F.2d 737 (9th Cir. 1985). The doctrine of primary jurisdiction was developed by the United States Supreme Court and has long been recognized as the vehicle by which comity and the expeditious use of limited judicial resources combine to allow a court to defer analyzing

difficult or complex issues where an entity has already developed the expertise and ability to undertake such an analysis. . . . The government in this case seeks to sidestep the procedure established to resolve disputes of the kind in this case. Instead of permitting a contracting officer, the ASBCA, and the Federal Circuit to apply their expertise to this case, the prosecution is attempting to "pass [] over" those procedures and thrust on this Court and a lay jury the very issues that those administrative bodies were designed to address. . . .

[Unusual nature of DIVAD contract]

The Army's procurement plan for the DIVAD system entailed a compressed schedule that eliminated many years and millions of dollars typically devoted to development and maturation of a prototype prior to its production. Most Army procurement programs include (1) a prototype phase; (2) a full-scale engineering development phase in which maturation, refinement, and testing are performed; and (3) a production phase. In the DIVAD program, however, the full-scale engineering development phase was eliminated. . . .

The Army made clear that the prototypes themselves were not expected to be complete, mature, production-ready DIVAD weapon systems:

The key to success is a concept of "prototyping for production" where certain system elements will be emphasized, and others will not (in the [Prototype] Development Phase) because of the desire to reduce development time and costs. . . . A maturation of the selected contractor's prototypes will be conducted, if necessary. . . .

The Prototype RFP provided that a Request for Proposal for the initial production contract ("the Production RFP") would be issued to the two competing contractors before the testing scheduled for the prototype phase. Prototype RFP, ¶ A.2.2.2.2. It also provided that the ultimate award of a contract for production of the first 200 units would be based upon the prototypes delivered, the results of the prototype testing, and the production proposals (including an analysis of the life cycle costs presented by each contractor). *Id.* (Originally, the Prototype RFP required, as part of the effort under the proposed contract, the preparation of a proposal for the Production Contract. This requirement was subsequently deleted from the Prototype RFP prior to the award of the Prototype Contract. This is a significant fact relating to the allowability of the costs in issue here. [In other words, by deleting preparation of the production proposal from the prototype RFP, the Army was directing the contractors to apply B&P funds to develop the production proposal—EIR]) The Prototype Contract itself confirmed that "the contractor must be prepared at the end of the Development Phase to embark immediately into the Initial Production Phase." Prototype Contract, Part II, Section F.1.IV.3.

General Dynamics therefore simultaneously had to engage in parallel programs designed to: (1) complete the requirements of the Prototype Contract, and (2) prepare a comprehensive, responsive and persuasive production proposal and bid for a fixed price production contract. Preparation of a production proposal included (a) an analysis of the needs and costs for a fully mature production system, (b) resolution of technical problems associated with the development of any new weapon system, and (c) production cost analysis necessary for preparation of the production bid itself. . . .

The unorthodox procurement strategy employed for the DIVAD program not only complicated the decisions regarding charging of costs because of the need to engage in parallel effort, it employed an equally unorthodox prototype contract.

Typically, a "cost plus" contract or a fixed price incentive contract with a liberal range between target cost and ceiling cost is awarded for the development of a new weapon system. . . .

Unlike the usual development contract, the DIVAD prototype contract was a "Firm Fixed (Best Efforts)" contract. The combination of fixed price and best efforts provisions in a single contract is highly unusual, if not unique. The concept of "Best Efforts" is anathema to the concept of a fixed price contract, which as a predicate assumes a sufficiently precise set of contract requirements to enable a contractor to formulate a fixed price bid and to assess the risks of non-performance. The Armed Services Procurement Regulations ("ASPR") in effect at the time of the prototype contract contained a list of approved contract types and prohibited the use of types not described therein unless a special deviation procedure was followed. ASPR § 3-401(a)(2). A "Firm Fixed Price (Best Efforts)" type of contract is not described in the ASPR. . . .

It appears that the government will contend, in essence, that virtually all work performed to meet a prototype contract requirement, to support an aspect of the production proposal, or to advance generally the technology used by weapon systems, should have been charged to the prototype contract. In the indictment, the government apparently takes the position that items not specifically included in the prototype contract were nonetheless required by the contract. In fact, the government apparently takes this position with respect to items which were specifically and intentionally omitted from the contract by the Army. Based on that premise, the government contends that General Dynamics' decisions to charge such items to B&P and IR&D accounts rather than the prototype contract accounts were fraudulent. . . .

Because the Army demanded that the contractors show their ability to move directly from the development phase into the production phase and because the Army's selection of a contractor for the production contract would depend upon (1) the prototypes delivered, (2) the performance of the prototypes at the shoot-off during DT/OT, and (3) the

UNITED STATES DISTRICT COURT	
FOR THE CENTRAL DISTRICT OF CALIFORNIA	
UNITED STATES OF AMERICA, Plaintiff, v. GENERAL DYNAMICS CORPORATION, JAMES M. BEGGS, RALPH E. HAWES, JR., DAVID L. MCPHERSON, JAMES C. HANSEN, JR., Defendants.	No. CR 85-1123-FFF DEFENDANTS' NOTICE OF MOTION AND JOINT MOTION TO DISMISS THE ACTION BASED ON PRIMARY JURISDICTION; MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF; EXHIBIT; PROPOSED ORDER Date: March 24, 1986 Time: 2:30 P.M. Courtroom: Hearing Room No. 255 [MOTION NO. 1]
TO: THE UNITED STATES DEPARTMENT OF JUSTICE AND THE UNITED STATES ATTORNEY FOR THE CENTRAL DISTRICT OF CALIFORNIA: PLEASE TAKE NOTICE that on March 24, 1986, at 2:30 P.M., or as soon thereafter as the matter may be heard, in the courtroom of The Honorable Ferdinand F. Fernandez, United States District Judge, located at 312 North Spring Street, Los Angeles, California, defendants	

production proposal, General Dynamics decided to perform a great deal of work not required by the prototype contract. . . .

[Bids & Proposals and Internal R&D funds]

Each year, the DOD enters into agreements with certain contractors, including General Dynamics, which entitle those contractors to include amounts for B&P and IR&D within indirect costs. The amount of such costs that may be charged by the contractor to its contracts is the subject of negotiation between what is called the "Tri-Service Committee," representing DOD, and the contractor. The extent to which these costs may be reimbursed was governed at the time of the DIVAD program by the ASPR. The applicable regulations in effect at the time of the DIVAD program defined B&P costs and IR&D costs as follows:

Bid and Proposal Costs: Bid and proposal (B&P) costs are the costs incurred in preparing, submitting, and supporting bids-and-proposals (whether or not solicited) on potential Government or non-Government contracts which fall within the following: (A) Administrative costs including the cost of the non-technical effort for the physical preparation of the technical proposal documents and also the cost of the technical and non-technical effort for the preparation and publication of the cost data and other administrative data necessary to support the contractor's bids-and-pro-

posals, and (B) Technical costs incurred to specifically support a contractor's bid or proposal, including the costs of system and concept formulation studies and the development of engineering and production engineering data. ASPR ¶ 15-205.3(a)(1).

Independent Research and Development Costs: A contractor's independent research-and-development (IR&D) is that technical effort which is not sponsored by, or required in performance of a contract or grant and which consists of projects falling within the following three areas: (i) basic and applied research; (ii) development; and (iii) systems and other concept formulation studies. IR&D effort shall not include technical effort expended in the development and preparation of technical data specifically to support the submission of a bid or proposal. ASPR ¶ 15-205.35(a).

The amount that is negotiated by the contractor and the Tri-Service Committee in the Advance Agreement represents a combined ceiling of allowable IR&D and B&P amounts. In performance thereof, one element may be increased or decreased as long as the combined total is within the ceiling amount. Any excess must be absorbed by the contractor. . . .

[Costs were not improperly charged]

A brief examination of a few of the issues in contention will illustrate the importance of the highly specialized procurement regulations.

1. Integrated Logistics Support Items

The Indictment challenges charges to B&P of the cost of certain integrated logistics support items, specifically a formal draft operator's manual, a crew proficiency trainer, and a classroom trainer. The government claims that these items should have been charged to the prototype contract.

Each of these items was specifically identified by the Army as an option in its prototype RFP as to which separate bids were invited. General Dynamics bid on each such option in its prototype proposal. However, the Army never funded the options as part of the prototype contract. The Army did, however, request bids on the same items for production in its production RFP.

General Dynamics worked to develop the unfunded option items during the prototype phase in order (1) to develop cost and technical data for use in the production bid and proposal, and (2) to demonstrate to the Army its ability to produce the items and thereby enhance its competitive position for winning the production contract. General Dynamics charged this pre-production effort to B&P.

The government contends that the items should have been charged to the prototype contract, presumably relying on ambiguous language in the prototype contract requiring the use—although not the delivery—of a draft operator's man-

ual and "training hardware" in the training of Army crews to operate the prototypes for testing after their delivery to the Army. General Dynamics contends that the work could not have lawfully been charged to the contract because the Army explicitly refused to fund these options under the prototype contract. . . .

2. Software Development

Another example of the complex issues raised by the indictment concerns the allegation that defendants improperly charged costs incurred in the design and development of DIVAD computer software to IR&D. As noted, IR&D is defined, in part, as "technical effort which is not sponsored by, or required in performance of a contract." ASPR ¶ 15-205.35(a). The difficulty here lies in determining whether the computer software work in question was "sponsored by, or required in performance of" the prototype contract.

The government apparently contends that all software development generally applicable to DIVAD should have been charged to the prototype contract, regardless of whether it was specifically "required in performance of" the prototype contract and regardless of whether the purpose of the development was to advance software technology generally. However, the prototype contract's software requirements were extremely vague and relatively minimal compared to those which were envisioned by General Dynamics for the production model DIVAD. The challenged IR&D projects were initiated to expand software technology far beyond that which existed. This technology also had application to gun systems other than DIVAD. Defendants contend that this effort fell within the scope of ASPR ¶ 15-205.35(a). . . .

[Past DOD contract precedents]

The ASBCA routinely rules upon issues of the very kind presented in this case. . . .

For example, in *In re North American Rockwell Corp.*, 69-2 BCA (CCH), ¶ 7812 (July 22, 1969), government auditors argued that B&P expenses incurred in connection with preparation of an unsuccessful bid on a contract should have been charged to an earlier contract because the work performed was useful in the earlier contract. This contention is remarkably similar to allegations in this case involving charges to B&P for the unsuccessful bid on the production contract, which the prosecution contends should have been charged to the earlier prototype contract. In *Rockwell*, the ASBCA rejected the auditor's argument, holding:

It is apparent . . . that bid and proposal costs are chargeable to current overhead accounts unless they are incurred solely by reason of the terms of a particular contract, to which they are chargeable. The fact that they may be useful to or equally applicable to a preliminary study contract does not impeach their character as bid and proposal costs.

Similarly, in *In re General Dynamics Corp.*, 65-2 BCA (CCH) ¶ 5067 (August 31, 1965), the contractor appealed to the ASBCA the disallowances of certain B&P costs expended primarily in connection with a mock-up, where the contractor had simultaneously performed work on a preliminary study contract and a proposal for a development contract. The ASBCA ruled that expenses incurred in connection with a mock-up not required for the preliminary design study were reimbursable B&P costs, noting that the "preparation of a proposal, whether for the preliminary design study or the development contract, is essentially distinct from the preparation of the preliminary design study itself."

General Dynamics Corp., Convair Div., ASBCA No. 15394, 15858, 72-2 BCA ¶ 9533, is also similar to the facts of this case. Although the government in that case did not argue that B&P costs should have been charged to the contract (the government argued that the costs were not allowable as B&P), the analysis of the facts and law by the ASBCA is particularly germane here. The government's argument in that case was that costs incurred by the contractor in connection with a development contract to enhance the contractor's effort to win the follow-on production contract were excessive and not appropriately related to the bid and proposal effort for the production contract.

The Armed Services Board sustained the contractor's appeal, finding that the contractor's parallel engineering effort, which included the construction of a mock-up of the planned aircraft and extensive test bed work, was well within the efforts appropriate for B&P for the production contract. The ASBCA further noted that there was a significant interrelationship between IR&D and B&P expenses and that the contractor was to be accorded substantial flexibility in determining which of these accounts was appropriate for its proposal support costs.

D. Deferral is appropriate in a criminal case

The doctrine of primary jurisdiction applies with equal force in criminal proceeding. For example, in *United States v. Alaska S.S. Co.*, 110 F. Supp. 104 (W.D. Wash. 1952), the court dismissed a criminal indictment alleging breach of federal antitrust statutes by a shipper, holding that the primary jurisdiction doctrine compelled deference to the Federal Maritime Board. In rejecting arguments that the doctrine did not apply to criminal cases, the court stated:

All arguments in favor of letting an experienced administrative board exercise its primary jurisdiction applies [sic] with the equal force in a criminal case as in a civil case. The rationale applicable to the two types of action is the same.

The Ninth Circuit recently affirmed this position in *United States v. Yellow Freight System, Inc.*, 762 F.2d 737 (9th Cir. 1985), a criminal case in which a motor carrier was convicted of violating certain tariff regulations. . . .

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Defeat the IMF's genocide: Stop the locust plague!

by Marjorie Mazel Hecht

For they covered the face of the whole earth, so that the land was darkened; and they did eat every herb of the land, and all the fruit of the trees . . . and there remained not any green thing in the trees, or in the herbs of the field, through all the land of Egypt.

—Exodus 10:15

If a massive aerial spraying effort is not begun by Sept. 1, the worst locust plague of the century threatens to strip all vegetation from huge areas of Africa. The near-normal African rains in 1985-86, following years of drought, have created ideal breeding conditions for this voracious pest, and now, outbreaks of four species of locust and the West African grasshopper are simultaneously under way. Although reports of locust breeding have been documented since December 1985, aerial spraying has been left to the last possible minute.

The international agency charged with overseeing the situation, the United Nations Food and Agriculture Organization (FAO), is carrying out the genocidal policy of the International Monetary Fund, which deprives the countries of the so-called Fourth World of the credit needed to save millions of lives. The FAO, along with the U.S. Agency for International Development (AID), is minimizing the danger, withholding information, and promoting inadequate methods of control, thereby creating the conditions for an out-of-control plague of locusts and grasshoppers that will guarantee the death of Africa.

The only effective way to eradicate a locust infestation is to use a military-style mobilization to find and spray the infested areas before the young grasshoppers and locusts can reach the swarm stage. It is clear that the agencies involved, especially the FAO, are not doing this because they do not *intend* to win this war. They may look busy, collecting data and planning for "crisis management"; but in truth, everything that needs to be known about the situation is already in hand. They are playing the game of crisis management while preparing to carry out genocide.

Africa: where weather is favorable for locusts

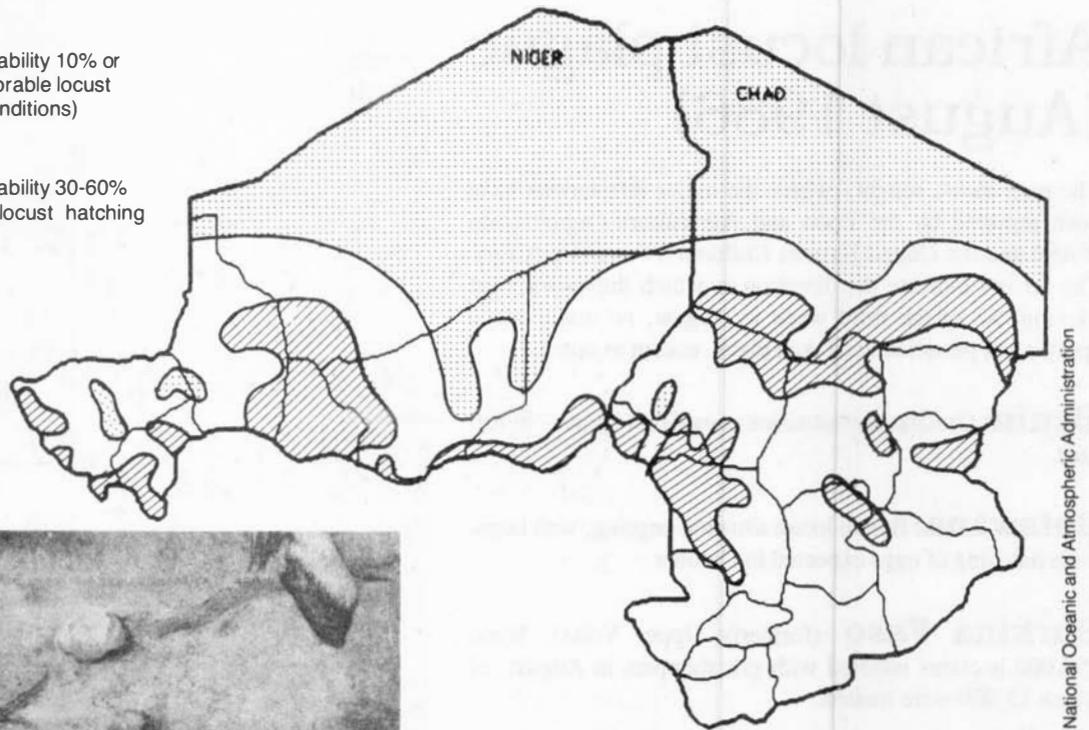
Topsoil moisture (July 30, 1986)



Water availability 10% or less (unfavorable locust hatching conditions)



Water availability 30-60% (favorable locust hatching conditions)



Pieter Brueghel the Elder's "Triumph of Death," ca. 1575, captures the essence of monetarist policies.

The most shocking fact to understand in looking at this disaster is that the International Monetary Fund, the World Bank, and similar institutions believe that Africa has too many people. These Malthusians have already written off the entire continent—553 million people.

Delays and deception

The FAO set up the Center for Locust Control in Rome in mid-August to coordinate the international effort against the locust plague—fully eight months after the crisis in the Sahel was documented by the French agency PRIFAS and one month after the U.N. Fund for Children, UNICEF, called the situation an emergency. The reason the delay is particularly critical is that locusts are most easily eradicated when they are young—before they have wings and can reproduce. That means locating those uncultivated areas where the females lay eggs, so that poison bait can be spread or so that the areas can be sprayed soon after the eggs hatch. If this approximately three-week period is missed and the locusts or grasshoppers are allowed to mature, they will produce a second generation that is 10 times the size of the first. Each delay sends the situation further out of control.

This is how the present policy will directly cause more Africans to die:

- The money requested by FAO and pledged by various donor nations now totals about \$12 million, with \$3.3 million in hand to begin spraying the Sahel area starting Sept. 1. This sum is far too little. For example, Senegal, which is inundated with grasshoppers, has requested \$4 million for that nation alone. Botswana, also hard-hit, has requested \$4 million, after exhausting its own budget. The Sahelian area the FAO

Continued on page 38

African locust plague (August 1986)

The map shows roughly where the major infestations have been reported by the Food and Agriculture Organization (FAO) and the United Nations Children's Fund (UNICEF). The arrows indicate the direction in which the swarms are moving. As of the third week in August, no major aerial spraying of pesticide had taken place, except as noted.

Benin: Grasshopper situation considered "grave" in August.

Botswana: Brown locust situation ongoing, with large-scale hatching of eggs expected in October.

Burkina Faso (formerly Upper Volta): Some 250,000 hectares infested with grasshoppers in August, of which 13,000 were treated.

Burundi: Small swarms reported in East in late May.

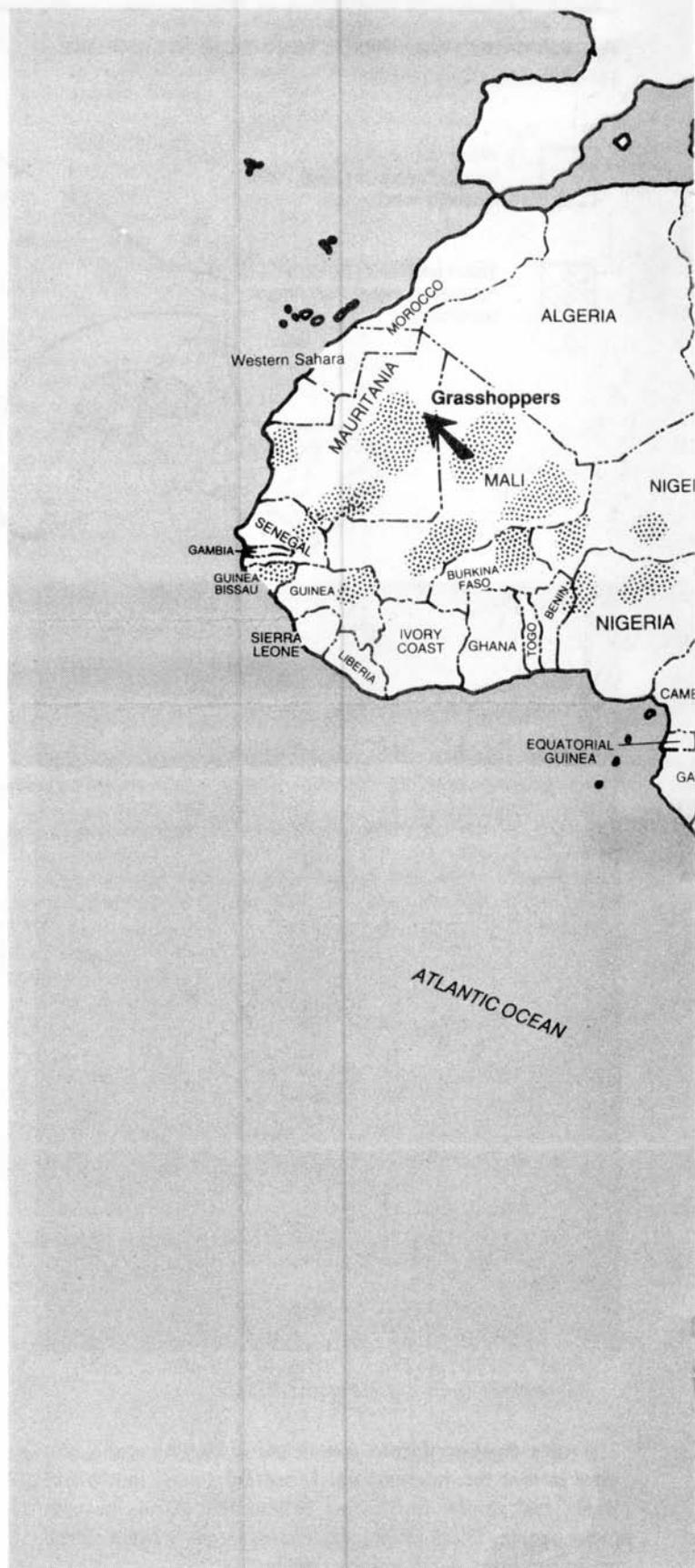
Chad: First reports of grasshopper breeding in May. All Sahel areas infested with grasshoppers and locusts, which destroyed 2,000 hectares. By August-September, 300,000 hectares will be affected, with 500,000 eggs per hectare reported. In September-October, these pests are expected to swarm south and attack crops.

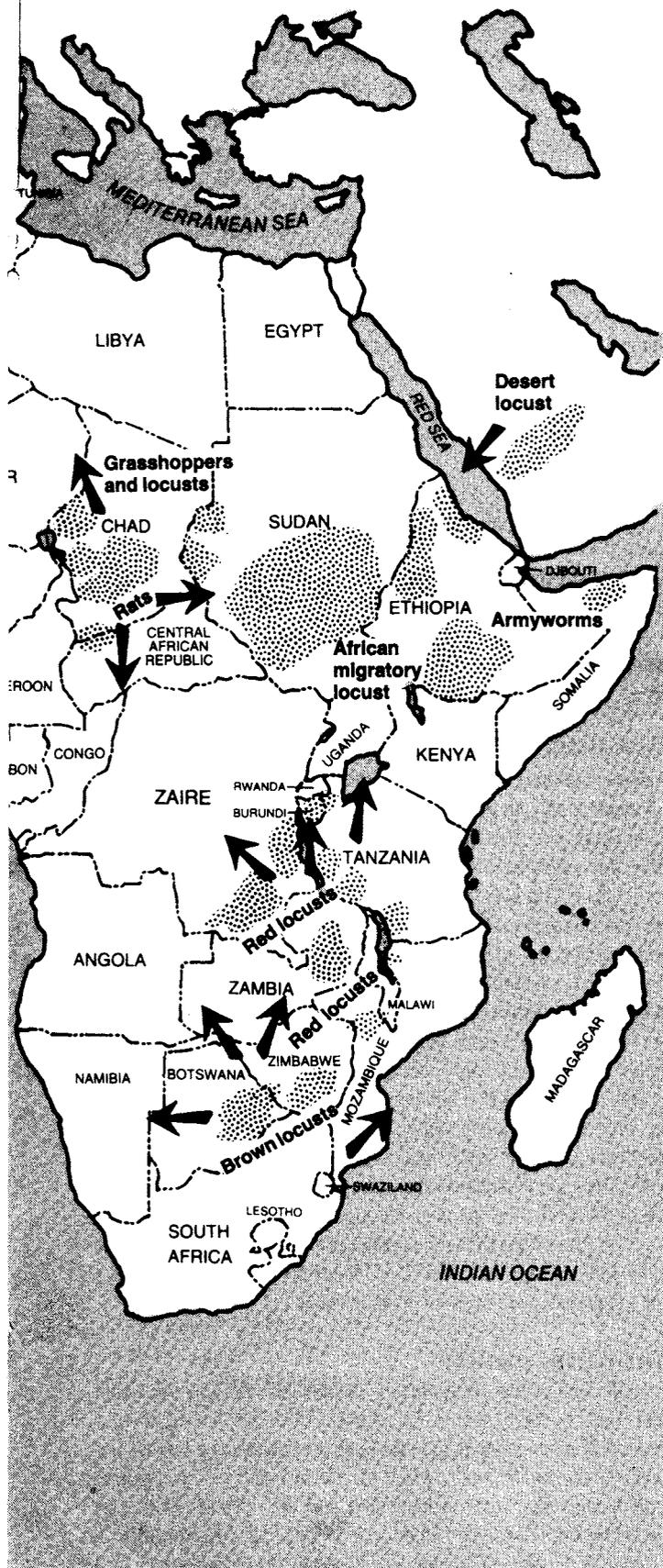
Ethiopia: Desert locusts, African migratory locusts, and grasshoppers reported. Armyworms threaten 11 of 14 regions, "the worst year ever recorded," according to UNICEF. FAO reports that conditions are worse in some areas than during the 1984-85 drought.

Guinea Bissau: Grasshopper infestation in four areas.

Mali: Grasshopper infestation in May moved north. By the second generation, 200,000 hectares were infested. The second generation adults moved north into Mauritania in mid-August. Crops had to be sowed four times. "Spraying has been delayed."

Mauritania: Some infestation in July; massive hatching in August.





Mozambique: Extensive locust infestation reported in late July.

Niger: Grasshoppers reported in several areas and FAO reports 35,800 hectares aerially sprayed. At the Chad border, infestation is 500,000 grasshoppers per hectare.

Nigeria: Grasshopper damage to sorghum and millet reported.

Republic of South Africa: Locust infestation from 1985-86 season was treated on 543,000 hectares, but because of large numbers of eggs laid, the situation is expected to "reach plague proportions and affect much of the country, as well as Botswana, Namibia, Mozambique, Swaziland, and Lesotho."

Rwanda: Small numbers of locusts reported in May.

Senegal: Grasshopper infestation of 200 per square meter reported. "By early August, situation grave," reports the FAO. Some ground control in effect.

Somalia: Desert locusts reported in northern coastal areas in May, but "good rains have promoted good breeding conditions."

Sudan: Desert locust swarm reported in June and July, and African migratory locusts are also reported. UNICEF notes that "progressively less of the south is accessible even to the most resourceful of agencies. Most of East bank is no-man's land."

Tanzania: "Uncontrolled red locust breeding" leading to swarms were reported in three areas. These moved northwest to Burundi, Rwanda, and Zaire. More swarms are expected.

Zaire: Red locusts reported in July.

Zambia: Red locusts on increase, threatening sugar and tea areas.

Zimbabwe: Brown locust swarm reported in late May.

Continued from page 35

intends to spray is 1 million hectares—not very large, considering the size of the continent, or the fact that the United States, this year, routinely sprayed 13 million acres for grasshopper control.

- For its part, the United States has pledged a paltry \$1.25 million toward the emergency effort in the Sahel. As one experienced military man put it, this is not enough to cover gas for the airplanes to do the spraying!

- The FAO and other nations have continued to mount “fact-finding” missions in lieu of action. Facts are necessary, to be sure, but why, given all the time the FAO has spent fact finding, is there such a dearth of public information?

Furthermore, the FAO denied knowing, in the third week in August, the facts that UNICEF found in July and made public Aug. 1 in an emergency report. Certainly, if FAO was aware of the information, it was not acting on it. UNICEF’s emergency report described the rains of May 1986 and the resulting densities of 500,000 locusts per hectare: “Burkina Faso, Mali, Mauritania, Niger, Cape Verde are all under siege. Major attacks are reported from Chad where farmers are forced to reseed their fields to produce minimum crops. If this first attack is not checked in the coming weeks, a second generation will be allowed to develop and cause disaster by September/October. . . . For people living on the edge of survival, a disaster like this can be the final blow.”

- Where to spray could have been decided early on, based on the “locust weather watch” information put together by the Assessment and Information Services Center of the U.S. National Oceanic and Atmospheric Administration (NOAA). Using satellite data, NOAA has precisely mapped the Sahelian areas where the water availability was 30-60%, indicating favorable locust hatching conditions. Those are the areas that could have been sprayed (see map, page 35). NOAA also has color-coded satellite composites of areas of Africa that show over a period of a week where there is new vegetation. Thus, NOAA’s data can show both where the locusts are likely to hatch and where they will go next to find food—the location of the next generation.

This information, along with low-level wind data, can be available every five days from NOAA, which routinely carries out a drought-watch worldwide. Why wasn’t it put to use sooner, and why isn’t the assessment center put on an emergency Africa assignment?

- Once the likely breeding areas are mapped, these data could be supplemented by color infrared photography from aircraft, which can produce a resolution of 6 inches, compared to the 200-foot resolution of satellites. In the southwestern United States, such aerial surveillance can routinely cover 250,000 acres in an hour. The FAO supposedly has this capability.

- As can be seen in the accompanying interview, the U.S. State Department is playing the same game as the FAO, claiming that the situation is under control and that a military logistical intervention is not necessary. Thus there has as yet

been no extraordinary presidential or Department of Defense decision to intervene. Meanwhile, the emergency U.S. military units capable of dealing with the locust emergency are confined by budget cuts. They claim that without top-down intervention and assurances of new funds, they cannot act without endangering ongoing operations.

- The role of the IMF in this may not be up front, but it is decisive. For example, locust control centers set up in three regions of Africa were equipped 10 years ago to monitor and move on a situation before it became a disaster. These centers were triaged by the IMF austerity, so that they are not now operational; equipment is in disrepair, parts are missing, trained people are no longer there.

- While the September deadline for the Sahel area is as yet not met, the FAO is silent on the next front—southern Africa—which must be sprayed in October.

The plague can still be stopped

The current FAO effort involves adding up the requests from the various countries affected for pesticides, small planes, training, ground-spraying equipment, etc., and then matching these needs with a similar donor list. The patchwork result resembles some kind of giant game board, where the FAO collects and distributes the chips that designate future action.

To turn this situation around, the United States must deploy its Air Force spraying capability, which operates with a more advanced technology than the smaller planes and helicopters. Right now, the U.S. Air Force maintains two C-130s equipped for spraying that are experimenting with a new, more efficient spraying method. These two planes alone could cover the Sahel area in the required time. Because they are much larger than the usual spray planes, they can fly five-hour sorties, covering up to 67 square miles per sortie. They are capable of landing on sand or on a paved highway. They can also carry enough pesticide that they do not have to return to their base after each sortie; as long as there is a source of water, they can mix up more pesticide and continue flying.

Because these C-130s can outperform even the largest of the previous planes (C-123s) used in commercial spraying, they can not only save time, but operate at one-third of the cost. They are also powerful enough to successfully navigate the mountainous areas with strong updrafts.

The State Department considered using these planes, but as of this writing, the decision was that this capability was not necessary (see interview, page 42).

An ancient scourge

The locust has periodically devastated Africa, the Middle East, and southern Asia for centuries. Man has fought at least five great wars against locusts in this century, the last major battle being in 1967-68, when locusts migrated from Sudan, west across the Sahel to Morocco and from Saudi Arabia to the Middle East, Iran, and India. In a 1958 plague in Somalia, a swarm of 40 billion locusts ate 80,000 tons a day—enough

A military-style effort can win the locust war

The United States must take the current effort to combat Africa's locust plague away from the functionaries of the "One World" bureaucracies like the U.N. and the State Department, and put it into the hands of the military, whose methods were successful in fighting locusts in the 1950s and 1960s. A military-style mobilization should include the following:

Mapping the infestation: The Assessment and Information Services Center of the U.S. National Oceanic and Atmospheric Administration (NOAA) must be put on an emergency mobilization to continue satellite data mapping for the Sahel and East Africa and to begin the work for southern Africa, where massive breeding is expected in October-November. By starting now, the areas requiring spraying can be identified.

Spraying: The United States must commit itself to a military-style effort of the sort that could cover the affected areas of the continent in a week. The U.S. Air

Force now has available the largest and most advanced planes—C-130s—equipped for pesticide spraying. They should be used immediately to cover the 1 million hectares of emergency spraying in the Sahel. The other small aircraft lined up by the slow-moving international relief effort could then be used to extend the area of spraying.

Other large planes equipped for spraying should be brought into service. The larger planes are more efficient and less costly to operate.

Pesticide production: Although there appear to be adequate stocks of pesticides available for the Sahelian effort, given the scale of the problem and the October offensive necessary in southern Africa, U.S. pesticide production should be geared up now on an emergency basis to prepare for a continentwide effort, not only for this year, but for 1987-88. In addition to the commonly used fenitrothion, stronger pesticides that can be used to kill adult locusts should be stockpiled and ready.

Infrastructure: Adequate funds must be appropriated to update the necessary activities in addition to spraying in order to eradicate locusts, grasshoppers, and other crop-threatening pests.

corn to feed 400,000 people for one year.

This is the first time in this century, however, that all four species are striking at the same time.

A locust can eat two to three grams—two to three times its weight—each day. A one-mile-square swarm of 150 million locusts, 5,000 feet in elevation, can go through 200 to 600 tons of vegetation daily, leaving nothing for the human inhabitants except starvation.

The only hope of success in combating a locust plague is to eliminate the insects when they are in their earliest stages and unable to fly, either by laying down poison bait to be eaten as soon as the eggs hatch or by killing the pests in their hopper stage. The commonly used pesticide for this task is fenitrothion, used in a very low-volume spray—half a liter per hectare—that is mixed with a little oil to help it settle on the ground. (One of the constraints is that spraying has to occur in the early morning hours, before the ground heats up and sends the spray up instead of down.) The kill rate averages 95%, which, in areas of high infestation, means that there will still be the problem of tracking the survivors.

Fenitrothion is a contact spray that lasts only four or five hours, killing the insect on contact, but it is not harmful to humans or animals. For example, when malathion, a related pesticide, was used against the medfly in California in aerial spraying, it was not even necessary to warn people that the spraying was going to take place, because such low levels are not harmful.

If locusts are not killed in the early stages, the job becomes much more difficult, and a stronger pesticide is need-

ed. Cygon, for example, can be used, but this is four to five times as expensive, because it is that much more difficult to make.

Female locusts lay 70 to 100 rice-sized eggs in a cluster in the sand. In order to hatch, the eggs must be able to absorb their weight in water. Then there is a population explosion. The locust egg hatches into a three-legged "hopper" (also called a nymph or an instar), which can only hop or crawl slowly. It sheds its skin, turns black in the sun, and then begins to move out in packs.

The locust molts five times, going from hopper to adult capable of flying usually within 60 days. However, if the temperature and moisture level are good, this period from birth to maturity shortens to 25 to 26 days. There are reports from the FAO that conditions are so favorable to the locusts, that they are maturing in a record 15 to 20 days—which greatly limits the amount of time when they are vulnerable.

When food is abundant (such as now, when the rains have produced some of the first good crops in 10 years), the locusts live about four months. In times of drought, their metabolism changes and they can survive for a year without food.

Under favorable conditions, the locust's body temperature and metabolism change, and the locusts turn into a self-propagating gregarious swarm. Once in the swarm stage, locusts can travel up to 3,000 miles per generation. They have a double set of wings, about five inches across, and they fly where the winds take them, averaging about 10 miles per hour. The female locusts in the swarm breed along the way, laying three sets of eggs, usually about 200 in all.

Austerity brought on the locust plague

by Thierry Lalevée

Locusts and grasshoppers have ravaged Africa and Asia from the time of the Bible. Yet, infestation is a phenomenon that can be predicted and contained, using modern technology. This has been proven in southern Europe, which up to the 1950s faced such a threat, and in California, which was regularly ravaged. Today's infestation is the first in 60 years, however, in which all four kinds of locusts and grasshoppers are striking at once.

The most conservative estimates show that the following countries will be overwhelmed by the locust swarms in the next few months: Mauritania, Senegal, Burkina Faso (Upper Volta), Mali, Niger, Chad, Central Africa, Sudan, Ethiopia, Somalia, Kenya, Uganda, Malawi, Mozambique, Zimbabwe, Zambia, South Africa, Botswana, and numerous others. In North Africa, no black African country will be unaffected.

When the African drought was finally broken in mid-1985 by a heavy rainy season, it was predictable that locusts and grasshoppers would find fertile ground for breeding. Indeed, after years of drought, the rains which allowed for the sowing of new harvests, also allowed for the massive breeding of species that had been checked.

The locusts have reproduced best in the areas of conflict. Thus, Michel Launois, director of the French agency Prifas, which conducts a locust watch in the Sahel, reports that among the best breeding grounds is the Libyan-occupied part of Chad, which no one was allowed to survey. The same holds for southern Sudan or the Eritrea region of Ethiopia, where visibility in some places is no more than a yard because of the swarms.

Chad and Sudan are also being attacked by rats. While the locusts fall on the harvest from the air, the rats eat the roots. The rat invasion has forced Chad's peasants to sow more than twice the seeds usually required, for their next harvest, only to find it attacked by grasshoppers.

The IMF-FAO conspiracy

Underlying this infestation is the policy of looting by the international agencies that spend millions of dollars monitoring the implementation of economic austerity imposed by the IMF and the World Bank (which did not give a penny to the

developing sector in 1985).

The conspiracy worked as follows:

First, although Africa was decimated by a locust infestation in 1968-74, when 30% of the crops were lost to locusts, there are no records of how it happened. According to Michel Launois, although the U.N.'s Food and Agriculture Organization (FAO) set up a Locust Control Group in the 1950s in coordination with 60 countries, there are no data available to help now in this campaign.

Second, because of the austerity imposed by the IMF, most if not all the African-based agencies specializing in the fight against the locusts have gone bankrupt and disappeared. This is being covered up by the claim that these organizations lost their purpose during the years of drought and "disappeared." In fact, they were active to the end of 1985, when they went bankrupt. This was the case for the International African Organization for the Control of the Migratory Locust (OICMA) and the Joint Anti-Locust and Anti-Bird Control Organization (OCLALAV) in the Sahel belt, as well as the East Africa Anti-Locust Organization (DLCO-EA), which went bankrupt in May.

Third, although the FAO received warnings of the infestation as early as August 1985, when 300,000 hectares in Mali were hit, no international appeal was launched before May 1986. In fact, as the FAO only now documents, the Sahel belt and Sudan were hit in August-October 1985, leading local specialists to predict that by May 1986, there would be 125 locust eggs per square meter. FAO General-Secretary Saouma launched his first appeal in April, but there was no mention of the locust plague in the FAO monthly update until June! The conference in May of the World Food Security Council in Rome did not discuss the case at all.

There has been strange behavior at FAO headquarters. At the end of April, the FAO warned that nine Sahelian countries would be affected, and called for a \$4 million emergency fund. In May, it revealed for the first time that it had gotten warnings as early as August 1985, and FAO then requested an \$8 million budget. Two weeks later, on May 15, it called for a \$12 million budget and warned suddenly that all Africa was also being attacked by six kinds of locusts. The FAO also revealed (again, too late) that brown locusts had been spotted in the Cape Province as early as November 1985. Hence, in a two-week period and without any previous public warning, the FAO finally revealed the scope of a disaster that it could have known about by early winter 1985. With no elaboration, FAO concluded that the fight against the locusts would last several years! Between early May and mid-August, nothing was done. The June, July, and August FAO bulletins reported the threat, but concluded by noting that operations were "delayed."

In fact, as the FAO itself admitted, decisions to act were only taken at the Aug. 19-20 conference of donor countries. FAO now claims to have received all of the \$12 million requested, and has announced that operations will start by

the end of August. This is much too late! Between May and August, the grasshoppers and locusts were able to breed twice.

What international mobilization?

An international mobilization is supposedly under way. But the governments of France, West Germany, and the United States spent months gathering data before deciding to act in August. Each country sent its own missions to survey the situation. In May and July, France gave 5 million francs to the most affected countries for insecticide. In mid-August, France announced it would send pilots and planes to Niger, Mali, Chad, Senegal, and Mauritania, and created an Agricultural Specialized Agency with a 10-million-franc budget to operate locally. In July, West Germany gave 3.5 million deutschemarks to the Sahel countries. On Aug. 21, the European Commission in Brussels announced that 4.2 million deutschemarks had been allocated, plus 185,000 liters of insecticides. The United States gave about \$1.25 million.

The aerial operations face vast difficulties. In countries like Mali or Burkina Faso, there are no airfields in the affected area, the north. By July 3, Niger had planes but no pilots; Burkina Faso had no planes. As of mid-August, not one gram of pesticide had reached Chad. This means that, though financial aid is needed, technical training and creation of infrastructure are vital if the operations are to be effective.

The Red Cross is adding to the confusion by announcing

its own mobilization, not to get rid of locusts, but to deal with the "expected poisoning" of the human population during the aerial spraying—a move based on silly environmentalist propaganda.

For these reasons, the amount of pesticide now required in Africa, as well as the exact amount requested from Bauer in West Germany, a main producer of the most commonly used pesticide against locusts, fenitrothion, are considered "secret." A Bauer spokesman indicated that the firm cannot produce as much as it was asked to, but would not reveal the amount sought, nor the amount it was able to make. Effective aerial spraying requires at least 1 liter of pesticide per hectare.

Moving into southern Africa

Nothing in the way of assistance has yet been considered for southern Africa, which is now in its spring season. More than 100,000 hectares there are covered by eggs that will hatch in September, according to the FAO, although South African specialists say 14 million hectares are affected in that country alone.

The brown locust is expected to move from South Africa and Botswana to neighboring Angola, Zambia, and Zimbabwe, reaching Burundi, Rwanda, and eastern Zaire by late November. Then, the brown locust will converge upon swarms of red locusts which will hit northern Mozambique, Tanzania, and Uganda, perhaps linking up with the migratory and desert locusts in eastern Africa and Saudi Arabia.

Development of the grasshopper-locust crisis

August 1985: Grasshopper infestation in Mali is reported on 300,000 hectares.

August-October 1985: Sahel belt is hit with infestation.

December 1985: Director of the French organization PRI-FAS documents where the locust eggs are laid in the Sahel and warns that spraying and extended plowing are necessary to stem the locust spread.

Late April 1986: FAO launches emergency appeal.

Early May 1986: World Food Security Council meets in Rome, but does not discuss locusts.

May 15, 1986: FAO calls for \$12 million budget to fight

locusts, notes that brown locusts had been reported in November 1985.

June 1986: FAO monthly update doesn't mention locusts.

August 1986: UNICEF "Update on Emergency Assistance to Affected Countries in Africa" leads with a section on "Pests Infestations" as follows: "Reports received during the month of July 1986 concerning the pests infestations are most distressing. Locusts, grasshoppers, armyworms, rats threaten hundreds of thousands of acres throughout Africa . . . and the survival of millions of people just recovering from drought and famine. . . ."

August 1986: FAO bulletin discusses locust threat.

Aug. 16, 1986: Emergency Center for Locust Operations is set up in Rome under the direction of Lukas Brader.

Aug. 19-20, 1986: Donor countries meet in Rome to discuss aid.

Sept. 1(?): Spraying to begin.

State Dept. in crisis management approach to war on locust plague

Julia Taft, director of the U.S. State Department's Office of Foreign Disaster Assistance, was interviewed Aug. 22 by Marjorie Mazel Hecht, managing editor of Fusion magazine.

Hecht: The U.N. Food and Agriculture Organization has known the dimensions of the problem since at least May, possibly even March, when they were predicting a locust plague, and yet a war mobilization did not take place. Can you comment on this delay, and do you think the war against the locusts can still be won?

Taft: Let me comment on the delay. One has to keep in mind that this is a very dynamic situation, changing every single day. What was true in May was not true in June. We have one particular example in Chad, for instance, where there was opportunity to do field surveillance and we received reports that there was no major problem in Chad, that everything was under control.

The next week, when observers went out, they came back to the same areas and there they [the locusts] were all over, in every prefecture. It's not as though the location and timing is always predictable. What I'm sure you know is that this is the first time in 60 years where there has been a simultaneous outbreak of all four locusts and the Senegalese grasshopper.

One can't expect the national pest-control organizations to be fully capable of doing a massive intervention if they have never been challenged to do that in their lifetime. We have to look at this from what the host country capability is and what the FAO has been doing in its long-term efforts at institution building. There are major weaknesses in the institutions in some countries, but in others they have done a splendid job. But even in those countries that are well organized and well prepared, there are now emerging major crises.

Hecht: What are these countries?

Taft: Niger and Burkina Faso are two examples of countries that have had a very good protection and control organization. Niger still is all right, but we are seeing major strains in the Burkina Faso organization. The same is true in the regional locust control organizations: the Red Locust Control

Organization out of Zambia and the Desert Locust Control Organization out of Nairobi. The regional organizations are well staffed, with competent entomologists. However, the vehicle repair and the airlift repair require major investments and they have not been funded to the levels that they need throughout the years, to really be able to be totally operational. But they're basically fairly sound. The West African regional organizations have not been able to maintain much efficiency. I probably shouldn't say this, but I think they are basically very weak institutions. They really have to address from the development standpoint what one does to reinstitute regional capacity.

The role of the FAO, I think, has been very good. Considering the fact that we are dealing with all of the African countries affected so far, they are trying very hard to get ahead of this problem.

We have not lost the war; in fact, the war has not even started. The war is going to start in September and October. The dates that we are looking at is that spraying can start by Sept. 1, in Chad, in Mali, in Mauritania, and in Senegal, which are the principal countries that we are concerned about right now. Our target date for the international response is Sept. 1.

Now in preparation for this, the FAO has established its emergency coordinating and logistics unit with extraordinary authority to do procurement and response. They've only been in existence for a couple of weeks, but they are staffing up and they have computerized their information processing, and I think they are really ready to respond.

Hecht: Where is the coordinating unit located?

Taft: In Rome. Now, in addition to that, just this week I went to Rome for an international donors conference, to meet with my counterparts and with other countries' representatives to the FAO to discuss what our collective concerns are and to discuss what our collective response would be. Many of us were operating with mixed information about the magnitude of the problem. It is very hard to get any consensus as to how many grasshoppers and locusts exist per hectare in any of these countries, because we are talking about massive

amounts of land, and different kinds of collection people, different times. One group going one day may not see the grasshoppers seen at some other times because the grasshoppers have moved. It is very hard to get a handle on this. For this reason, however, we in Office of Foreign Disaster Assistance have sent out three assessment teams, one in Chad, one in Mali-Mauritania, and one in Senegal. We are planning to send another one on Aug. 30 to Zaire. Basically, these teams are going out to try to collate all of the available information, try to resolve any of the differences in the numbers, and actually take site trips out to do the counting along with the FAO people, the host country people, and other donors so that we can all start talking the same numbers.

Hecht: Do you think that you have a shot at winning this war against the locusts?

Taft: I think that it's possible the host countries and donors can contain it. It's going to be very expensive. We were just talking with our team in Senegal about how much it is going to cost to get our self-contained approach out there, and we are talking millions of dollars—\$4 million to spray two large-ly infested areas, about 360,000 hectares.

It is well worth the investment if in fact it saves the food crop, and you don't have to send in relief food or have the infestation grow in other places. . . .

We came away from that meeting [in Rome] with a commitment that the United States will give \$1.25 million toward the total program of about \$3 million, with other donors coming up with the remaining money. We clarified that yesterday, and today we are already looking at a much larger budget for additional intervention.

It's not good planning; it's just that the magnitude of the problem is growing on every single front. After the spraying, which we anticipate to take place in all of these countries from Sept. 1 to about the 21, we are going to get some monitors out there to find out how many critters—carcasses—there are, to find out whether the spraying was effective. We've really got to keep on monitoring. It's not just a one-shot deal [of spraying]. It's now, again in November, and in many of these countries, it's again a couple of times next spring.

Hecht: I have tried to plot the areas of locust and grasshopper infestation on a map of Africa, and it's almost all covered—

Taft: I have a map and I have so many locust finds I can hardly see the continent. However, one has to look within each country. For instance, in Chad, you have sightings in every prefecture, but you have concentrations congregating (not swarming) around Lake Chad. So in terms of a priority strike, you go for the Lake Chad area. . . .

Hecht: Are you considering the U.S. Air Force spraying planes?

Taft: We've got information about them, but I don't think we are going to use them yet. They only have two planes; they are using a different type of aircraft than commercial aircraft. This would be if we work it out with the host countries. . . .

We are only basically here to help as an international donor; it is basically the responsibility of the host country. We are trying to coordinate through the assistance of the FAO. Part of our assistance is directly to FAO to do procurement, and direct purchase of things like Fenitrothion, but in addition to that we're working bilaterally, too.

Where can we be most effective? Sometimes it is through FAO; sometimes it's directly with the host country, and so our approach is going to be a combination of the two. But we are very much committed to keeping FAO out in the forefront, and working very closely with the other donors. The European Community, the French are the most involved at this point, the Norwegians. We hope to see additional commitments from Canada and Great Britain. . . .

Hecht: What would you have done differently, if there were no constraints on your program?

Taft: I don't think that I would have done anything differently, as a matter of fact. We just came through this incredible drought and famine experience in Africa. And all of the offices in the United States and other donor countries have gone through very stiff self-examinations on what they did and what they could have done better; what kind of information they had, and how they would do it if they had to do it again. Fortunately, those studies are done. Every time we start thinking about locusts, we ask what are the things that we didn't do well last time. One was, we weren't working closely with Congress. And so we've gone up to Congress and said what the situation is at the very beginning. . . .

Hecht: You mentioned that it would cost about \$4 million in Senegal alone. What is the total budget?

Taft: The FAO has a proposed budget for a best-case scenario of about \$3.3 million. That was prepared on Monday [Aug. 18], and we are going to have to revise it, because it is not a best-case situation in some countries, even though it will be an adequate response in others. But at least all the people are talking together and we are all looking at the numbers and are trying to come up with a complementary approach, regardless of the fact that these things are changing on a daily basis.

Hecht: This \$3.3 million is just for the initial spraying through Sept. 21?

Taft: That is correct.

Hecht: Can you tell me what your own background is?

Taft: I'm a crisis manager, and for the past 10 years I've worked on refugee responses internationally and locally.

Soviets prepare to make new troubles in the Mideast

by Thierry Lalevée

The Soviet leadership has given the green light to its local satrapies Syria, Iran, and Libya to prepare new regional wars. Between early September and mid-October, the Soviet Union has scheduled an escalation of the six-year-old Gulf war between Iran and Iraq, as well as a war between Syria and Israel. After weeks of political uncertainty, following President Reagan's secret letter to Mikhail Gorbachov, the Soviets have decided to launch an offensive to test the United States. The Soviets aim to destroy the chances for a Middle East peace settlement heralded by the July 22 Ifrane summit between Israel's Prime Minister Shimon Peres and King Hassan of Morocco, as well as the September summit between Peres and Egyptian President Hosni Mubarak.

Moscow has been heating up various hotspots for weeks.

- Since the middle of July, the Libyans have sent more than 1,000 troops into the Western Darfur province of Sudan, on the border with Chad, in preparation for what the *Sudan Times* described on Aug. 20 as an "upcoming major offensive against the legal regime" of Chad.

- During the same period, Colonel Garang's Southern Sudan Popular Army shot down a civilian airliner above the city of Makhatal with one of its Soviet-provided SAM-7 ground-to-air missiles, killing 62, and bringing all air traffic in the region to a standstill.

- On Aug. 15, Turkish military forces were forced to intervene into northern Iraq, according to their mutual treaty with Baghdad, to stop increased Kurdish guerrilla activities sponsored by Iran and Syria against Turkey and Iraq.

- The terror actions of the local Shi'ite militias in southern Lebanon, against the Israelis and the French troops who are part of the United Nations peacekeeping force in Tyre.

Meanwhile, since early August, there has been a reactivation of the global Soviet terror network run out of Syria,

Iran, and Libya. On Aug. 21, Iranian intelligence agents killed an anti-Khomeini Iranian in London. The same day, four Lebanese coming from East Berlin, were arrested by West Berlin police. Investigations showed they had been deployed by the Libyan mission in East Berlin, to bomb American civilians and military installations.

The spectacular side of such war preparations was celebrated from Aug. 24 to Aug. 26 in Tripoli, during the much publicized visit of Syrian President Hafez al Assad and Vice President Abdel Halim Khaddam. The first such major visit to Libya since the April 15 American bombing raid, Assad's visit was officially dedicated to bringing Syrian support to Libya as joint American-Egyptian military maneuvers began in the Mediterranean the same day.

But local intelligence sources indicated the real content of the talks: Assad requested Libyan financial support to wage his upcoming war against Israel. However depleted, Libyan financial resources, can be still be mobilized to such a purpose. Additionally, the perennial discussions about upgrading the cooperation of Syrian and Libyan intelligence services were held.

Privy to all such discussions was Gen. Mikhail Basov, the local KGB resident who has played an increasing political role within the Libyan leadership since last February. According to *La Repubblica* of Aug. 23, General Basov is the brains behind the military junta which has handled day-to-day affairs in Libya since last April.

Soviet policy shift

Paralleling the Tripoli gathering, the foreign ministers of Syria, Iran, and Libya have been in regular meetings for the last few weeks. Coherently, the gatherings have followed an increased consultations between them and Moscow.

U.S. fears new terror strikes by Qaddafi

U.S. Ambassador to the United Nations Vernon Walters will go to Europe soon to renew U.S. pressure for sanctions against Muammar Qaddafi, amid reports that the Libyan leader may be plotting new terror attacks, according to a senior U.S. administration official. Walters "will be talking about diplomatic and economic initiatives against Libya, renewing our position that sanctions should be imposed," the official said.

Larry Speakes, the White House press spokesman, told reporters in Los Angeles on Aug. 27 that no timetable or itinerary would be released for the Walters mission, but noted that the allied consultations are at the highest level since January, and follow a declaration by European Community foreign ministers in April, the Tokyo Summit in May, and the withdrawal of U.S. companies from Libya. The talks "will cover the full range of political, economic, and diplomatic measures we or the allies have been taking, jointly and individually."

Speakes announced, "Our policy toward Libyan terrorism is unequivocal and unchanged: We will employ all

appropriate measures to cause Libya to cease its terrorist policies."

"Qaddafi and Libya," he said, "do retain the capability to commit terrorist acts, and we want them to be fully aware that our policy is unchanged, and we will do what we can to prevent them, and be prepared to take the necessary steps, either before or after these are committed in order to ensure they don't happen again."

A senior administration official, responding to questions about a *Wall Street Journal* article which alleged that Qaddafi was planning some major terrorist action, declined to make any specific predictions. "There are intelligence reports, many of which were referred to in the *Wall Street Journal* article," he said. "They were printed in the *Wall Street Journal* article without any reference to the level of credibility. Intelligence reports come in that have varying levels of credibility. . . . But obviously, we do have intelligence reports that Qaddafi has not been deterred in his efforts to commit terrorist activities, but once again, how imminent, or all that, I just don't have the weight to give to one report or the other. . . ."

"There is hard evidence that the Libyan government has been involved in planning and attempting to execute terrorist acts; that they have not—since the U.S. bombing; and that they have not been deterred in their goal of committing terrorist acts on a worldwide basis."

Indicating that Moscow is about to make a major political shift in the Gulf war, has been the reception the Soviet Union extended to Iranian emissaries in recent weeks. In the first week of August, Iranian Deputy Foreign Minister Mehdi Larijani spent over a week in Moscow. The talks, which were held at all levels of the Soviet leadership, omitting only Gorbachov himself, were concluded by a spectacular reconciliation on the issue of Afghanistan, which had been for years an issue of conflict.

Larijani agreed that "our views do not converge. However, the Afghan problem is purely internal, to be solved by the Afghans themselves." On Aug. 16, Iranian oil minister Aqazadeh followed suit in Moscow. By Aug. 20, it was made known that the Iranian envoy had renewed the late 1970s' Soviet-Iranian oil and gas agreement, which will be reactivated by December 1986. Additionally, Aqazadeh stressed that a "defense cooperation" agreement had been "agreed upon." Iranian official sources indicated it would involve increased delivery of Soviet military spare parts and materials.

Strengthened by Moscow, Iran has been massing millions of its soldiers at Iraq's borders for an early September offensive. There have been indications that Teheran may be willing to go further than usual in such attacks. On Aug. 10, hundreds of Iranian pilgrims staged demonstrations in Mecca

before being arrested. On Aug. 26, Speaker of the Parliament Rafsanjani warned that unless the pilgrims were released, Iran would launch "counter actions against Saudi Arabia."

According to intelligence sources, the backbone of such policies has been a recent reorganization of the Soviet Southern Front Military Command in Tashkent and Kabul, which has direct responsibilities for the Middle East and Gulf theater. General Mikhail Zaitsev, formerly Commander in Chief of the Soviet forces in Germany, has been moved to Tashkent. Meanwhile Army General Ivan Tretyak, formerly of the Far East Command, is now in Kabul. Both are experienced combat officers, and have worked closely together since the late 1960s in Byelorussia.

Such top military appointments are of crucial importance, as Moscow is building its own military machine in Syria. As of Aug. 22, it was reported that Syria had begun receiving deliveries of its first units of the advanced MiG-29 jet aircraft. Western intelligence observers also spotted launching pads for the SS-23 ground-to-ground missile which had a 600 kilometer range.

None of these weapons had ever before been delivered outside of the Soviet bloc. Deliveries of such weapons underline Moscow's commitment to help Syria to launch an offensive against Israel during the next two months. An increased direct Soviet military presence in Syria is to be expected.

New Yalta in the South Pacific: the case of New Zealand

by Allen Douglas

On Aug. 25, the Soviet Union's top "Asia hand," Deputy Foreign Minister Mikhail Kapitsa, opened a several-day visit to New Zealand by stating that the Soviets are now prepared to sign formal protocols for a "nuclear-free Pacific" with New Zealand and other South Pacific nations. Kapitsa's statement and high-profile visit came on the heels of the earlier announcement by U.S. Secretary of State George Shultz in San Francisco on Aug. 11, that the ANZUS mutual defense pact among Australia, New Zealand, and the United States in effect since 1951, no longer holds, and that New Zealand, in particular, is now "outside the U.S. security umbrella."

Kapitsa is deployed by the Soviet military high command to prepare the Asian theater for the Soviets' global showdown with the West, the context for his New Zealand visit. Together with Australia, for which New Zealand is the "back door," the country sits astride the naval choke points from the Persian Gulf/Indian Ocean to the Pacific. It is also a potential staging area to monitor the United States's most crucial SDI testing facility, Kwajalein Atoll in Micronesia, and the three crucial U.S.-Australian joint base facilities in Australia.

The Kapitsa announcement is the outcome of a policy of systematic sabotage of the ANZUS alliance, pursued by the Socialist International's New Zealand Labor Party under Prime Minister David Lange, beginning with Lange's announcement in early 1985 that U.S. nuclear-armed ships would not be allowed in New Zealand's harbors. This was escalated through the New Zealand Labor government's proposal of the Soviet-designed "nuclear free zone" concept at meetings of the 14-nation South Pacific Forum.

However, the situation at present has deteriorated far beyond "neutrality," toward an emerging role for New Zealand as a staging base for Soviet operations in the Pacific. Not only does the Soviet Union have agents of influence at the highest levels in the New Zealand government, but the evidence is emerging that the Soviets themselves had a role in the election which ended the previous National Party government of Sir Robert Muldoon and brought in the Labor Party, led by a one-time lawyer for the Moscow-funded Socialist Unity Party, David Lange.

Gordon Dryden

In 1970, New Zealand citizen and long-time agent of the Third Department of the KGB's Foreign Division, Gordon

Dryden, stationed in Moscow under cover as a representative of the New Zealand Meat Marketing Board, was put through a special course in mass communications by the KGB. He was then sent back to New Zealand to set up a pro-Soviet network in the New Zealand media, a network which for the past 15 years has increasingly dominated that media. Referred to by intelligence specialists as "the Gordon Dryden network," this circle also reaches into the current government. Looking at KGB agent Dryden, much of the evil besetting both New Zealand and ANZUS in the past few years, comes clearly into view.

After an earlier career as a Labor Party activist, Dryden joined the New Zealand Communist Party, served from 1953 to 1956 as the editor of the CP's paper, *The People's Voice*, and then rejoined the Labor Party in 1957, as a "public relations consultant" to the Labor leadership. According to evidence in more than one nation's intelligence files, Dryden's personal case officer for most of his career has been the notorious KGB agent, Vitali Yevgennevich Lui, a.k.a. Viktor Louis, a leading KGB strategist for Asia, and top official for the KGB Foreign Division's Third Department (covering the U.K., Scandinavia, Australia, and New Zealand). He began his own career as an informer in the New Zealand embassy in Moscow. Louis's specialty of *dezinformatsiya* is reflected in his protégé, Dryden.

After his 1970 Moscow courses, Dryden's first New Zealand media venture was the Independent Television Corp., financed by several apparently conservative "captains of industry": Sir James Fletcher, the father of Hugh Fletcher, co-chairman of New Zealand's multi-billion dollar Fletcher Challenge company; Sir James Doig, chairman of UEB, a paper company; Sir James Wattie of Watties Industries, processed food; and most importantly, Sir Ron Trotter, now co-director of Fletcher Challenge, and an adviser to the Lange government.

In 1972, the Labor Government, under anti-communist Prime Minister Norman Kirk, pulled Dryden's license, but he hosted talk shows throughout the 1970s, and by 1978 he was granted a license for Radio Pacific, a pro-Soviet conduit through which he ran several disinformation operations. The most notorious of his 1970s operations was an interview with an alleged deserter from the Vietnam War. The "deserter" claimed to have seen American troops massacring peaceful

villagers in Vietnam, which Americans were allegedly then fired on by outraged New Zealand troops. This caused such a furor that New Zealand pulled its battalion out of Vietnam. Only later did it emerge that there was no "deserter," and no massacre—Dryden made it all up.

Dryden's media network

The following are some of the more prominent members of the KGB's "Gordon Dryden network" active in New Zealand's media:

Gordon McLauchlan: number-two at Radio Pacific under Dryden, McLauchlan now hosts the nation's most prominent televised current-affairs program, the "Weekend" program.

David Beatson: number-three at Radio Pacific, Beatson is now editor of *The Listener*, New Zealand's largest circulation magazine (300,000 of a total population of 3.2 million).

Bruce Slane a.k.a. Bruce Christopher: Slane is Chairman of New Zealand's Broadcasting Tribunal, which determines who gets, and who does not get, a license. Because of his quasi-judicial post, Slane tries to appear "straight," belied by a series of left-wing articles he penned for the *Auckland Star* under the name Bruce Christopher. It was Slane who gave Dryden his Radio Pacific license.

Don Milne: Milne has been the deputy editor, *de facto* editor, for six to seven years of New Zealand's largest newspaper, the *New Zealand Herald*.

The Dryden network has spent the last 15 years preparing the population of New Zealand for the sorts of "deals" which Mikhail Kapitsa is now offering. And where has New Zealand's Secret Intelligence Service (SIS) been during all this? The answer was revealed recently in an Australian court case, when the British government admitted that British spymaster Sir Roger Hollis functioned as a KGB "double" throughout his career. It was Hollis, who, in 1957, set up New Zealand's SIS.

Bob Jones, Soviet agent of influence

The destruction of the ANZUS Alliance, the creation of a nuclear-free zone in the South Pacific, and the dramatic Soviet advances in the area overall, would have been impossible without the election of New Zealand's Labor Party in 1984. This election in turn was secured by two men: one, a real-estate speculator, boxing promoter, and get-rich-quick propagandist named Bob Jones, and the second, Jones' collaborator, the KGB's Gordon Dryden.

Formerly a supporter of the National Party and its leader, pre-1984 Prime Minister Sir Robert Muldoon, Jones split from the National Party and put up \$1 million of his own money to found the radical free-enterprise New Zealand Party. Capitalizing on increasing problems in New Zealand's economy after the 1973 oil embargo, the New Zealand Party polled some 12% of the vote in the 1984 national elections,

mostly drawn, as expected, from the National Party. This ensured the election of Lange and Labor. As Jones himself put it, "I mean we won them [Labor] the election last time. We split the bloody votes and we handed them a whole heap of seats."

For most of the New Zealand Party's effective life-span, a year or so, the *de facto* second-in-command, as well as the reported author of most of its platform, was none other than Gordon Dryden. Within two months of the election, Jones himself popped up as an official patron of the New Zealand-U.S.S.R. Friendship Society, a position he maintains to this day. He enraged his New Zealand Party followers by proposing to disband the Party immediately after the election, its job, in his mind at least, having been successfully completed.

Though less well-known than the radical "free-enterprise" deregulation aspects of its platform, the New Zealand Party reflected the pro-Soviet leanings of Jones and Dryden, in the following platform proposals: 1) that the ANZUS Pact be scrapped, 2) that marijuana be legalized (the Soviets today command major portions of the world's \$500 billion narcotics traffic, a major source of funds for their terrorist operations), and 3) that New Zealand's defense forces be cut by 90%.

As described by the *New Zealand Herald* in a March 31, 1984 article, "Red Paper Day for New Zealand Party," the Soviets could not contain their glee at the Jones-Dryden creation: "The Soviet Union Communist Party newspaper has published two half-page articles about the New Zealand Party. Mr. Robert Jones . . . said that a few weeks ago he met a bloke from *Pravda* and representatives from the Soviet Embassy in Wellington. . . . 'I had a few entertaining hours with the Embassy and *Pravda* staff. They endorsed everything we were saying. . . .' Mr. Jones said he told them the New Zealand Party was the only party of peace in this country and would hope to change any hatred toward the Soviet Union."

More recently, Jones commented on the final demise of ANZUS, "I am very happy. . . . But you have these older people who tend to be right-wing and conservative, particularly those people who fought in the war; they think in fairly right-wing and militaristic terms and are convinced the Russians are coming. . . . It's a laughable proposition, the suggestion of the Soviet Union having aspirations in the South Pacific. Quite frankly, it's viewed as a laughable proposition them having aspirations anywhere." This outlook fits another of Jones' beliefs: "I do believe each to his own. I believe people should be free to commit suicide and so on."

The destruction of New Zealand's economy

Though Jones formed his party for the sole purpose of bringing in Labor, he was dead serious in his economic philosophy. The apparent contradiction of the Labor Party's adoption of Jones' "right-wing" deregulatory program is easily explained: When most of the independent farmers and

manufacturers have been bankrupted by Labor's programs, the cartelized control over New Zealand's economy will be in the hands of Labor fellow-travellers such as Jones and Sir Ron Trotter of Fletcher Challenge.

Jones' KGB crony Gordon Dryden spelled out how this is proceeding, in a letter to the *Auckland Star*, April 16, 1984: "You misrepresented an important speech by New Zealand Party leader Bob Jones. In fairness, what he said . . . was 'Our most successful and fastest growing corporations are those that for all their rationalizing justifications, are engaged in commercial pirating, in the simple acquisition of other companies, of asset stripping, and asset accumulation. I am chairman of just such a company, which on an initial \$10 million capital base a mere 18 months ago, has already acquired a net \$35 million in assets. I am a close personal friend of the so-called king of takeovers, Ron Brierley, and also of many others, such as Bruce Judge . . . and various other sharebrokers who are all succeeding in this grossly distorted investment climate. And I am speaking for them all when I say, that this is not the way we would wish things to be. . . . We would all much prefer a healthy, rational economy, in a mercenary sense."

As usual, Jones was lying. Throughout his campaign, he propagandized for precisely this sort of "grossly distorted investment climate," through the total deregulation of New Zealand's economy, the lifting of interest rates, the float of the New Zealand dollar, and the stripping of production incentives in agriculture or manufacturing, in favor of the hot-money speculative takeovers he described above. Perhaps it was not accidental that Labor Finance Minister Roger Douglas, who wrote a book in 1980 calling for this sort of radical deregulation, entitled it, *There Has To Be A Better Way*. Not only are Jones-crony Dryden and Douglas personal friends—"they club together, they are both from South Auckland," as one New Zealand source put it—but the name of Douglas' book is the personal trademark, the constant refrain with which Dryden used to end all his pro-Soviet radio broadcasts: "There has to be a better way."

The Dryden-Douglas "better way" has resulted in the following: 1) interest rates, kept down by the Muldoon government to 8% for first mortgages, and 11% for other borrowing, reached over 20% before falling back slightly, and for hire-purchase (buying on time) of consumer durables and farm equipment, are presently at 27%, down from a high of 32%; 2) the tax system has been radically overhauled, with a marked bias against producers; 3) all dirigist forms of encouragement of industry and agriculture, which had helped make tiny New Zealand a world power in agriculture products, with the highest living standard in the world, and more recently had begun to result in a flourishing manufacturing sector, have been stripped away. This includes export subsidies, protective tariffs, etc.; 4) a total deregulation of the financial sector, removal of exchange controls, granting New Zealand companies rights to borrow "offshore," etc.

The net result is that the productive sector is getting slaughtered, while the growth industries are corporate raiding, asset stripping, stock speculation (the stock index almost doubled in the last 12 months), and the burgeoning paper-shuffling "financial services" firms feeding off Hong Kong and other hot money. Over the coming year, it is estimated as many as 15,000-20,000 of New Zealand's 65,000 farmers, who produce 60% of the export earnings of the country, will be forced off the land altogether, or into some form of tenant-style farming.

The Trust in the South Pacific

The businessmen backing Dryden, Lange, Douglas et al. have a very specific pedigree, one which predates the Bolshevik Revolution. Already then, certain financial circles in the West sponsored "socialists" as a battering ram against the sovereign nation states and cultural heritage of Western civilization, to which values they were philosophically opposed. These Western circles, such as the Harrimans, the Morgans, and the Round Table circles of Lord Milner in Britain, who not only financed the Bolsheviks originally, but later made fortunes in joint partnership with the Soviets at the expense of their own countries, became known as "the Trust."

It is the Trust which is now negotiating the New Yalta deal to the advantage of the Soviets, and Dryden-funder and Soviet business-partner, Sir Ron Trotter of New Zealand's second-largest corporation, Fletcher Challenge, which produces 10% of New Zealand's export earnings and employs over 22,000 people, is precisely such an agent of the Trust.

Appointed by Prime Minister Lange to head the Business Industrial Roundtable, Trotter is a fanatical exponent of the Dryden-Jones policies now being implemented by Finance Minister Douglas. His support is not surprising. While interest rates of 20% to 30% are bankrupting honest entrepreneurs, Trotter's Fletcher Challenge simply goes offshore to borrow what it needs, for instance, to Hong Kong, a financial center built entirely on its role as the world's central laundromat for drug money (see the bestseller, *Dope, Inc.*). With the borrowed hot money, Trotter can leverage his holdings into takeovers, etc., while closing down actual productive industry, such as the 1,500-person Tasman Pulp and Paper Mill in Kawerau he will be shutting on Sept. 4. Curiously, Trotter's first major takeover was Crown Zellerbach of Canada, a company under investigation by U.S. Customs officials in the late 1970s for possible involvement in the narcotics trade.

Meanwhile, back at home, two of Fletcher Challenge's subsidiaries, Wrightson NMA and Dalgety Crown, hold a monopoly in the "stock and station" field—the sales and hire-purchase agreements for the equipment, seed, etc. needed by New Zealand's farmers. Wrightson and Dalgety not only hold chattel mortgages—titles to equipment sold at loan-shark rates of 28-32%—but hold the largest number of mortgages on farmland itself.

While some argue that Fletcher Challenge would not

want to purposely bankrupt the farmers whose mortgages they hold, the situation looks entirely different if Trotter has a buyer to whom he can unload the mortgages. And he does. Under the Lange government, the state-owned Rural Bank has recently begun a major expansion program to buy up mortgages, which should warm the hearts not only of Trotter, but of the Soviets as well. As pro-Marxist Justice Minister Geoffrey Palmer, a supporter of the Soviets' terrorist ANC in South Africa, reportedly stated on radio on New Zealand's Waitangi Day last year, "There is no place in New Zealand for the private ownership of land." Palmer, later questioned about this outrageous statement, allegedly threatened that "there would be trouble" were his remarks to be publicly quoted.

But Fletcher Challenge is not only active in agriculture. In 1985, a cocktail party was held in Wellington. Leading figures from the Soviet embassy and from the Soviets' extensive deepsea fishing fleet active off New Zealand, clinked their glasses with executives of Fletcher Challenge, to toast the sixth year of a very profitable partnership. Under the terms of the joint ventures begun in 1979, Fletcher Challenge, which does not have its own fleet, in effect hires Soviet ships to fish in the deep waters off New Zealand.

But from all evidence, fish was by no means the only, or perhaps even the major, catch the Soviets were after. A leading figure in New Zealand's fishing industry noted that, in general, New Zealanders had a preference for joint ventures with the Japanese, not only "because the Russians are reluctant to offer ships for charter," but also because "the Russians are bloody useless fishermen. They're the worst in the world. Their figures here are an absolute joke. They're ridiculous. A proper commercial operation would not survive on their ability to catch fish."

Asked if something else were going on, for example, espionage, which might help explain the terrible figures, the source replied, "Well, when you see ships with a crew of 80, where a corresponding Kiwi [New Zealand] ship or Japanese ship would have 35, and where you have this 80, this might include 12 radio operators. . . . They did have down here at one time a maintenance vessel, which was a maintenance type support vessel. We looked it up in *Jane's [Fighting Ships]* and in fact it was listed as a submarine support vessel!" The Soviets recently requested permission to build a dock in the port of Nelson to service their "fishing fleet," and then maybe an air strip to fly in and out the spare crews of their "fishing fleets." For the moment, the project has been turned down, perhaps a little too bold even for Lange.

Meanwhile, to the extent the Soviets are actually fishing, they are granted fuel subsidies and other "incentives" by the Labor government, which favors their fishing at the expense of local fishermen. As in the case of the farmers, it will soon be financially more advantageous for the fisherman to work for the state fishing fleet than to have his own business.

Though Fletcher may be the most egregious in terms of

its ties to the Soviets, it is by no means the only asset stripper or speculative operator in town. One of the others whom Jones bragged about as his close friend was Ron Brierley of Brierley Investments, a "financial services" speculative paper empire. Brierley has just been appointed a director of the Bank of New Zealand, sitting next to another Labor appointee, the communist labor-leader Rob Campbell.

Jones himself now runs the 19th-largest company in New Zealand, Robert Jones Investments, with operations in Australia, Canada, the United States, and elsewhere. His rags-to-riches tale began when the Australian Mutual Provident insurance company just happened to need a building that Jones just happened to own. From a net worth in the tens of thousands of dollars, Jones was catapulted overnight into the millions, and his career ever since has been richly lubricated by borrowings from the insurance companies, the major commercial property owners in New Zealand.

Curiously, AMP, whose board is interlocked with Fletcher Challenge, happens to be the chief shareholder in the *New Zealand Herald*, whose *de facto* editor is Dryden network member Don Milne. When asked about the relations between Trotter, Brierley, and Jones, and who else they might be tied to, one New Zealand financial insider stated, "Well, being such a small place . . . the business is so interrelated in New Zealand. They have these interlocking directorships. There's probably 150 people, maybe, who basically run the country, anything that really matters. I know some guys that would be on maybe 20 boards. You wonder how the hell they can do the job well for any of them. But a lot of it's just cementing relationships between companies."

Asked if the other 147 or so individuals would be united in support for Lange as Jones, Trotter, Brierley, etc., are, he commented, "As far as the business community goes, Lange is basically irrelevant. Roger Douglas is running the place. Make no mistake about that. He is doing anything in this country that has any real meaning. . . . Lange's more of a sideshow. He keeps the rabble amused, while Douglas, Preble [associate finance minister], and Caygil [minister of trade and industry] get on with actually running the place." In addition to Douglas, friend of KGB agent Dryden, and to Preble, another leftist, he could have added Mike Moore, the minister of overseas trade, an early supporter of the communist youth movement in Christchurch, or maybe another Douglas assistant, Trevor DeCleene, a close friend of Bob Jones.

But fortunately, it looks as if Lange, Douglas, and their gang of fellow travellers may be in for some rough sailing. A high-level committee of inquiry on defense, headed by a former secretary of foreign affairs, Frank Corner, has just released a report strongly critical of Lange's sabotage of the ANZUS alliance. The committee's findings, that a majority of New Zealanders have no wish to be "neutral" or "non-aligned," are bolstered by recent polls showing a solid majority of New Zealanders to be pro-ANZUS.

Prince Philip to set new 'Satanist Covenant' in Assisi

by Mark Burdman

From Sept. 22 to 29, the Italian town of Assisi will be the site of eight days of "pilgrimages" from all over the world. Conferences, "religious retreats," and exhibitions of "folk cultures" will be presided over by His Royal Highness Prince Philip, Duke of Edinburgh, husband to Queen Elizabeth II. Here, he will be acting in his capacity as President of the World Wildlife Fund International (WWF).

Nominally called to commemorate the 25th anniversary of the WWF, "Assisi Week" will initiate a "Religious Network for Conservation," or, in the words of one organizer, a "new alliance of the major world faiths and the conservation movement, of a kind that does not exist at the moment." Thereby, Prince Philip will inaugurate a project to return Western culture to pagan bestiality, based on merging environmentalism with pseudo-religious cultism. In short, Assisi Week will witness a new "Satanist Covenant."

According to a source close to Prince Philip, the aim is to overturn the "industrialization matrix" of scientific and technological progress that has evolved since the 15th-century Golden Renaissance and the 18th-century American Revolution. The notion of progress and dominion over nature embodied in leading currents of the major world religions, especially the Augustinian current in Judeo-Christian civilization, is to be destroyed. An inclusive aim is to mobilize Gnostic forces against the Papacy of John Paul II.

Said an aide to the Duke, "The whole idea for these Assisi events came from Prince Philip personally, once he realized that there existed other ways of viewing the relationship between man and nature, than just the Western way. He wants the Assisi event to be the *next* major event, defining the *next* 25 years of the World Wildlife Fund, during which the WWF will interact with these non-Western, alternative ways of looking at nature. . . . His interest is to draw in religious leaders of symbolic importance. The word from Prince Philip is that, after this week, world religions can never remain the same! He thinks this week in Assisi will be *very* historical. And it is *he* who is making it possible, without *him*, this would never happen. . . . This Assisi event is already bringing into being a new way of looking at the world. It is intended to have long-term effects, and this Assisi week is the spectacular launch."

So carried away did the aide become, that he referred

the Duke of Edinburgh as "Saint Philip."

Of late, British parliamentarians and others have been none too pleased with the Queen, her Prince, and the House of Windsor, over various matters of East-West relations. Remembering British history, they have observed that by the 1701 Act of Settlement through which the House of Hanover (now Windsor-Mountbatten in England) took the throne in the United Kingdom, the Hanoverian sovereigns committed themselves to uphold the religious principles contained in the Church of England's Book of Common Prayer. Therefore, Prince Philip's present activities of undermining the trinitarian, Augustinian principles of Christianity, in favor of Gnostic "back-to-nature" cults, is grounds enough for a constitutional crisis. Motivation is available in the special relationship the House of Windsor has assumed toward Moscow.

The WWF "happening" in Assisi is itself being composed with full collaboration of the leading agencies of the U.S.S.R. Sources close to Buckingham Palace say that the Soviet State Publishing House, various Soviet scientific institutions, and individual cosmonauts, are involved with the WWF-Assisi effort. And, a close collaborative relationship has been established with the Russian Orthodox Church—closer to Philip's version of "Christianity."

The WWF also reports good working ties with the present religious leader of the Church of England, Archbishop of Canterbury Robert Runcie—the vice-president of the Great Britain-U.S.S.R. Association and a passionate backer of a deal with the East—and with the head of the British Catholic Church, the Benedictine-trained Cardinal George Basil Hume. Networks of collaboration have also been established with various non-Russian branches of the Eastern Orthodoxy.

The entire configuration puts on display the role of the House of Windsor as an instrumental asset of the East-West joint stock agency known as "the Trust." Composed of oligarchical interests on both sides of the East-West divide, the Trust was the sponsoring agency behind the Bolshevik Revolution in Russia, and, more profoundly, behind the "Age of Aquarius"/"New Age" Gnostic cults that have proliferated in this century, achieving state power with the Nazis in the 1930s, and since sprouting under the cover of the rock-drug "counterculture" of the past 20 years.

The roots of the Trust are to be found in the historical policies of the leading families of Venice, both in these families' cultivation of Russian imperialism, beginning in the 16th century, as a weapon against the West, and in these families' subversion, within the West itself, of the culture derived from the 15th-century Golden Renaissance.

Even the empirical evidence is that it is this Venice-centered East-West configuration that is guiding the new phase of the pagan and environmentalist movements centered in Prince Philip's World Wildlife Fund "Religious Network for Conservation."

The Varna conference

Preceding the Sept. 22-29 Assisi Week, was a most interesting conference in the Bulgarian port city of Varna, from Aug. 25-27, on the theme, "Ecology and Peace," which brought together top figures of the East bloc's intelligence services, with individuals representing the chief neo-Malthusian, world-federalist agencies of the West, including the Club of Rome represented by the Hungarian-born Ervin Laszlo, the Stockholm International Peace Research Institute (SIPRI), UNESCO, the Geneva, Switzerland-based International Union for the Conservation of Nature (IUCN), and others. In and around the conference itself, 12 days of meetings on "ecology and peace," dating from approximately Aug. 20 through Aug. 31, took place in a city which is notorious as an East bloc planning center for terrorism and destabilization operations.

The Soviet Union's delegation is to be headed by Ivan Frolov, editor of *Kommunist* magazine. Frolov is the most avid propagandist within the Soviet media for the *Western* environmentalist or "Green" movements, writing praise-filled articles about the West German Green Party. He has met at least twice during the past year with Green parliamentarians, once in Moscow in December 1985, and once in Bonn, West Germany, in May 1986. Frolov is one who has taken the point in the Soviet policy of promoting "New Age" ecologist cults in the West.

There is close overlap between Prince Philip's Assisi Week and the Varna meetings. One participant in Varna was David Pete, representing Geneva's IUCN. The latter is housed in the same office-building complex in Geneva as the WWF, and is referred to, in official WWF literature, as the "scientific sister organization" to the WWF. The IUCN was created in 1947-48, by Sir Julian Huxley, as a sub-project of UNESCO, which Huxley had also largely created. It was the IUCN that spawned the WWF, in 1961.

In between the Varna discussions and Assisi Week, Venice will be the site of an eight-day series of meetings, conferences, and artistic exhibitions, sponsored by the president of the region of Veneto, on the theme, "The European Identity." This will take place from Sept. 14-21—immediately preceding Prince Philip's Gnostic extravaganza. According to a spokesman, participants will seek to discover "the common roots of Europe, East and West," from a cultural and "folk-

loristic" perspective. The coordinating role is being played by the Cini Foundation of San Giorgio Maggiore Island, a center for cultural warfare against the Golden Renaissance tradition: Six days of seminars and discussions, which will include significant participation by the U.S.S.R. and East bloc countries, will be held in the Cini Foundation's seminar rooms. Cini's director, Dr. Branca, has provided input in shaping the week's plans.

Against the 'industrialization matrix'

One day after the Venetian events conclude, Prince Philip's "Assisi Week" begins.

Aside from the "pilgrimages" from different parts of the world—in some cases months in duration, from as far away as Norway—the highlight of the events is scheduled to be a two-day conference, from Sept. 26-27, on the theme, "Conservation: The Need and the Message," with day-one devoted to "Why People Need Conservation," and day-two devoted

The aim is to overturn the "industrialization matrix" of scientific and technological progress that has evolved since the 15th-century Golden Renaissance and the 18th-century American Revolution. The notion of progress and dominion over nature embodied in leading currents of the major world religions is to be destroyed.

to "How to Spread the Message." Following this, on Sept. 29, Prince Philip will give a special address, and preparations are ongoing to beam it by satellite around the world.

What Assisi Week will place under attack is the key notion embedded in the major world faiths, of man made in the image of God, with the divine spark of creativity enabling man to achieve higher levels of perfection and atonement with God's law. Particularly under assault will be the *Book of Genesis* injunctions that hold man to have "dominion over nature," and to "be fruitful, and multiply, and replenish the earth, and subdue it."

It is said in Buckingham Palace that Prince Philip's inspiration for the Assisi events was the book *Worlds of Difference*, authored by the WWF's Assisi Events Office in Britain and the Geneva-based World Council of Churches Project on Intercultural Education. The book details "creation stories" and views of the relationship of man to nature espoused by Australian aborigines, Chinese Taoist yin-yangites, Buddh-

ists, Hindus, Sikhs, Jains, Amazon Indians, etc. One aide to Prince Philip said, "He was very excited that there existed other ways of viewing the world, than just the Western way."

A favorable review of the book in the Aug. 16 London *Guardian* stated: "The conservationist implications appear much more obvious everywhere else than among the destructive Judeo-Christian-Muslims, and the book is honest enough to include that most anti-conservationist divine injunction: 'Be fruitful and multiply, fill the earth and conquer it. Be masters over the fish of the sea, the birds of the air and over all living creatures on the earth.' Aborigines, by happy contrast, 'see themselves as being linked to the land through the stories and places of Dreamtime. They do not feel that they own the land, but that the land owns them.' For the Chinese—Confucians and Taoists as well as Buddhists—'even the hills and valleys are seen as living, and having yin and yang within them'. . . . Christians, as indicated, come off badly."

The assault on the leading world faiths will take place as an "inside-outside job."

On the first level, purported representatives of the major faiths, Christianity, Judaism, Islam, Buddhism, and Hinduism, will opine that each of these religions has a "conservationist" view opposed to the *Book of Genesis*. Each will call for his co-religionists around the world adhere to this "con-

servationist" concoction.

Christianity will be represented by Father Lanfranco Serini, minister general of the Franciscan Order, Frati Minori Conventuali, since 1983. For 11 years prior to that, he was general secretary of the Order.

An official WWF conference brochure claims that St. Francis "preached about the need to live in harmony with nature," the need to "achieve a spiritual, ethical and practical balance with one's surroundings and in particular God's creatures."

Judaism will be represented by U.S.-based Rabbi Arthur Hertzberg, of the Soviet-linked World Jewish Congress headed by Edgar Bronfman. He, said an Assisi Events organizer, "will write a theological tract on Judaism's view toward conservation. After his piece is presented, he will go to the Jewish organizations, and say, 'This is what the Jewish position on nature is.'"

The official WWF conference brochure emphasizes: "Judaism has a natural festival to plant trees, an example of the Jewish belief in caring for the world of future generations."

Buddhists, too, might object to their religion being represented by the virulently pagan Tibetan strain, in the person of the Venerable Lungrig Namgyal, a graduate of the Ganden monastery of Tibet, and presently the abbot of Gyunto Tan-

What is Prince Philip's World Wildlife Fund?

The World Wildlife Fund International was created in 1961, at the personal instigation of Holland's Prince Bernhard and the British Royal Family. It evolved out of such one-world-federalist organizations as UNESCO and the International Union for the Conservation of Nature (IUCN), both founded after World War II by Sir Julian Huxley and his circle. Both the WWF and its "scientific sister organization," the IUCN, are reachable through the World Conservation Center in Geneva.

From the beginning, the WWF was conceived as a surrogate colonial administrator, to re-construct, under a "protection of wildlife" cover, a feudal order in which powerful oligarchs control vast arrays of land, and deny countries of the developing sector large-scale development projects. Since 1961, the WWF has brought onto its international and national committees some of the leading crowned heads of Europe, chief representatives of the European "black nobility," and representatives of multinational corporations, including, Revlon, Time, Field Enterprises, Philip Morris, and Citibank.

WWF ideology accordingly proposes that man is

properly subordinate to the "forces of nature," to animals and plants. This bestialist (Satanic) worldview, via the Sept. 22-29 "Assisi Week," is now being injected into religion, contrary to religion's belief that man is made in the image of God. Remove that belief in religion, and replace it with bestialist subordination of man to trees, symbols, plants, and totems, and there is no barrier to genocide.

Internationally, Prince Philip is the president of the World Wildlife Fund. One of his vice-presidents is Dr. Luc Hoffmann, the heir to the fortune of Switzerland's Hoffmann-Laroche pharmaceutical giant. Another is the Sadruddin Aga Khan, former United Nations high commissioner for refugees and a leading "consultant" to UNESCO. One of the richest men in the world, the Sadruddin is a patron of the international environmentalist movement. Aga Khan has patronized international conferences on "nuclear non-proliferation" and on "appropriate technology" for Africa, the latter in collaboration with the Club of Rome International, whose Africa Project he funds, along with the reputed Japanese organized-crime figure, Ryiochi Sasakawa.

Leading figures collaborating in Aga Khan's Africa Project, include former U.S. President Jimmy Carter, Notre Dame University's Father Theodore Hesburgh, and Club of Rome co-founder Alexander King.

tric College in India.

The conference brochure says: "In Buddhism, people learn that Buddha found enlightenment while sitting under the Bohdi tree. In early Buddhist art this tree often symbolized Buddha himself."

Islam will be represented by one of the chief ideologues of the most virulent Sufist strain of the Muslim Brotherhood International, Abdullah Omar Naseef, of Leeds University, United Kingdom, and King Abdulaziz University in Jeddah, Saudi Arabia. He has been the secretary of the Muslim World League since 1983, and was intimately associated with creating the World of Islam Festival Trust, a propaganda extravaganza for the Muslim Brotherhood. He is founder-chairman of Jeddah's Institute of Muslim Minorities, which sponsors Sufist-Islamic insurgencies in various nations, notably the Andalusian region of Spain.

"Muslims use the tree of life as a symbol of creation. . . . Islamic teaching outlaws waste and forbids hunting for pleasure," says the brochure.

Hindusim will be represented by Dr. Karan Singh, president of the Virat Hindu Samaja, a Hindu ecumenical organization, who is also chairman of the Indian Board of Wildlife. "Hinduism centres around reincarnation and an enormous respect for all living things," reads the WWF brochure.

Cults = religions

The real point, however, is that various animistic and primitive cults will be granted equal status.

Said an aide to Prince Philip: "We want to create an alliance between the major world faiths and the conservation movement, an alliance which does not exist at the moment. But the challenge is not only to the great faiths. We have also invited leaders from the aboriginal faiths, from among the South American and Canadian Indians, from different groups among what I call the nature faiths. What we seek to bring about is a new network of religions involved in the conservation movement."

These "nature faiths," he stressed, would encourage "other, alternative ways of perceiving nature, where we, the human race, are not the kingpins who can destroy as much as we wish. What we do, is to look more at the Chinese attitude toward the land. At the original attitude toward the totem."

In the brochure, one reads: "In Amazonia, the Sanema people of the Yanomamo tribes relate the creation story through animals of the rainforest such as the jaguar and frog. Ancestors are still believed to inhabit the forest as important forces, and it must be treated with care, respect and caution. Every time a boy is born, they say, a harpy eagle hatches: they may never meet but they are part of one another and share sickness, health, and fate."

Prince Philip's aide expanded on the ultimate aim of all this:

"The problem up to now, in the conservation movement, has been that the WWF and its scientific sister organization,

the IUCN, have based their arguments on utilitarian materialism, arguments that, ultimately, are almost the same as those of the materialist West, ironically. They approach conservation arguments through secular structures. They argue that rain forests shouldn't be cut down, because of what that would do to the interests of man. This is all based on pragmatism. Now, we want to change things, and do this through the major faiths—to nurture the idea that the forest shouldn't be cut down because it has the same right to exist as man! The argument for not cutting down rain forests, must not always be anthropocentric and materialistic.

"The idea is to get away from the linear view of time, to a cyclical view of time. We want to draw on several traditions, the Hindu, the Buddhist, the Sikh, and the Jain. We also want to draw in things from the aboriginals, the notion that life is cyclical, not linear, that humanity is *not* the end purpose of creation."

That sums it up.

He proceeded to identify the WWF's enemy: "the ideas of the last 200 years," which is to say, of the American Revolution. "The real problem is the industrialization matrix of philosophy and thought."

He identified four historical trends as causally decisive in creating this "industrialization matrix": 1) Strains of early Reformation Protestantism linked with efforts in Germany to create a sovereign nation-state; 2) The evolution of Catholic humanism, in the form brought to its highest perfection in the Renaissance by Leonardo da Vinci and Erasmus; 3) The rediscovery of Greek thought, particularly Platonic, that came after the fall of Constantinople in 1453, and that was then infused into the West; 4) The early development of the American colonies and the creation of the United States of America, as expressing, at its best, the confluence of the first three.

Leonardo and Erasmus drew his special ire: "The pervasiveness of the attitude I am indicating, is seen in those elements of the Renaissance that attempted to bring about the elevation of man. The view, in these elements, is that man is the paradigm of the universe. This is most clearly seen in the drawings of Leonardo da Vinci, that is what he is trying to depict."

The assault on John Paul II

If destroying the idea of man and God and progress is the longer-range strategic aim, the shorter-term aim is a declaration of war on the papacy of John Paul II.

World Wildlife Fund organizers, and Franciscans supporting them, are incensed that John Paul II is having his own Assisi conference, a one-day event, in late October, on the subject of "Peace." The Pope, too, is inviting an ecumenical array of spokesmen from leading world faiths, but with a conception much like that expressed by the 15th century's Cardinal Nicolaus of Cusa, in his *De Pace Fidei*, to strengthen in all religions the conception of progress, and the divine spark in man, and to thereby identify a common basis for

achieving peace.

The Pope's choice of Assisi threatens to co-opt, or re-focus, the image of St. Francis, projecting him as a positive historical figure committed to the betterment of man, more or less as Dante Alighieri did when he placed St. Francis in Paradise.

So angered are the Assisi Franciscans by all this, that "the idea of inviting the Pope [to Assisi in September], as a leading symbolic figure, was suggested to them, and they rejected it, flat-out," a WWF source noted.

This source stated: "There's quite a showdown on its way between the Pope and the Franciscans, who are irate at what he's doing. What the Pope is trying to do, to put it very crudely, is to *usurp* the figure of St. Francis, so that the Pope can now do with the Franciscans, as he had previously done with the Jesuits, to bring the Franciscan Order back to discipline, and to crack down on liberation theology. The Pope is trying to take the figure of St. Francis, and wield that figure *against* liberation theology!"

"Also, there is a growing feeling that the Pope is trying to bring about a *fait accompli* in Assisi, that it's all *his* show, he's the master of ceremonies, he's dominating everything."

As counter-moves, the WWF-Buckingham Palace mafia

has, first, arranged for Edgar Bronfman's World Jewish Congress to pull out of the Pope's event, and to attempt to coerce Jewish organizations around the world to turn down invitations. Second, the WWF-allied World Council of Churches, via its Unit Three, or Faith and Order Commission, is making its participation conditional on the Papal event being "more inclusive."

One assumes that His Holiness' response to both threats might be, "Good riddance."

A perhaps-more-serious problem, is that treasonous agencies within the Vatican itself are collaborating with the WWF, helping with Prince Philip's Assisi Week, and moving toward agreement on some joint statement of principle from the two Assisi events. Said an aide to Prince Philip, "Privately, we have set up good working relations with the Vatican secretary of state, Cardinal Casaroli. We also have good ties with Cardinal Etchegerry's Justice and Peace group." There are also reportedly good contacts with elements in the Secretariat for Christian Unity, headed by Cardinal Willebrands.

These complicit networks within the Vatican support, more generally, the aim of a global ecumenical accord with the East.

A busy time for Philip's Satanists

Prince Philip's "Assisi Week" in early autumn occurs in the midst of an extraordinary mobilization of Malthusian organizations and individuals, East and West. A partial calendar of main events includes:

Aug. 20-31, Varna and Sofia, Bulgaria: Several days of events, sponsored by the Bulgarian National Committee for the Protection of Nature, with the overall theme "Ecology and Peace." Included is an Aug. 25-28 conference to be addressed by Bulgarian President Todor Zhivkov. Between 60 and 100 "scientists," from over 25 nations, are reported to be participating, from UNESCO, the Stockholm International Peace Research Institute, the Club of Rome, and others. Various East bloc National Committees for the Environment are participating. The Soviet Union's foremost neo-Malthusian, Ivan Frolov of *Kommunist* magazine, will lead the Russian delegation. The Aug. 25 opening panel is entitled, "The Ecological Imperatives of Peace."

Sept. 1-6, Budapest, Hungary: The Pugwash Group is having the first of its late summer/early autumn events. Reported themes include "arms control," and a discussion on the meetings beginning in Geneva Sept. 8, where the

100-plus signatories of the 1972 international protocols on Biological and Chemical Warfare will be meeting to review the 1972 protocols. A member of the Council of Pugwash, Bulgarian Academy of Sciences head Balewski, is the Bulgaria official who launched the Varna "Ecology and Peace" project.

Sept. 14-21, Venice, Italy: An eight-day series of conferences, exhibitions, discussions, centered at the Cini Foundation on Venice's San Giorgio Maggiore Island, to discuss "The European Identity," the "common roots" of Europe, East and West. A significant Soviet delegation, including the president of Comecon, is expected. Key work for the events is being done by the Italy-U.S.S.R. Association. The sponsor is the presidency of the region of Veneto.

Sept. 22-29, Assisi, Italy: The World Wildlife Fund and Prince Philip set their Satanist Covenant.

Oct. 2-6, Geneva, Switzerland: Prince Sadruddin Aga Khan's "Independent Commission on International Humanitarian Issues" will meet to discuss "arms control" and related issues. Attending will be Britain's David Owen, America's Robert McNamara, South Africa's Bishop Desmond Tutu, Senegal's Leopold Senghor, Mexico's Luis Echeverria, Jordan's Crown Prince Hassan, and others. Aga Khan is a WWF vice-president. An aide to the Aga Khan describes the "Independent Commission" as "like the Palme or Brandt Commissions."

Why the WWF hates Leonardo da Vinci

by Mark Burdman

During the first days of November 1982, this correspondent had the distinction of having Britain's Lord Weidenfeld angrily terminate a telephone call following an exchange on the subject of Leonardo da Vinci.

His Lordship, an intimate friend of Henry Kissinger and magnate of the Weidenfeld and Nicolson publishing empire, had been caught by *EIR* in the act of conspiring with Kissinger and others in a financial scam involving land speculation in the Israeli-occupied West Bank. Already furious at *EIR*, Weidenfeld became more and more cantankerous, and suddenly began accusing the associates of Lyndon LaRouche of "hubris," of claiming to be able to describe and change the laws of the universe. Suddenly, Weidenfeld sputtered, "And you people probably think you can explain why Leonardo da Vinci painted 'The Last Supper!'" When this correspondent responded, that indeed we could do just that, the phone was suddenly slammed down.

This anecdote came to mind when a close adviser to Prince Philip, who is helping organize the Sept. 22-29 week of World Wildlife Fund events in Assisi, Italy, told a caller on Aug. 15 that the WWF's main historical enemy is Leonardo, whose drawings and ideas had largely catalyzed the "industrialization matrix" of the past 500 years of Western civilization.

Said the aide: "The main problem we face derives from those elements of the Renaissance that attempted to bring about the elevation of man. You see this in Leonardo da Vinci and in the Christianity of Erasmus. The view here is that man is the paradigm of the universe. It is most clear in the drawings of Leonardo; that idea is what the drawings are trying to depict."

The aide to Prince Philip complained, during the course of the discussion, that the "anthropocentric" ideas of Leonardo and the Renaissance, the idea that "humanity is the end purpose of creation," had reached its highest point of political-cultural expression in the early colonization of North America and the creation and development of the United States.

Coincidence or not, on the same date, Aug. 15, the Hamburg weekly *Die Zeit* celebrated the life of British artist-cartoonist Ralph Idris Steadman, who has devoted his life to mocking the reputation and work of Leonardo da Vinci! *Die Zeit* is a trend-setting journal for the Hamburg-based liberal

establishment, which associates itself very closely with the British liberal establishment. Its publisher, Countess Marion von Dönhoff, is a bitter enemy of *EIR* founder Lyndon H. LaRouche and Helga Zepp-LaRouche, who are perceived to be the leading representatives today of the ideas of the Renaissance and the American Revolution which the Countess so abhors.

The *Die Zeit* feature opens with a photograph of Steadman dressed as the Statue of Liberty, and posturing like a homosexual or transvestite. Behind him is a mock-image of "The Last Supper" of Leonardo, with all the figures, including Jesus Christ, looking ugly and dark.

Steadman, who has drawn cartoons for the counterculture's *Rolling Stone* magazine and for Britain's *Private Eye* journal has written a mock autobiography called, "I, Leonardo," which is now being translated into German. *Die Zeit* reports that Steadman has traveled all over Italy, seeing historical sites where Leonardo worked. Steadman is also composing a rock-opera about Leonardo, played by rock star Rod Stewart!

Why Leonardo?

From the wrong side of history, the aide to Prince Philip is absolutely correct: Leonardo did base the republican tradition on the scientific conception that humanity is the "paradigm" of God's creation, that man, in his capacity for self-perfection, can approximate, ever more closely, the divine. That is, indeed, expressed in his drawings. Leonardo's entire life's work is a celebration of man's ability to master, perfect, and change the laws of the universe. This was expressed through drawings, paintings, scientific inventions, infrastructure projects, new forms of weaponry to defend cities, and so on.

Studying Leonardo, and mastering for oneself his worldview, itself uplifts the soul. For the Lord Weidenfelds and Prince Philips of this world, that activity is an abomination.

To destroy republicanism, one must destroy Leonardo. Historically, that has taken one of two forms: convey an idea of Leonardo as a mad artist, a kook who produced his works irrationally, or—which is, at root, the same thing—depict him as a leader of a cult of symbolism and magic, as the early Rosicrucians did, or as is done in the book, *Holy Blood, Holy Grail*.

One individual responsible for keeping this campaign against Leonardo alive in modern times, is Sigmund Freud. Purporting to analyze Leonardo's dreams, Freud concluded that Leonardo had to have been a homosexual, and, in general, conveys the image of creativity itself as a special ethereal ooze coming from queers!

During the 1920s and 1930s, Mussolini's advisers waged a crusade against Leonardo and the Renaissance, as the traditions that must be eradicated were the fascist project to succeed.

That is the concern of Prince Philip today.

Anglicans debate the Filioque, issue that divides West and East

by Kathleen Klenetsky

The worldwide Anglican Communion will soon make a decision that could have a profound impact on world history. At issue is whether the member churches of that Communion should delete the *Filioque* clause from the Nicene Creed.

This is no arcane theological matter. The *Filioque* was the principal factor behind the Christian schism a millennium ago, and continues, to this day, to represent the fundamental dividing point between the antithetical cultural matrices of East and West.

Latin for "and from the Son," the *Filioque* represents the most important component of Western, Augustinian Christianity. By insisting that the Holy Spirit (love) proceeds from the Father *and* from the Son, the *Filioque* asserts that Christ is necessary to the process of Creation, along with the Father, and firmly rejects attempts by various heretical strains to undermine the divinity-and-humanity of Christ, and hence the divine potential of man.

It is Christ, who, as both God and man, holds out to man the promise and possibility of participating in God's divinity. This, in turn, provides the basis for insisting upon the sacredness of the individual soul, and the unique position of the human person in God's Creation.

Thus, any effort to diminish Christ within the Trinity, which the elimination of the *Filioque* would do, would also destroy the philosophical and theological basis for the concept of man made in the image of God. It is the absence of this idea in Eastern Orthodoxy, and Eastern culture, which accounts for the bestial concept of man epitomized in both pre- and post-revolutionary Russia.

Were the Anglican Communion to abandon the *Filioque*, as the Russian Orthodox Church insists it do as a condition for "reconciliation" between the churches, it would be tantamount to throwing over the entire legacy of Western culture, in favor of the brutish and brutal cultural and social conditions characteristic of oriental despotism.

Without the *Filioque*, Western civilization would lose its basic underpinnings, a fact which the *Filioque*'s foes well recognize. Listen to the testimony of one passionate oppo-

nent of the *Filioque*, Prof. William Green of the Episcopal Theological Seminary in Austin, Texas, an American member of the Anglican-Orthodox dialogue committee. In a recent interview, Green stated that the Anglican Church "overemphasizes its Western tradition," identified with St. Augustine, and puts far too great a stress on "rationality." This has caused a "dichotomy between theology and spirituality" in Western Christianity, "which simply does not exist in the Orthodox tradition." Abandoning the *Filioque*, Green said, would be an important step toward reasserting the Eastern, mystical side of Anglicanism. This would have a "profound impact" on society as a whole, and would help create a new "theology of creation" which would emphasize the importance of "ecology."

Runcie vs. Augustine

The idea of the *Filioque* is now under direct attack from certain powerful forces in the Anglican world, who want to eliminate it, not simply out of a desire to appease Moscow and its religious foundation, the Russian Orthodox Church, but because they themselves deeply despise its cultural and social ramifications: the West's commitment to science and technology, to the rule of reason and natural law, and to human life itself.

The assault on the *Filioque* was instigated by the Robert Runcie, whom Queen Elizabeth II appointed Archbishop of Canterbury in 1979. Prior to his elevation, Runcie had served as co-chairman of the Anglican-Orthodox dialogue committee, and had garnered a reputation as one of the chief proponents of political and theological compromise with Holy Mother Russia's rulers.

According to Rev. William Norgren, an American representative on the dialogue committee, "Most of what we did on the committee was to define what we didn't mean by the *Filioque*, to try to allay some of the fears and misconceptions" held by the Orthodox.

Norgren's description of the Runcie committee's work is borne out by the reports issued by the committee, the Dublin

and Moscow statements, which generally take the Orthodox position on the Trinity. For example, the Dublin report contains an assertion which is totally false, namely, "Whereas some in the West had maintained in the past that the Son was equally the cause of the Spirit as the Father, this language has fallen into disuse. This is not what the West means by the *Filioque*. The West believes that the Father is the *sole* source of deity."

As Pope John Paul II's latest pastoral letter, on St. Augustine, states, the Father may be the *principal* source of deity, not the *sole* source (see p. 61)

Runcie's political and theological pronouncements make it patently obvious where he stands in the broad cultural battle between East and West. When Runcie visited the United States in 1981, this reporter asked him what he thought of *Global 2000*, the Carter administration report which called for eliminating 2 billion human beings by the year 2000, on the grounds of "resource scarcity." "I believe *Global 2000* is a gift from God," Runcie responded.

At Runcie's direction, the Anglican side of the Anglican-Orthodox dialogue committee recommended to the member churches of the Anglican Communion, about 10 years ago, that they initiate studies of the *Filioque* to determine whether it should be retained. Runcie and his allies argued that the Orthodox Churches were right in claiming that the *Filioque* had been added to the Creed "uncanonically," and that, since it represented such an obstacle to Christian-Orthodox relations, the Anglicans should drop it.

Runcie's proposal elicited a strongly negative response from many Anglican churches, and even from the Episcopal Church in the United States, one of the most liberal members of the Anglican Communion. In 1976, when the Episcopal Church's general council approved the new Book of Common Prayer, in which the *Filioque* was eliminated from one version of the Creed, the House of Clergy and House of Laity disapproved, although the bishops' council supported it. "Most of the resistance came from seminary faculties, who feared that we would be overturning the Western doctrine," one source said.

So strong was the opposition, that Runcie and his co-thinkers were forced to adopt a fallback position, claiming they simply wanted to remove the *Filioque* from liturgical usage, rather than dispose of the doctrine itself. While some supporters of the *Filioque* apparently fell for this sophistry, their opponents are not so naive. As Prof. William Green expressed it, "Once the average churchgoer stops reciting the *Filioque*, he will eventually forget about the doctrine itself."

Moreover, a substantial faction within the Anglican Communion publicly opposes the *Filioque* doctrine. Prominent among these are Boone Porter, editor of the Milwaukee, Wisconsin-based *Living Church*, and Dr. Hugh Whybrew of the Church of England. As a founder of *Sobornost* magazine, and a key figure in the pro-Moscow Society of St. Albans and St. Sergius, Whybrew has long been a pivotal player in

the East-West religious "backchannel." There is little doubt that Runcie also falls into this camp.

Battle at Lambeth?

Thus far, according to the Rev. William Norgren, at least five of the churches affiliated with the Anglican Communion have thus far endorsed, at least in principle, eliminating the clause. Perhaps the most important to take this step was the U.S. Episcopal Church, which, after a decade of controversy, voted in favor of deleting the *Filioque* at its general convention last September.

The final determination of the *Filioque*'s fate is supposed to be made at the Lambeth Conference in 1988, the once-a-decade convocation of the 25-plus members of the Anglican Communion. The issue is expected to spark a major debate at Lambeth, where the Australian and South African Churches are expected to lead a fight to retain the *Filioque*.

Several Episcopal Church experts have told *EIR* that a contingent from the Church of England may also challenge Runcie on the issue. It is significant, they stress, that the Church of England has not rejected the *Filioque*—despite Runcie's predilections. "Just because he is the Archbishop of Canterbury, he does not have the authority to create doctrine," says Prof. Charles Price of the Virginia Theological Seminary, and one of the principal supporters of the *Filioque* within the U.S. church. "What Archbishop Runcie's personal opinions are, don't necessarily reflect themselves in the Church of England."

The Runcie faction has been marshaling its forces for the showdown. Norgren reported that a pre-Lambeth discussion paper on Christian Unity will be prepared under the direction of the new Archbishop of Canada, Archbishop Peers, who reportedly considers Christian-Orthodox unity to be of the utmost importance. His paper will deal at length with the *Filioque*, and Fr. Norgren expects that it will firmly support its elimination.

There is some speculation that Graham Leonard, whom Prime Minister Margaret Thatcher chose as Bishop of London several years ago—much to the dismay of the Runcieites—may also take a stand against dropping the *Filioque*. Leonard has regularly taken Thatcher's side, while Runcie has taken Queen Elizabeth's, in the ongoing political feud between the prime minister and the House of Hanover that erupted into the open this summer.

Although no one from the Royal Family, including Queen Elizabeth, the official head of the Church of England, has, as far as we know, taken a public position on the matter, everyone is quite clear on that fact that the Hanover-Windsors are behind the effort to get rid of the *Filioque*. They sit at the center of The Trust, the confluence of Eastern and Western oligarchical families, whose current policy is to assist Moscow in becoming the globe's hegemonic imperial force, and to eliminate the last vestiges of Augustinian civilization in the process (see p. 50).

Of Lord Mountbatten, British defense, and Soviet espionage

by Scott Thompson

Louis, Earl Mountbatten of Burma, the mentor of both Prince Philip and Prince Charles, who was among Queen Elizabeth II's closest advisers, was that relative of the British royal family most closely linked with the leading Soviet "back-channel" to the West, Bertrand Lord Russell's Pugwash Conference. That does not mean he was the Queen's closest link to Soviet intelligence services. The latter distinction was held by Sir Anthony Blunt, who was given the protection of being the Surveyor of the Queen's Pictures, after his exposure as the chief talent-spotter for the Cambridge Apostle-centered Soviet espionage cell, advised by Earl Russell.

Sir Anthony Blunt's story will be presented in the final part of this four-part series, which will conclude with those networks under personal oversight of Queen Elizabeth II that link her to Soviet intelligence networks identified with the infamous 1920s-30s "Trust" operation of the Cheka/GPU. Since the deaths of Lord Mountbatten and Sir Anthony Blunt, the Queen's treasonous links to the Kremlin have progressed to such a degree that she stands in direct violation of the 1701 Act of Settlement by which Parliament chose the House of Hannover (today, Mountbatten-Windsor in England) to ascend the British throne.

Cambridge communists and Pugwash

Lord Mountbatten's views on defense and East-West relations bear a close resemblance to the Spenglerian pessimism of Anglo-Soviet agent Henry Kissinger, another Pugwash affiliate, who believes that by appeasing the Soviets through arms control and disarmament, a global "New Yalta" deal can be struck with the Soviet oligarchy. The origins of this viewpoint are not only a matter for NATO security investigation, but, through Lord Mountbatten's immense influence upon Prince Charles, heir to the British Crown, of concern to Prime Minister Margaret Thatcher and MI-5.

When Lord Louis Mountbatten was named Chief of Combined Operations during World War II, he turned to a fellow Cambridge student of Karl Marx, J. D. Bernal, to be his chief scientific adviser. Bernal, a member of the Communist Party of Great Britain who had helped found the Cambridge CPGB cell to which Sir Anthony Blunt and H. A. R. "Kim" Philby were recruited, had also been a co-founder, with the neo-Malthusian racist Solly Zuckerman, of a scientific club

called *Tots and Quots* shortly before the outbreak of the War.

This club was intended to help plan Britain's defense policy, and its members included: J. B. S. Haldane, a faculty adviser to the Cambridge CPGB cell; the former Trinity College, Cambridge secretary of the British Fabian Society, Lancelot Hogben; Julian Huxley, the grandson of T. H. Huxley and brother of Aldous; and Joseph Needham, another associate of the Cambridge CPGB cell. At Bernal's insistence, Lord Mountbatten hired on Solly Zuckerman as his number-two. Zuckerman would later be chief scientific adviser to Mountbatten when he was Chief of the Defense Staff (1959-64), then chief scientific adviser to Her Majesty's Government from 1964-71 upon Mountbatten's retirement.

Lord Mountbatten's two scientific advisers in Combined Operations became leading participants in Earl Russell's Pugwash Conference. J. D. Bernal worked closely with Russell in recruiting former Manhattan Project scientists and others to launch Pugwash in 1957, under the auspices of the World Association of Parliamentarians for World Government. Pugwash's founding coincided with "liberal" Soviet party boss Nikita Khrushchov's consolidation of power over the Stalinists, and with the reorganization of the Soviet intelligence services by Shelepin to conduct long-term political and military deception operations like the Trust. After Pugwash's founding meeting, the first private meeting attended by Soviet officials outside Russia since Stalin took power, Bernal was also an unofficial consultant to Pugwash's Continuing (Steering) Committee.

Lord Russell wrote *Bolshevism: Practice and Theory* in 1920 after his return from Bolshevik Russia. He was then still a member of the Fabian Society's inner "Circle of Co-Efficients" and a Cambridge don. The evil Earl states: "I believe that Communism is necessary to the world, and I believe that the heroism of Russia has fired men's hopes in a way which was essential to the realization of Communism in the future. . . . The existing capitalist system is doomed. . . . It may be that, through the influence of America, the capitalist system will linger . . . but it will grow continually weaker. . . . If we continue to refuse peace and trade, I do not think the Bolsheviks will go under. . . . The [Bolshevik] Government will be driven more and more from mere self-preservation into a policy of imperialism. . . . For us, from

the imperialist standpoint, [this] will mean utter ruin.”

Russell stood by this analysis throughout his life, as an October 1946 piece for *The Bulletin of Atomic Scientists* makes clear:

“ . . . There is only one way in which great wars can be permanently prevented, and that is the establishment of an international government with a monopoly of serious armed force. . . . There is one other method by which, in theory, the peace of the world could be secured, and that is the supremacy of one nation or of one closely allied group of nations. *By this method Rome secured the peace of the Mediterranean area for several centuries.* America at this moment, if it were bellicose and imperialistic, could compel . . . a world-wide monopoly of American armed forces. But the country has no wish for such enterprises, and *in a few years the opportunity will be gone.* . . . But if, as seems more likely, there is no world war until Russia has an adequate supply of atomic bombs, plans for world peace will have to reckon with Russia and America as roughly equal powers, and *an international government, if it is to be established . . . will have to be created by agreement rather than by force.*”

Pugwash was created to reach this agreement with the Soviets, and Lord Mountbatten, who had given speeches as a Cambridge student on behalf of turning Britain's naval forces over to the League of Nations to enforce world government, was a supporter of Russell's way of thinking. Pugwash was also the principal institution through which the Soviets ran a strategic deception that won unilateral Western adoption of such insane military doctrines as Mutual Assured Destruction, Flexible Response, Theatre Limited Nuclear Warfare, and the curtailment of ABM and strategic defense programs—while the Soviets built up an in-depth, war-winning capability.

Restructuring British defense

Starting with Secretary of Defense Robert McNamara, who was Chief of Defense Staff Mountbatten's counterpart, U.S. forces were configured on the basis of these doctrines, culminating in National Security Adviser Henry Kissinger's treasonous 1972 SALT-ABM agreements, which enshrined Soviet military superiority. Mountbatten carried out a similar restructuring of the British defense forces, which involved:

- 1) Cancellation of the British land-based ICBM or bomber-based Skybolt to instead purchase four Polaris submarines, whose missiles were then less accurate and powerful, such that they were only capable of attacks upon Soviet cities, not counterforce strikes on Soviet missile silos. This shift, approved by McNamara, was the essence of British adoption of the MAD doctrine.

- 2) An attempt to cancel NATO use of tactical nuclear weapons, while at the same time arguing that NATO should consider conventional force reduction and an end to “over-kill” stockpiling of strategic nuclear weapons.

- 3) Cancellation of NATO development of both ABM and

more exotic forms of strategic defense—e.g., lasers, X-ray lasers, particle beams—such as Marshal V. D. Sokolovskii had emphasized the Soviets would develop in his 1961 book, *Soviet Military Strategy*.

Together with his chief science adviser, Solly Zuckerman, the “Zuck-Batten Axis” was able to ram such policies through over political and military opposition, largely because Lord Mountbatten had personal entré to consult Queen Elizabeth II on these matters. Through Zuckerman, Lord Mountbatten could also intervene with Pugwash, which Zuckerman began to do by attending the Eighth Pugwash Conference on Sept. 11-16, 1961 in Stowe, Vermont. Zuckerman's patron, J. D. Bernal, attended the Tenth Pugwash Conference on Sept. 3-7, 1962 in London with Henry Kissinger, where Pugwash finalized plans to mobilize a “peace” movement against early development of a Western strategic defense.

This conference resolved: “Against global rockets with thermonuclear war-heads, there is no effective defense.” Zuckerman himself echoed this in a 1966 book, *Scientists and War*, when he stated: “The stability of the nuclear balance would . . . be dangerously threatened if either side were to devise an effective defense capable of intercepting incoming nuclear warheads.”

After his retirement as Chief of the Defense Forces in 1966, Lord Mountbatten was to sponsor the founding of Pugwash's Swedish affiliate, the Stockholm International Peace Research Institute (SIPRI)—also patronized by Mountbatten's relatives in the Swedish royal house. Early in 1979, he was invited, as a member of SIPRI's Scientific Council, to give a speech in Strasbourg—his last major public address—in which he championed “nuclear disarmament” at all costs. This speech, heralded by Bertrand Russell House and the KGB-controlled peace movement worldwide, was accompanied by his private lobbying of Prime Minister Margaret Thatcher to initiate “serious arms control” with the Soviets. Since Lord Mountbatten's violent death, apparently at the hands of the Irish Republican Army, shortly after this speech, Lord Zuckerman has continued to work with the Pugwash network.

Exemplary was Zuckerman's defense before the British Royal Society of the Vienna-based International Institute for Applied Systems Analysis (IIASA), after the U.S. government had shutoff funds, because IIASA was found: to have illegally tapped into the CRAY-1 computer at the University of Reading, England, to make nuclear weapons design calculations for the Soviet Union; and, to have gathered oil-production technology for the Soviet Union through a Norwegian “double agent” employed by IIASA. The current chairman of IIASA, with whom Lord Zuckerman has worked closely, is Dzhermen Gvishiani, a top Soviet military intelligence (GRU) official charged with technological espionage since the 1960s, who is also the son-in-law of the late Alexei Kosygin—the man who invited Lord Mountbatten to visit Moscow in 1966.

Pope exalts St. Augustine

Pastoral letter evokes authority of the father of Western civilization and reasserts the Filioque doctrine.

Pope John Paul II has issued a 20-page pastoral letter on St. Augustine, to commemorate the 16th centenary of Augustine's conversion to Christianity. Speaking on Italy's second radio channel, Father Cremona, a speaker at last year's Schiller Institute conference on St. Augustine in Rome, said that the pastoral letter was on the theme, "St. Augustine, the Great African."

"Augustinum Hipponensem" (Augustine of Hippo), was made available by the Pope on Aug. 26 but was officially released on Aug. 28, the saint day for St. Augustine in the Latin calendar. A spokesman in the Vatican office said, "The Pope wishes to commemorate Augustine as a great person and as a great African."

Many of the themes taken up in the pastoral letter had been the themes of the 1985 Schiller Institute conference, the first celebration of the Augustinian Year, as reported in *EIR*'s Nov. 15, 1985 issue. The Pope stressed the *Filioque* doctrine, that the Holy Spirit proceeds from the Father and from the Son, which has been the basis for the idea of progress in the West, and is today the issue of the cultural warfare between the Russian bloc and the West.

By telling theologians to study St. Augustine, the Pope has sent a pointed message to certain modern theologians who are flirting with a deal with the Russian Orthodox Church in which Western Christians would renounce the *Filioque*.

The pastoral letter concludes with a benediction for all the celebrations

and conferences held in the world on St. Augustine. Some quotations follow:

St. Augustine on Religion and faith: "He listened to faith but did not exalt any less reason, giving to each its own primacy, either of time or of importance. He told everyone '*crede ut intelliges*,' (believe that you might understand) but he also imparted '*intellige ut credas*' (understand that you might believe). But faith is never without reason, because it is reason that shows 'in whom one must believe. . . .' Faith which is not thinking is not faith. . . . In his great work on the *City of God* . . . the problem of reason and the divine becomes that of faith and culture. . . . It is very worthwhile to read even today, as an example and stimulus to deepen the encounter of Christianity with the culture of peoples."

God and man: "'Man,' writes St. Augustine in *On the Trinity*, 'is the image of God insofar as he is capable of God and can participate in Him. . . . This capacity,' immortally stamped upon the immortal natural of the rational soul, 'is the sign of His supreme greatness; insofar as he is capable and can participate in the supreme nature, man is a great nature. . . .'"

Christ and the Church: "St. Augustine undoubtedly spoke at length and egregiously in his great work on the Trinity . . . paving the way for later theology . . . he developed the theology of the Holy Spirit that proceeds from the Father and from the Son. But 'principally' from the Father,

because 'of the whole Divinity or rather of the Deity, the principal is the Father.' He gave to the Son to emanate the Holy Spirit, which proceeds as love and thus is not begotten. . . ."

"Without Christ the Man there is neither mediation nor reconciliation, nor justification nor resurrection nor belonging to the Church of which Christ is the head. . . ."

Freedom and grace: "Grace is thus necessary to remove the obstacles that prevent the will from fleeing evil and fulfilling the good. These obstacles are two, 'ignorance and weakness.' They are two obstacles which must be overcome to breathe freedom."

Augustine to men of today: "To the theologians who labor worthily to deepen the content of the faith, he leaves the immense heritage of his thought, ever valid as a whole, and particularly his theological method. . . . In the face of the sad spectacle of evil, Augustine reminds them nonetheless to have confidence in the final triumph of good."

"He moreover invites men of science to recognize in created things the footsteps of God and to discover in the harmony of the universal the 'seminal reasons' which God has inserted there."

"To men who have the fate of peoples in their hands, he recommends to love peace above all and promote it not by fighting but with methods of peace. . . . To youth, whom Augustine greatly loves, he recalls . . . his great trinomial: truth, love, freedom, and invites them to love beauty, he who was so great a lover of it. . . ."

"St. Augustine, incomparable man of whom all of us in the Church and in the West feel ourselves to be somewhat the disciples and sons. . . . I express again the strong desire that his doctrine be studied and broadly known and his pastoral zeal imitated. . . ."

Moscow's SPD pawn in West Germany

The Social Democrats, whose entire platform was authored in Moscow, have now embraced the sex-drug counterculture.

Preparing for the next elections in January 1987, the Social Democrats of Germany (SPD) held a programmatic party convention in Nuremberg on Aug. 25-29. After months of heavy factional disputes, the party appeared as a unified body, again, as 425 out of 429 delegates voted Johannes Rau their chancellor-candidate for 1987. Never since the broad support given for chancellor candidate Willy Brandt in the early 1970s, had any SPD leader been able to rally so many delegates behind his candidacy.

But the "unity" of the SPD was a deal, made possible by Rau's accepting the policy of the "new age"—anti-Americanism, sentiments against nuclear technology and against industrial society, and a good portion of rock-drug-sex counterculture. The SPD presented here in Nuremberg was more the party of the 1990s, than of the late 1980s. Johannes Rau's keynote address to the delegates on August 26 paid tribute to this with "new age" formulations like "emotional challenge," "togetherness," "being an alternative to the social iciness of the acting government." This speech earned Rau emphatic support from the left-ecologist wing of the party, which mainly consists of the "Jusos," the party's youth organization.

The "Jusos" (Young Socialists) are openly organizing for a German walk-out from the Western Alliance, which they say is the "main cause of tensions in the world." The Jusos, but also numerous older leading Social Democrats, have called President Reagan

"an armchair assassin," because of his policy on Libya, on the Sandinistas in Nicaragua, and because of the SDI, which they call "Star Wars."

The Jusos have long collaborated with the radical Green Party in campaigns against the stationing of U.S. nuclear missiles in West Germany. They have campaigned for the Soviet concept that Central Europe should be "demilitarized," and free of all nuclear and chemical weapons—U.S. weapons, that is. They are parroting the Soviet view that after Chernobyl, all nuclear technology in the West should be dumped, because it is, allegedly, "not safe." On Aug. 27, the SPD passed a resolution in Nuremberg that called for a complete end to use of nuclear technology within the next 10 years.

The SPD has begun to wrap its anti-American views in defense and foreign policy in less revealing colors. Johannes Rau already used this new tactic. First, he surprised the convention with the statement, "I am a friend of America," to add, immediately: "But friendship must be between equals." Then, Rau stated: "This is my experience with America: You won't get any reward there for submissiveness, but only cold contempt." The only way to have a "solid friendship between America and the Europeans," said Rau, was to "build European self-assertion."

Rau promised that, once elected chancellor in January 1987, he would make the cancellation of the 1983 Pershing II missile stationing agree-

ment and the 1986 SDI agreement a top priority on his political agenda. Once chancellor, he would reduce the defense budget to the level of 1982 (which amounts to a cut of at least 7%). Rau supported, furthermore, all the offers for arms control put forward by Gorbachov during the recent period. With Rau, the entire leadership of the SPD has adopted the central demands of the Jusos. With these demands, the SPD would leave the Western Alliance.

But the SPD leaders have done more than adopt the Jusos' views on defense. With Johannes Rau as the chosen "synthetic" candidate, the SPD not only appeals to the rock-drug counterculture, but becomes its political muscle. With the 42% of the total vote which the SPD has, the counterculture can become the policy-shaping majority in West Germany. Opening the election campaign shortly before the SPD's Nuremberg convention, Willy Brandt addressed more than 15,000 youth at the rock music festival "Rock against Atoms" on Aug. 16. The festival, which was co-funded by the SPD's "Cultural Forum," was arranged, by the way, to collect money for the "victims of Chernobyl" in the Soviet Union.

The SPD's campaign to make the West German counterculture rule in Bonn, is fully in line with the Soviet Union's intentions to ruin the West from within. Destroying the young generation, means to make the future defense of the West impossible. Thus, the views of the SPD and Moscow merge on both central issues: counterculture and defense.

This explains why the Soviet media have been portraying chancellor-candidate Johannes Rau and the "new SPD" in the most pleasant colors. The SPD is Gorbachov's "Russian Party" in West German politics, indeed.

'When it rains in Moscow . . .'

The Soviet lobby has executed a complete about-face on China since Gorbachov's Vladivostok address.

When it rains in Moscow, these fellows put up their umbrellas," is the way one Indian political leader described the local Communists in the early days of Independence. The abiding truth of the observation is being demonstrated anew in the wake of recent Soviet moves toward rapprochement with China.

Though the local Soviet lobby has no doubt been scanning the Moscow skies on this account since 1980, when the warming of Sino-Soviet relations began, Soviet party secretary Mikhail Gorbachov's July 28 Vladivostok speech seems to have hit them like a bolt from the blue. The Soviet decision to withdraw troops from Mongolia and the capitulation to China on the Ussuri River conflict, among other substantive gestures, came at a time when India's own border problems with China had heated up considerably.

In July, the seventh round of official talks between India and China to try to settle the three-decade-old border issue, over which India fought a disastrous war in 1962, ended without result. India's claim that China had made a fresh intrusion into India's northeast was raised, and, in apparent retaliation, China laid fresh claim to 90,000 square kilometers of Indian territory.

The Soviet lobby, which had long been denouncing Chinese claims as part of a U.S.-China design to destabilize the country, had its propaganda wheels spinning. Scores of articles and numerous public forums hammered

home the point. The 15th anniversary of the Indo-Soviet Friendship Treaty in August, a 20-year pact in which the two promised to come to each other's aid militarily in the event of foreign aggression, provided the appropriate background against which to highlight the dastardly plots of the American and Chinese imperialists.

Then came dramatic Soviet overtures to China, throwing a monkey-wrench into this well-oiled machinery, and the country's stunned pro-Soviet geopoliticians are just beginning to recover. The stream of anti-China articles in the pro-Soviet press here has virtually dried up, and Soviet-lobby scribes can be heard opining that India doesn't really have a positive policy toward China and had better start thinking of one.

Those quicker to regain their balance have grabbed the opportunity to launch a new push for the Soviets' pet project, an "Asian security pact," that is replete with a new "undocinaire" rhetoric. "It is my contention that irrespective of what the Soviet Union might or might not say, and irrespective of what the Chinese leadership's response might be, there exists a real problem of Asian security which is no less legitimate and valid than the problem of security in Europe," wrote a long-time Nehru family friend and promoter of Soviet causes in India, P. N. Haksar, in the introduction to a new book.

In case the news of rain in Moscow has not reached all, Soviet Vice-President V. N. Tatliev personally or-

dered the Indian umbrellas out before leaving Delhi after a week-long visit to celebrate the Indo-Soviet treaty. Tatliev was chief guest at the Independence Rally on Aug. 15, and then proceeded south to open a new chapter of the Friends of the Soviet Union, the Soviet lobby within the ruling Congress Party in Tamil Nadu. While he ventilated freely on the "U.S. imperialist design on India," and the "growing militarism of Pakistan," Tatliev's silence on China, which still occupies a large chunk of Indian territory and has just renewed its claims for more, was deafening.

At a press conference on departure, when asked whether the recent intrusion of China into Indian territory in Arunachal Pradesh was the direct result of the Soviet reduction of troops on the Sino-Soviet border, Tatliev got down to brass tacks. Assuring one and all that improvement in Sino-Soviet relations would not affect Soviet ties with India, he added that the Soviet Union is now aiming at peace and security in Asia and the Pacific, and that if India adopts the same approach, she can improve her ties with China. It was enough to make even the most die-hard Soviet lobbyist blush.

At the same time, there is no indication that all the fuss has had an impact on Indo-Soviet relations at the government level. A Gorbachov state visit is scheduled for December, and the Soviet Union is happy with India's campaign for the nuclear test-ban treaty and for sanctions against South Africa. Moreover, there is no change in India's refusal to take up the Soviet scheme for "Asian security" first proffered by the late President Leonid Brezhnev. Recognizing the need for common security for the continent, India remains wary of "pact making" among powerful nations with such divergent political and economic systems.

Will Congress sabotage war on drugs?

Senators and congressmen have launched new attacks on the de la Madrid government, just as anti-drug cooperation is finalized.

Dennis DeConcini, Democratic senator from Arizona, and Paula Hawkins, Republican senator from Florida, told the ABC program "This Week with David Brinkley," that the United States should give new credit to Mexico or vote in favor of new international loans *only* on condition that Mexico agrees to launch a "real" war on drugs.

Hawkins noted that she had presented a bill to the U.S. Senate, urging the withdrawal of Mexico's "most-favored nation" status in the textile trade, unless the de la Madrid government granted the United States the right for "hot pursuit" of drug traffickers across their common border. Mexico is firmly opposed to this on the grounds that this would violate its national sovereignty.

Senator Pete Wilson (R) of California proposed that the U.S.-Mexico border be sealed for three years, as a means of pressuring for debt renegotiations as well as a halt in the flow of illegal immigrants. He admitted that such a measure could prove very costly for Mexico, but "it would be more costly still to allow millions and millions of illegals to enter each year."

We think it most interesting that these U.S. congressmen pursue such a destabilization campaign against Mexico, at the very time that the Reagan and de la Madrid governments have signed the sweeping new anti-drug "Operation Alliance".

One must first of all remember that DeConcini, apparently vying with Sen. Jesse Helms (R-N.C.) for the title of chief "Mexico-basher," is known

for the experience he acquired in aiding the overthrow of the Marcos regime in the Philippines, experience he apparently intends to apply elsewhere. DeConcini met with President de la Madrid during the Mexican chief of state's recent visit to Washington, and demanded that he annul the recent state elections in Chihuahua. In that context, he warned de la Madrid of what had happened to Marcos for failing to "democratize" his country.

Because the State Department failed to force the Mexican government to hand over the governorship of Chihuahua state to the drug-running Nazi PAN party, it is now trying to use charges of "corruption" to force major concessions on the economic front, concessions which would simultaneously strengthen the hand of the PAN forces while undoing the anti-drug offensive that the Mexican government and army have launched.

A primary concern of these U.S. congressmen is the fact that Mexican Attorney-General Sergio García Ramírez has declared the entire northern border between Mexico and the United States an "emergency zone," and has launched an offensive against both drug trafficking and drug abuse in the region. The idea is, in essence, to retake control of the states from a drug-trafficking elite, control which happens to precisely overlap the strongholds of the PAN in those border states.

Another concern of the congressmen is the fact that despite all the destabilization campaigns run against Mexico, the Mexican attorney-general still offered public praise for the

United States's newly escalated anti-drug effort. Referring to this fight, the Mexican official declared, "The modern drug trade is a crime against humanity, a crime which transcends borders, whose protagonists are powerfully equipped with financial resources and who seek to erode—and are effectively succeeding in eroding—the political, social, and economic institutions, the entirety of society. Brother nations and friends are today the arenas of a fierce war between governments and criminals." García Ramírez noted that the U.S.-Mexico border required special attention in this regard.

It is not only essential to view the northern border region as an emergency zone from the point of view of drug trafficking, but also to shut down the vast network of drug money laundering that infests the region. Many of these operations are directly supported by the PAN, or by government officials and employees who are nonetheless ideologically aligned with the PAN, that is, working to undermine national institutions.

The Mexican government is also trying to outflank the PAN in the upcoming elections in Sinaloa state, one of the states where the drug mafia is most entrenched. In fact, the situation in Sinaloa has reached such a point that the official PRI candidate, presidential loyalist Labastida Ochoa (formerly mines and energy minister) was viciously attacked for his statements in favor of an all-out war against drugs; his car was bullet-riddled as a warning by the mob.

It is no accident that the PAN candidate for governor of Sinaloa is the wealthy Manuel J. Clouthier, whose business ties to Mexican drug trafficker Ernesto Fonseca Carrillo and to Honduran cocaine king Ramón Mata Ballesteros have just been highlighted in the Mexican press.

International Intelligence

Soviets behind genocide in Sudan

'Genocide in Sudan,' headlined the Italian Catholic daily *L'Avvenire* on Aug. 25, reporting on the account of the Catholic bishop of Sudan and another missionary just released by Sudanese guerrillas.

According to *L'Avvenire*, what is going on in Sudan totally belies the media propaganda about a war between the "Christian" south and the "Islamic" north. In reality, the southern rebels are paid and supplied by Moscow, to wage war on the population of that region.

According to the missionaries' account, the guerrillas surround towns, and cut off supplies of food, starving the populations to death. One town of 20,000 inhabitants, Rumbek, was totally destroyed in this way.

L'Avvenire quotes southern Sudanese rebel leader John Garang: "If the children die, others will be born." Garang's brother, notes *L'Avvenire*, was a head of the Sudanese Communist Party, until his death. The Soviets, meanwhile, train Garang's guerrillas at camps in Ethiopia. The only way for people to get food is to join the guerrillas.

Said one missionary: "The mentality of the guerrillas is pagan, not Christian." Said another: "Colonialism in Africa is not finished, it is just starting. Food is a weapon in the hands of governments and guerrillas."

Soviet minister spends a month in Beijing

Soviet First Deputy Premier Ivan Arkhipov left Beijing on Aug. 28 at the end of a one-month visit which was officially "for medical treatment." The stay was unprecedented for a high-level Soviet official, and generated international speculation about a shift in Sino-Soviet relations. Arkhipov was visited by Chinese Vice-Premiers Wan Li, Yao Yilin, and Li Peng.

The Soviet official arrived in Beijing on July 22, ten days after a military clash along

the Sino-Soviet border, and six days before General-Secretary Mikhail Gorbachov made a speech in Vladivostok calling for closer ties with China.

The Chinese government on Aug. 21 confirmed the reports of a border clash, originally published in a Japanese newspaper. The paper claimed that one Chinese soldier was killed.

The Chinese government has announced a visit by the chairman of the Soviet State Planning Commission, Nikolai Talizin, to Beijing in September.

Walters in Europe for talks on Libya

Ambassador Vernon Walters will go to Europe soon to renew U. S. pressure for sanctions against Libyan leader Muammar Qaddafi. The announcement came amid reports that Qaddafi may be plotting new terrorist attacks on Western nations, according to a senior administration official.

Walters "will be talking about diplomatic and economic initiatives against Libya, renewing our position that sanctions should be imposed."

"There are some reports the bad guys might go after the ambassador in Bonn," one White House official told Reuters, in a reference to Richard Burt. Larry Speakes said at a news briefing in California, "Our policy toward Libyan terrorism is unequivocal and unchanged: We will employ all appropriate measures to cause Libya to cease its terrorist policies."

German terrorists had embassy maps

Two alleged members of the terrorist Red Army Faction were arrested in Bonn, West Germany on Aug. 25. Police revealed afterward that they were carrying maps showing the location of the U.S. Embassy and sketches of the American legation, indicating plans for an attack.

The suspects claimed the maps merely

showed demonstration rallying points.

Arrested were Norbert Hofmeier, 39, and Thomas Thöne, 21. Both had been arrested two weeks earlier in Duisburg, along with Barbara Perau, 28. The three face charges of planting a bomb in early August which exploded earlier this month at a police barracks outside Bonn, causing no injuries but extensive damage.

Pentagon prepares Euro-defense studies

Three new Pentagon studies on the improvement of European air defense have been commissioned, according to a report in Switzerland's *Neue Zürcher Zeitung* on Aug. 22. A commission under the supervision of Defense undersecretary Fred Iklé has been formed to prepare three studies on tactical ballistic missile defense.

The reports will be completed in November 1986.

One study is on an improved version of the Patriot anti-aircraft missile, which could also be used against short-range enemy missiles. Two other studies will focus on "application of SDI [Strategic Defense Initiative] technologies in Europe," and on coordination of air-defense efforts by the United States and Europe.

Photos may reveal Soviet shuttle project

A private company has released five satellite photographs showing large buildings and a long railway in central Asia that are apparently support facilities for a space shuttle now under construction by the Soviet Union.

The photos show a flurry of new construction at the Baikonur space center at Tyuratam.

Aerospace experts said the new photos might help resolve a debate over whether the Soviets planned to launch their version of the shuttle. In general, one expert said, the photos suggest a "close race" between the United States and the Soviets for the next

launching of a space shuttle.

The photos were taken on May 19 by a new civilian satellite, SPOT, launched by the French. They were made public by Space Media Network, a Swedish concern, which claims that, contrary to the Pentagon's estimate that the Soviets could launch a space shuttle in 1987, the photos show that they have delayed the launch until 1988.

Ochoa indicted by Miami grand jury

Notorious drug-trafficker Jorge Luis Ochoa Vasquez was one of several Colombians charged in an indictment issued by a federal grand jury in Miami, announced Assistant U.S. Attorney Ana Barnett on Aug. 27.

The indictment, returned Aug. 26, was immediately sealed at the request of Justice Department officials in Washington, to give Colombian authorities time to apprehend the suspects.

Ochoa has been wanted by the United States on charges of smuggling 1,452 pounds of cocaine to Florida through Nicaragua, and is also an unindicted co-conspirator in the Feb. 19 slaying of Barry Seal, a drug-running pilot turned informant for the Drug Enforcement Administration. Seal was scheduled to testify against Ochoa's gang.

State Dept. admits Contra drug-running

A report entitled *Allegations of Drug Trafficking and the Nicaraguan Democratic Resistance*, acknowledges that some Nicaraguan rebels and supporters have engaged in drug trafficking. It denies that evidence exists against the main U.S.-backed insurgent group, however.

"The available evidence points to involvement with drug traffickers by a limited number of persons having various kinds of affiliations with or political sympathies for resistance groups," said the report sent to Congress by the State Department. The report cites "a senior member of Eden Pasto-

ra's Sandino Revolutionary Front" in late 1984 as agreeing to help a Colombian narcotics trafficker ship drugs to the United States in exchange for an airplane, two helicopters, and money.

The report also notes drug trafficking by people associated with the rebels, but found no evidence that "those activities were authorized by rebel leaders or that the United Nicaraguan Opposition profited from drug smuggling."

London mouthpiece attacks Peru's García

The Economist magazine of London carried an article on Aug. 28 with the headline, "Pariah"—an attack on Peruvian President Alan García, whose government was recently declared "ineligible" for international credits by the International Monetary Fund.

Contrary to the implication of the *Economist's* headline, García's defiance in the face of the IMF action has produced growing nationalist support throughout the Ibero-American continent.

García, said the *Economist*, may have been delighted by the IMF's ineligibility ruling, because he "romantically believes that his strategy of fixing the exchange rate, while stimulating demand by increasing wages and freezing prices is working fine." The article describes García's success against inflation and what it calls "a mini-boon" in industry since García restricted foreign debt payments to 10% of foreign-exchange earnings upon assuming office on July 28, 1985.

It continues: "Unfortunately the fixed exchange rate provides no incentive to export. . . . Businesses are not tempted by that. As price-controls are blocking imports, stocks will start running down fast. . . . The government has so far been able to buy time by not paying foreign creditors. But for how long? When Peru's foreign reserves disappear—perhaps about a year from now—its time will be up."

Peru, it said, will talk with the banks about extending payments over 20 years and lowering interest rates, but the banks will refuse.

Briefly

● **PRIME MINISTER** Yasuhiro Nakasone of Japan contends that the Kurile Islands have been illegally occupied by the Soviet Union since 1945, regardless of what was decided at Yalta. He told the Kremlin that the return of the Kuriles to Japan must be on the agenda of any talks he might hold with Mikhail Gorbachov—or there will be no talks.

● **PAKISTAN** has protested to both the United States and Libya for "interfering" into Pakistan's internal affairs by criticizing the government's arrest of Soviet-linked opposition figure Benazir Bhutto. Both ambassadors were called to the Pakistani foreign ministry on Aug. 21, to be told of the government's "worry and deep regret" at the position of the U.S. and Libyan governments.

● **A BOMB** exploded outside an office of the Dresdner Bank in Marburg, West Germany, causing no injuries, but doing extensive damage to the building. The *modus operandi* was similar to the bombing of an army office in Marburg in January. In both instances, the area around the buildings was cordoned off by a rope. No one has claimed responsibility.

● **'LOCUSTS** have always been in Africa," said a member of the German Green Party in Bonn. "It is true, there is a locust plague now, if one can believe in the official statements, but if it is so, it is so because of man, not because of the insects."

● **JOHN LEHMAN**, secretary of the Navy, has announced a "major shift" in operations to meet a growing Soviet naval threat in the North Pacific. "The Soviets were smarter than we were as a government in recognizing the importance of the area and the Northwest Pacific and Pacific Rim. . . . [That's] where the vulnerabilities the Soviets are beginning to focus on lie, and that's where we have to be."

Half a million troops face Gramm-Rudman axe

by Nicholas F. Benton

President Ronald Reagan will face the gravest political crisis of his career when he returns from his Santa Barbara vacation on Sept. 8, and finds what the "budget balancing" Gramm-Rudman law is poised to do to the nation.

The Pentagon announced Aug. 27 that if Congress does not act to bring the Fiscal Year 1987 budget in line with the Gramm-Rudman target of a \$144 billion deficit by Oct. 1, and "automatic sequestering" occurs, then 590,000 U.S. troops will have to be laid off.

This would be the worst single military blow ever dealt to the U.S. (U.S. war dead in World War II numbered 259,000). According to Department of Defense analysts, 310,000 active troops (15% of the total), and another 280,000 reservists and National Guard (25% of the total), could no longer be afforded if Gramm-Rudman "sequestering" occurs. The layoffs would be effective on Oct. 1. "We might as well lower the flag if this happens," one observer said.

Under the provisions of Gramm-Rudman, Congress was told at a joint Office of Management and Budget (OMB) and Congressional Budget Office (CBO) press conference Aug. 19, that the mid-August "snapshot" of the budget showed that Congress was still \$20 billion over the \$144 billion Gramm-Rudman target for FY87. Since the law stipulates that Congress must come within \$10 billion of the target to avoid the triggering of the automatic sequestering provision, this means that Congress will have to find at least \$10 billion in additional cuts in the three short weeks before the clock strikes midnight on Oct. 1.

Either that, or the pre-programmed computers at the OMB and CBO will terminate almost 600,000 military personnel in one fell swoop.

President Reagan's dilemma is that, while, on the one hand, the loss of 600,000 troops is unthinkable, he has al-

ready promised on his national radio program that he will veto the House Defense Authorization bill, which cuts his original defense budget request of \$319 billion by 11%, to \$285 billion. But if the Congress is to avoid "sequestration," it will be compelled to drive down the defense budget even further than the present House figure.

The consequence is a full-blown crisis of government. If the President keeps his promise and vetoes the congressional cuts in defense, then he will trigger the Gramm-Rudman sequestering that will cut far deeper yet. And Congress cannot agree to cut another \$10 billion without taking a major share out of defense, given that it is an election year, and every Congressman and a third of the Senate are confronting increasingly unemployed, poverty-stricken, angry constituents at the polls in November.

'The LaRouche option'

The President's only option is to throw out Gramm-Rudman and the whole set of economic assumptions associated with it. He must do so by declaring a national emergency. Tossing the monetarist "free-trade" myths out the window, he must adopt the set of emergency economic reforms outlined by economist and Democratic presidential contender Lyndon LaRouche. Using President Franklin Roosevelt's war mobilization efforts as a model, the President must go before a joint session of Congress to spell out the steps to deal with the national emergency.

No other options exist for the President, except the surrender of the United States to its Soviet adversary. With Soviet-ignited hot-spots expected to spill over in the Middle East, Korean peninsula, southern Africa, and elsewhere in coming months, the United States would be paralyzed to act.

While it is true that, due to a technicality, Gramm-Rud-

man was declared unconstitutional by the U. S. Supreme Court in July, the overwhelming congressional consensus, supported by President Reagan, is to reinstate the "automatic sequestering" mechanism, either by switching the responsibility from the legislative branch (the CBO) to the executive branch (the OMB), in order to bring the law into compliance with the "separation of powers" criterion of the Constitution, or simply by voting to accept the computer-generated figures for sequestering when they are announced Oct. 6.

With election promises binding the Congress into rigid ideological postures, a "gridlock" is most likely to set in within the first days after the Congress returns to Washington and finds itself with only three weeks to settle differences on how to cut another \$10 billion out of the budget.

In past years, the Congress avoided the pressure of the Oct. 1 deadline for the start of the new fiscal year, by funding the operations of government through a series of "continuing resolutions," doling out the dollars piecemeal, while continuing to haggle over budget differences for months into the new fiscal year. This time, the luxury of that "timeless" method no longer exists. Under Gramm-Rudman, a complicated set of procedures is triggered on Oct. 1, to evaluate how close the Congress has come to hitting the Gramm-Rudman deficit reduction target for the FY87 budget. If Congress resorts to "continuing resolutions," a prescribed formula for projecting the total budget from that amount has been worked out to evaluate the total budget. On Oct. 6 the results will be announced, and sequestering will either be triggered, or not.

Thus, Congress has until Oct. 1 to get the budget deficit under \$154 billion (as of mid-August, it was pronounced to be \$164 billion). If it fails to agree on those cuts, then the automatic sequestering mechanism will take the figure all the way down to \$144 billion, in a brutal computer-generated procedure.

Can Congress do this? The smart betting money says no. The defense authorization bills passed by both houses just before the Aug. 15 recess are irreconcilable, mainly because the House bill has amendments tagged on that are a total repudiation of President Reagan's defense policy. The House bill slices more than 40% off the budget for the Strategic Defense Initiative (SDI), and demands that the President comply with the SALT II accord (even though an authoritative national poll shows that the American public favors abandoning the accord by a 70% to 22% margin). While the President has already said he will veto any such bill, the Republican-controlled Senate, whose own defense authorization bill is \$23 billion below what the President originally requested, could never reconcile itself with the House bill.

Nonetheless, the pressure to cut \$10 billion by Oct. 1 will force both houses to draw down their defense totals below the current House figure, raising the spectre of the President's promised veto. Further, the House bill is laden with hardened ideological positions that will not be compromised be-

cause of their perceived value in the November elections. Thus, on defense alone, the situation is hopeless.

Such deep ideological rifts were allowed to persist, never fully resolved, through the "continuing resolution" route in the past. This time, they will be torn even wider open in the three short, pressure-packed weeks the Congress will have before Oct. 1.

The national security requirements

Secretary of Defense Caspar Weinberger has stated with increased intensity, since the passage of Gramm-Rudman last December, that national defense cannot be made secondary to budgetary considerations. He has often told congressional hearing panels that expected "concessions" from him by the Congress represented a misunderstanding of his role. His job, he has often said, is not to present a budget to the Congress that will fit its needs for reducing the deficit; his job is to report as honestly and candidly as he can, what the national security needs of our nation are, and what it will cost to meet those needs.

Despite Weinberger's insistence that the original administration request for \$319 billion was essential to maintain an adequate deterrent against an unprecedented Soviet strategic buildup, the White House began indicating in August that it "could live with" the Senate Defense Authorization bill's total of \$296 billion. This total included only \$3.8 billion of the original \$5.4 billion requested for the SDI. On the other hand, Reagan was insistent that the House bill, at \$285 billion, was intolerable, especially with the cutback to \$3.1 billion for the SDI, and the provisions demanding compliance with SALT II, halting nuclear and ASAT testing, and blocking production of new chemical weapons. The House bill included a provision that SALT II should be honored even if Soviet violations were demonstrated.

Under Gramm-Rudman, however, even the House figure puts the total budget over the mark by \$20 billion.

President Reagan's only recourse is a repudiation of Gramm-Rudman and of monetarism. In declaring a national emergency, he must act to put the dollar back on the gold reserve standard, lower interest rates to 2-4%, direct \$400 billion into the productive sectors of the U.S. industrial and agricultural economy, reorganize or cancel the debt of vital domestic producers, impose an import tariff of \$15 per barrel on oil, repudiate the International Monetary Fund, renegotiate outstanding debts with our trading partners, and provide new credits for investment to expand the export markets of the nation. These measures, taken together, will stimulate an immediate economic turnaround in the real tangible-wealth producing sectors of the U.S. economy, leading to an expanded tax base to meet the nation's security needs.

If Reagan needed any more incentive than the sheer necessity that is bearing down on him now, he would be comforted to know that Abraham Lincoln would look with great pleasure upon such a package of reforms.

Investigation sought for possible homicide

Brian Lantz, vice-president of the Prevent AIDS Now Initiative Committee (PANIC), released the following statement on Aug. 28:

A potential homicide attempt took place in the town of San Lorenzo, California, against Proposition 64 organizer Ron Taylor on Monday, Aug. 25. Taylor was attacked and bitten, causing an abrasion and bleeding, by a fanatic assailant screaming his opposition to Proposition 64, the ballot initiative that calls for California's existing public-health laws to be applied to AIDS. The facts of the incident indicate that Mr. Taylor was the object of a premeditated assault with a potentially deadly weapon while organizing in San Lorenzo. Mr. Taylor has demanded that the assailant undergo an AIDS antibodies test to determine the assailant's actual intent in the attack, and to take informed medical measures to protect his health. The Prevent AIDS Now Initiative Committee fully supports Mr. Taylor. We demand prosecution of this case as a potential homicide.

In a unique precedent-setting investigation and case for such biting attacks, on Aug. 20, 1986 in San Diego Municipal Court, Judge Raymond Edwards, Jr., ruled that the investigation of a potential crime takes precedence over existing laws prohibiting mandatory antibodies tests, and ensuring confidentiality of test results. There can be no question that a knowing, infectious carrier of the AIDS virus, in biting an individual, is guilty of attempted homicide. In the San Diego decision, a potential AIDS-infected assailant bit two police officers. Police ordered a blood test. Judge Edwards authorized the blood test. When "harmonized" with the State Constitution and Penal Code Provisions, Edwards said, AB 403 (the so-called Agnos bill) "does not prohibit the taking of the blood or the testing of blood" for AIDS antibodies under a court order, if probable cause has been shown that a crime may have been committed.

In the San Lorenzo incident, with clear premeditation, one Ernest Waltz approached a Proposition 64 organizing table, spat upon Mr. Taylor, shoved a shopping cart into him, and bit him in the ensuing fight. The bite broke the skin on Mr. Taylor's upper left arm and required emergency hospital attention. In front of California Highway Patrol officers brought to the scene by Mr. Taylor, Waltz threatened Mr. Taylor, saying, "I'm going to kill you, mother*****!" By way of explaining his biting Mr. Taylor, Waltz announced:

"They don't call me Mad Dog for nothing." Waltz stated that he was working against Proposition 64 and its sponsors, including "Bob Lantz." Belligerent with police officers, Waltz at one point declared, "If I was under arrest, you would see me fly out the door as fast as possible." Due to Waltz's behavior at the Alameda County Sheriff's station, one officer questioned Waltz as to whether he was "doped up." Waltz said he was taking medication. Waltz sports an earring in his left ear lobe and punk-styled, shoulder-length hair.

This potential homicide attempt must be viewed against a backdrop of escalating threats against organizers for Proposition 64. On Aug. 15, the Livermore office for the Prevent AIDS Now Initiative Committee received a telephone death threat, threatening that "hit teams" were being sent out to "get you." The caller stated that one tactic would be to smear AIDS contaminated blood on doorknobs. "You know, we have nothing to lose," threatened the caller. The caller alleged that the Stonewall Democratic Club had had discussion that if "64" passes, "you're going to be dead mother*****!" A report of that threat is on file with the Livermore Police Department.

On Aug. 19, on behalf of the Prevent AIDS Now Initiative Committee, I wrote to Secretary of State March Fong Eu, asking that the secretary of state investigate the Aug. 15 death threat. Now, on behalf of the Prevent AIDS Now Initiative Committee, the organizing committee for Proposition 64, I am demanding that the secretary of state immediately commence a full investigation of criminal and homicidal acts directed against the Prevent AIDS Now Initiative Committee and its supporters.



A scene from the deviants' parade in New York in June 1986.

NSIPS/Roger Ham

Carlton Turner: War on Drugs can be won

White House Drug Abuse Adviser Carlton Turner appeared Aug. 26 on Worldnet, the U.S. Information Agency international television network, to field questions from reporters in Colombia, Mexico, and the Dominican Republic.

Turner hit back hard at a battery of provocative questions from the reporter for *El Tiempo*, the Bogota newspaper linked to the pro-drug López Michelsen networks. He praised the bi-lateral treaties between the United States and Colombia, called the Colombian police force the "best, most efficient anywhere," and said that he has "every good feeling in the world I can have" about Colombia's anti-drug efforts.

He said Colombia "has set an example for all the rest of the Americas," and also singled out for praise Peru's "Operation Condor" efforts, and willingness to use its Air Force to go after drug labs.

El Tiempo has attacked the Colombian extradition treaty, saying it only puts the lives of justices in Colombia in jeopardy. Turner said nations cannot afford to buckle under to the threat of terrorists. *El Tiempo* also argued that eradication efforts in Colombia only helped marijuana and cocaine producers in the United States. Turner answered by detailing the domestic U.S. program against drugs.

Attack on U.S. demand for drugs outlined

Asked repeatedly about domestic U.S. anti-drug efforts by the Colombian, Mexican, and Dominican Republic reporters, Turner said: "There are now

moves to introduce legislation into the U.S. Congress to make drug pushing punishable by death." Eradication programs using herbicides, he said, are now ongoing in all 50 U.S. states, compared to only 7 in 1980.

He said that drug use is down dramatically in the United States (50% of its peak level in 1979 for marijuana among teenagers) in all categories except cocaine. He predicted that mandatory drug testing will "eliminated 67% of all cocaine users, all but the hard core."

Asked if mandatory testing would be declared unconstitutional, he said, "No one has a constitutional right to break the law." Drug abusers are "criminals" who "are financing the suicide of my nation," and although they should receive treatment rather than prison, they should be "held accountable and responsible for their actions."

"We are committed to getting across the idea that it is the drug user who is financing the mafias that run the entire drug trade, and the terrorism that goes along with it," he said. "The guy funding the whole operation is the guy handing the dealer the money. We can put aircraft in the air, we can put enforcement along the border, but as long as the guy wearing the three-piece suit can walk down Wall Street or anywhere else in this country and buy drugs with impunity, they're going to put the fuel in those planes and they're going to be coming in. . . . We want to make drug use intolerable in the U.S."

Turner attacked the U.S. media, especially the movies—naming the "Cheech and Chong" example—for having "glamorized" drugs, a trend, he said, that is now changing fast.

He cited one case of media responsibility for spreading the use of drugs: the phoney argument made a few years ago that marijuana was an effective treatment for glaucoma. "That was to-

tally false, and we documented it time and again, but the media kept refusing to publish the truth, and perpetuated the lie about it," Turner said. He noted a change in the attitude of the U.S. population toward intolerance toward drugs, which is pressuring the media to "clean up its act."

Domestic eradication efforts, in combination with those in 14 nations with which the United States is now cooperating in this hemisphere, has created a severe shortage of marijuana on the streets of the United States. "This is being attributed to weather conditions," he said, "because the media does not want to admit that our efforts are actually succeeding. But they are."

'DEA goes where it is invited first'

"We go only where we are invited by mutual agreement," Turner told Mexican reporters in response to the controversy over U.S. Drug Enforcement agents to operate in Mexico. Turner said he did not know the exact form of the agreement, but insisted that "we were invited, or we would not be there."

On the question of "militarization" of the U.S.-Mexican border, Turner said that the U.S. "posse comitatis" law prevents the military from engaging in any law-enforcement arrests, and that "Operation Alliance" along the U.S.-Mexican border is already under way as a cooperative U.S.-Mexican effort using, on the U.S. side, Customs and other civilian agencies, and some equipment borrowed from the military.

Turner refused to take the media's bait and criticize the Mexican government in its anti-drug effort, saying only: "I'll never be satisfied until the drugs are stopped for good. And that goes for my country, too."

National News

Reading, Pa.: depot for \$300 billion in dope

U.S. intelligence sources estimate that over the past 11-year period, the sleepy eastern Pennsylvania town of Reading has been a transshipment point for \$300 billion in cocaine and other drugs.

In early August, drug conspiracy indictments were handed down against a pair of Colombia-to-Reading, Pa. cocaine trafficking organizations. One of the dope rings, operating through Air America, Inc. of Scranton, Pa. was credited on Aug. 8 by Attorney-General Edwin Meese with importing "the largest documented amount of cocaine ever smuggled into this country by a single trafficking organization." Linked to the case was the Harold Rosenthal drug ring based out of Atlanta, Georgia, which ordered the assassination of Colombian Justice Minister Rodrigo Lara Bonilla in 1984.

On July 21, 1975, this news service published a 4,000-word investigative report detailing an elaborate gun- and drug-running network based in Reading—involving local criminal elements and international leftist-terrorist connections. The 1975 story charged that the Reading area was an international hub of gun-for-drug transactions, enjoying the cooperation of area federal agents, local bankers, top officials of the Reading Police Department, and the reform wing of the country Democratic Party.

Gentry takes 33% in Oklahoma Senate race

LaRouche Democrat George Gentry received 33% of the vote in the Oklahoma Democratic Party's primary for U.S. Senate on Aug. 26. The big vote for Gentry came after Democratic National Committee chairman Paul Kirk poured money and resources into the state on behalf of Gentry's opponent, Rep. Jim Jones of Tulsa.

The Democratic National Committee had

targeted Oklahoma as a key swing state in its efforts to retake the U.S. Senate from the Republicans. Kirk had shipped in a team of "election experts" nicknamed "The Force." Jones was bankrolled to the tune of \$1.8 million; pro-Soviet billionaires Armand Hammer and the late Averell Harriman were among his supporters.

Meanwhile, Gentry spent less than the \$5,000 required to file with the Federal Elections Commission. Just a few weeks before the primary, Gentry's own farm was foreclosed on, and sold at auction. Gentry campaigned from one end of the state to the other on a program to extend long-term, low-interest credit to farmers, because millions all over the world need U.S. food production to survive. Gentry also called for a "shooting war" on drugs, in a state where marijuana has become a major "cash crop."

Gentry may have actually won an even bigger share of the vote, which was marked by a suspicious "computer malfunction" shortly after the count began. He took 24% in Jones's home county of Tulsa, where Jones had been a congressman for the last 14 years.

McCarthyite Roy Cohn: Soviet agent or dupe?

"It could be our most explosive story of the 1980s," says *New Solidarity* editor-in-chief Nancy Spannaus, speaking of the feature articles on McCarthyism run in consecutive editions of the national newspaper during August. "Both the left and the right are going to have their circuits blown."

The articles review the evidence of homosexuality attributed to McCarthy and his chief counsel, Roy Cohn, who recently died of AIDS; document in detail the dubious background of the man who set McCarthy in motion, Georgetown geopolitician Father Edmund Walsh; and assess the damage done to U.S. institutions by the McCarthy era.

Author Scott Thompson's conclusion: "As Michael Straight bragged in his 1983 confessions, the Soviet penetration of our Wall Street and Boston crowd emerged from

the period of 'McCarthyism' more securely entrenched than ever. U.S. analytical doctrine for analysis of the Soviet empire, is today predominantly that laid down by Georgetown's Father Edmund Walsh, a tradition which has dominated the U.S. State Department's professionals, the FBI, and the Soviet section at CIA."

NASA underfunded, senators say

Republican Sens. Jake Garn (Utah), John Danforth (Mo.), and Slade Gorton (Wash.) have criticized the funding proposed by the White House for the fourth Space Shuttle orbiter as "inadequate and indefensible." NASA chief James Fletcher admits that "NASA is in serious funding difficulties." The space agency has to come up with \$108 million to meet FY87 costs resulting from the accident in January, irrespective of the fourth orbiter.

Although Rocco Petrone of Rockwell International has said that a fourth orbiter could be ready in 36 months, with adequate funding, the administration's plan would delay it until 1991, as a "cost-saving" measure. Petrone said the replacement will cost \$1.5 billion, without the main engines and robot arm.

Meanwhile, the House Appropriations Committee has cut another space program, the Defense Department's Aerospace Plane, from \$149 million to \$60 million in the 1987 budget. *Aviation Week* reported on Aug. 11 that the NASA share of the Aerospace Plane funding was being cut by \$10 million to \$35 million.

Dump Weld nomination, NDPC tells Reagan

Because he has committed perjury, the National Democratic Policy Committee is petitioning Attorney-General Ed Meese and President Ronald Reagan to withdraw the

Briefly

nomination of William Weld, now the U.S. Attorney in Boston, to be chief of the Criminal Division of the Justice Department.

In testimony before the Senate Judiciary Committee Aug. 13, Weld lied about a conflict of interest in the notorious Bank of Boston-Crédit Suisse money-laundering case, NDPC chairman Warren J. Hamerman said in letters to Meese and the White House. Hamerman states that the same standards now being used in the case of Michael Deaver must be applied to Weld.

The issue of Weld's conflict of interest goes back to February 1985, when Weld negotiated a plea bargain with the Bank of Boston to charge the bank with only *one* felony count for 1,163 felony violations—evading federal currency transaction laws, involving the transfer of drug trafficking proceeds to and from Switzerland.

For laundering \$1.22 billion in cash, the Bank of Boston was fined a mere \$500,000. U.S. Sen. Alphonse D'Amato (R-N.Y.) denounced the fine as a "pittance." One of the largest Swiss banks to be involved in that traffic was Crédit Suisse, which had been in a lucrative partnership with White Weld & Co., the securities company of which William Weld's father, David Weld, was a general partner.

Asked directly about his conflict of interest, Weld said: "Since my father's death, my family has had no financial interest in . . . White Weld."

The NDPC has produced documentary evidence that Weld's statement is false.

Fusion scientists stuck without funds

Fusion scientists at the Magnetic Fusion Advisory Committee meeting in Seattle Aug. 27 debated what to do with the nation's magnetic mirror fusion research program, which currently is not funded because of a \$60 million budget cut.

The choice posed to them by Department of Energy Fusion Office head John Clarke was to put the money back into the mirror program by cutting the research in alternative concepts, such as the spher-

mak, the Oak Ridge stellarator, and the Los Alamos reversed field pinch.

The group rejected this solution and instead chose to pursue a "small" \$3 million mirror research program, funded by a 1% cut across-the-board in the fusion program. Clarke has rejected this option, however, so the issue is still unresolved.

The huge MFTF tandem mirror device, completed this year at Lawrence Livermore, has never been used because its operating budget was cut. A smaller Livermore tandem mirror device (TMX) is also frozen.

Jewish terrorist Levy: Assassinate LaRouche!

At a press conference in Israel, Mordechai Levy, leader of the so-called Jewish Defense Organization (JDO), based in the United States, called for the assassination of U.S. presidential candidate Lyndon LaRouche, the *Jerusalem Post* reported on Aug. 24.

Levy "is in Israel to gain support from student organizations," and "is slated to set up a [JDO] chapter in France."

"Levy said he does not advocate the assassination of anti-Semitic activists," the *Post* claimed, "but insists that if men like Louis Farrakhan and Lyndon LaRouche gain substantial, 'thus dangerous' political power in the United States, then 'assassination may be the only answer.'"

Levy, who is currently under investigation in the United States in connection with at least one murder and several terrorist incidents, was reportedly called as a witness in the federal grand jury targeting LaRouche's political associates run by U.S. Attorney in Boston William Weld.

According to the *Jerusalem Post*, the "emphatic" "fist-waving" Levy, characterized as a "Diaspora militant," claims 3,500 JDO members in the United States. Says the *Post*: "The JDO operates camps in California and in New York which train youths aged 13-20 in karate and in the use of semi-automatic weapons. Some 2,000 American Jews are now proficient in both as a result of JDO courses, Levy claimed."

● **BANK OF AMERICA** loan executive Gladys Ayala and two other bank employees were among eight persons indicted for aiding Colombian cocaine traffickers operating in the Los Angeles area. The 12-count federal indictment charged the ring with helping to launder drug profits through Orange County banks.

● **THE CALIFORNIA** Senate has passed sweeping legislation that would require state pension and university funds to sell the more than \$11 billion worth of securities they hold in companies doing business in South Africa. "This is the single most significant breakthrough on the divestment question in the nation," said Willie Brown, speaker of the State Assembly, "because of the amount of investments involved."

● **MAYORS FROM 40 CITIES**, meeting in New York on Aug. 26, called on Congress to use the armed forces to stop narcotics smuggling across U.S. borders. The officials also passed resolutions calling on Congress to provide local authorities with \$625 million a year for five years to fight drug abuse; to withhold foreign aid to nations that don't stop the export of illicit drugs; to make finding and deporting illegal aliens convicted of drug offenses a first priority; and to create special narcotics courts.

● **ANOTHER ISRAELI** official was arrested in the United States on Aug. 25. Ronen Tidhar, a "technical staff" employee at the Israeli consulate in New York City, was arrested along with the president of an Ohio high-tech company, Bill Longfellow, as the pair attempted to break into the offices of a Long Island electronics company that does Defense Department contract work.

● **SEN. RICHARD LUGAR** (R-Ind.) said the United States was seriously considering signing the protocols of the South Pacific Nuclear-Free Zone Treaty.

Editorial

The supremacy of truth

In the last week of August, the hierarchy of the Roman Catholic Church in the United States was, at least temporarily, brought to its senses, by a gentle, fatherly slap from the Vatican. This slap was the order forbidding "Rev." Charles E. Curran from posing as Professor of Theology at the Catholic University of America.

This Charles E. Curran, is a more than typical representative of an odd crew of social engineers, who, under the guise of membership in the Jesuit, the Benedictine or some other order, or in pretext of being adherents of the so-called Concilium movement, have, for some 20 years now, invaded the Roman Catholic Church in order to destroy it from within.

The public's prurient interest has focused on Curran's teaching of sex. The man has variously succeeded in supplying "theological" justifications for male homosexual sodomy, female lesbian genital acts, masturbation, and so forth, on the grotesque grounds that such acts of violence against dignity may occur "in the context of a loving relationship striving for permanency." He has argued in writing: "My position affirms that for an irreversible, constitutional or genuine homosexual, homosexual acts in the context of a loving relationship striving for permanency are *objectively morally good*."

A swarm of degenerate, libertine American clergymen and others associated with the U.S. conference of Catholic Bishops have risen to defend Curran from the Vatican's decision to stop him from posing as a "Catholic theologian." Curran's defenders' rallying point is "academic freedom," "religious freedom," and "freedom of inquiry."

These defenders of Curran go out of their way to point out what a decent and proper and modest religious person Charles Curran is, implying, of course, that he does not practice what he teaches. So, this is the arrangement of this conspiracy of evil: The Father Curran, presuming that they do not practice what they teach, are deployed to defend the right of others to practice what they, the "theological" apologists of sodomy etc., preach. Then the protectors of these Father Curran's champion the right of the non-practicing

preachers of sodomy to preach sodomy. These latter, claim or impute that they themselves do not preach as the Curran's preach, but simply defend the others' right to preach sodomy.

This entire fabric of casuistry and hypocrisy has gone on for years, buttressed up by a subtle threat against the moral authority of the Pope: "If you don't let us do what we do, we are going to split." There is also the cruder argument: "There is a New Age coming along now. New mores are prevailing among the young. Homosexuality is more and more viewed as a viable loving relationship. More and more young people are discovering the God-given gift of their body's sexuality," and so on *ad nauseam*. Or: "The majority of American Catholics do not agree with the Holy Father on the matters of contraception, abortion, and divorce. Do you want the Church to be 'alienated' from the opinions of the majority?"

The answer to all this degenerate trash from Joseph Cardinal Ratzinger, the Prefect of the Vatican's Congregation for the Doctrine of the Faith, is straightforward: We will not argue the merits or demerits of Mr. Curran's kinky and degrading opinions of sex. We shall simply deprive him of the right to peddle his wares while retaining the position of Catholic theologian. Ratzinger's letter to Curran of Sept. 17, 1985, said: "In light of the indispensable requirements for authentic theological instruction, described by the council and by the public law of the Catholic Church, the Congregation now invites you to reconsider and to retract those positions which violate the conditions necessary for a professor to be called a Catholic theologian. It must be recognized that the authorities of the Church cannot allow the present situation to continue in which the inherent contradiction is prolonged that one who is to teach in the name of the Church in fact denies her teachings."

All the little devils in the Catholic Church are upset that they cannot disguise their seductions as "theologically acceptable." They can only cause harm when garbed as "theologically acceptable." When the authority of truth asserts herself, evil is powerless.

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