

1987: a turning point in history

January

February

March

U.S. announces \$169.8 billion trade deficit for 1986.
 9 Dow Jones industrial index closes over 2,000 points; President Reagan hails this as indication of economic boom.
 13 Italian health minister announces mandatory reporting of AIDS cases.
 21 Japanese finance minister Miyazawa makes emergency trip to Washington, fails to reach agreement to support dollar.
 27 Vatican's Justice and Peace Commission releases document calling for reform of international debt situation.
 29 U.S., European Community reach last-minute compromise on U.S. farm exports, avoiding trade-war measures which had been announced on Dec. 30 by U.S.

10 Pedro Pablo Kuczynski, co-president of First Boston International, is indicted in Peru for fraud, embezzlement, tax evasion.
 13 IMF sends letter to Lima demanding Peruvian government pay \$754 million in overdue debts.
 20 Brazilian President Sarney proclaims debt moratorium.
 24 Atlanta Centers for Disease Control convenes conference supposedly to debate mandatory AIDS testing, but shuts out LaRouche representatives.
 25 Bavarian state government (West Germany) announces measures against AIDS, including testing of public service workers and prison inmates.

4 U.S. Federal Savings and Loan Insurance Corporation (FSLIC) is insolvent, with losses of \$6-8 billion.
 14 Ecuador announces suspension of foreign debt payments.
 18 Crédit Suisse director Hans-Joerg Rudloff warns: "We face a global crash like never before in history."
 20 Yugoslav government announces price freeze, following weeks of labor unrest.
 25 Dollar falls to all-time low against the Japanese yen, marking demise of "Paris Agreement," which supposedly set a floor under the dollar.
 28 U.S. threatens trade sanctions against Japan by April 17, unless Japan changes policy on export of semiconductors.

Economics

13 Hezbollah terrorist Ali Hamadei is arrested in Frankfurt, West Germany. U.S. seeks his extradition, for role in hijacking of TWA airliner.
 16 Chinese Communist Party Central Committee announces resignation of General Secretary Hu Yao Bang.
 16 John Demjanjuk, retired Cleveland auto-worker, goes on trial in Tel Aviv, on charges of Nazi war crimes.
 17-20 Two West Germans are taken hostage in Beirut, Lebanon.
 23-27 Peruvian President Garcia visits India, for meetings with Prime Minister Gandhi and a summit meeting of Non-Aligned nations.
 25 West German national elections re-elect Helmut Kohl as chancellor, but strengthen the Free Democratic Party's Hans-Dietrich Genscher, the foreign minister.
 27-28 Soviet Central Committee Plenum. Gorbachov announces "extensive modernization of Soviet industry."

1-7 Trilateral Commission and Council on Foreign Relations members meet in Moscow with Soviet leaders, on arms control.
 4 Carlos Lehder Rivas, leader of the Medellin drug cartel, is arrested by Colombian authorities and extradited to U.S. to stand trial.
 16 Israeli Prime Minister Shamir comes to U.S., signs treaty giving Israel increased status as trade and military partner.
 20 Syria reoccupies West Beirut, as U.S. stands by.
 21 French police dismantle the Direct Action terrorist group.
 23 Trial of George Ibrahim Abdallah, founder of Lebanese Armed Revolutionary Fraction (FARL) terror group, opens in Paris. He receives a life sentence Feb. 28.
 28 Gorbachov announces the U.S.S.R. is ready to sign INF treaty with U.S., in speech on Soviet television.

8 Philippine Grand Alliance for Democracy announces formation of electoral slate in opposition to Aquino government, in May national elections.
 17 Dr. Arthur Rudolph, German scientist, has West German citizenship restored, after being forced out of U.S. West German government exonerated Rudolph of charges of being a Nazi.
 22 Chadian government takes over Libyan air base of Wadi Doum, in northern Chad.
 23 Willy Brandt resigns as chairman of West German Social Democratic Party.
 23 Peruvian President Garcia begins visit to Mexico, to work out trade and technology transfer deals.
 27 Italian terrorist Stefano Delle Chiaie is arrested in Venezuela and extradited to Italy, to stand trial for the terror bombing at the Bologna train station in 1980, which killed 85 people.

International

President Reagan proposes 25% cut in his own War on Drugs for FY88.
 6 Jim Wright elected as Speaker of the House of the 100th Congress.
 7 Rep. William Dannemeyer (R-Calif.) introduces an omnibus package of legislation to combat AIDS.
 18 Sen. Robert Dole (R-Kan.) writes that forcing U.S. compliance with SALT II would benefit Moscow.
 30 President Reagan vetoes Water Quality Control Act of 1987.
 30 President Reagan approves construction of a \$6 billion nuclear particle accelerator that is 20 times more powerful than any existing.

3-4 Clean water bill override easily passes House and Senate.
 17 Virginia attorney general indicts individuals and corporations linked to Lyndon LaRouche.
 17 Senate approves resolution calling Soviet radar site at Krasnoyarsk a violation of the ABM treaty.
 24 NATO commander Gen. Bernard Rogers resigns effective in June; his replacement is Gen. John Galvin.
 26 Tower Commission report on Irangate is released.
 27 White House Chief of Staff Donald Regan resigns; his replacement is Howard Baker.

3 Supreme Court rules that teachers with contagious diseases can continue in their positions protected by statutes for the handicapped.
 4 Israeli false-flag spy Jonathan Jay Pollard sentenced to life.
 17 New York attorney general indicts 15 individuals associated with LaRouche.
 18 Televangelists Jim and Tammy Fay Bakker resign from PTL.
 18-19 Congress passes highway and mass transit bill by wide margins; presidential veto and override expected.
 24 Pentagon issues *Soviet Military Power 1987*, detailing Soviet breakout from ABM treaty constraints.

National

Economics

8-9 IMF meeting reaches no substantial agreements, as dollar falls to its lowest postwar level.
 13 Colombian President Barco grants official status to the new Unified Workers Confederation (CUT), headed by former labor minister Jorge Carrillo.
 14 U.S. announces \$15 billion trade deficit for the month, a near-record.
 26 Brazilian Finance Minister Dilson Funaro, architect of that country's debt moratorium, resigns, after intensive pressure from circles linked to the IMF.
 29 Merrill Lynch announces \$250 million loss for the preceding trading week, due to crashing mortgage bond prices.

1 U.S. Commodity Credit Corporation suspends disbursements for farm subsidy payments and support loans.
 7 Japan absorbs more than 40% of U.S. long-term bonds offered at auction. The American paper has lost about 12% of its value since April 1.
 19 American Iron and Steel Institute meets in Washington, calls for "orderly downsizing" of the industry.
 22 Centers for Disease Control issues a report on three hospital workers who tested positive to the AIDS virus after they came in contact with the blood of an infected person.
 26 Lyndon LaRouche issues a press release, "Global financial crisis predicted for October."

2 Federal Reserve chairman Paul Volcker announces his decision to refuse a third term in office. Alan Greenspan is nominated as his successor.
 8-10 Venice economic summit of Western industrial nations. U.S. asks its partners to continue printing money to pay for America's \$150 billion annual foreign borrowing requirements.
 12 Brazilian government, in hopes of reaching an agreement with its creditors, orders austerity program.
 29 Allis-Chalmers Corp. files for Chapter 11 bankruptcy.
 30 French Premier Chirac arrives in the U.S., where he discusses his "Marshall Plan" for African development and denounces the IMF as "responsible for the foreign debt problem."

International

4 Lyndon LaRouche addresses Schiller Institute conference in Peru.
 4-7 Peruvian President García defeats coup attempt against him.
 8 French Premier Chirac presents to National Assembly new defense program for 1987-91, increasing defense budget by 40%. Budget passes.
 16-18 Warsaw Pact Military Council meets, presided over by Gorbachov and Marshal Nikolai Ogarkov.
 17 Argentine President Alfonsín defeats military coup attempt.
 20 Palestine National Council meets in Algiers. After years of in-fighting, all competing factions attend. Soviet assets gain in power.
 23 Soviets abruptly postpone May 17-23 visit of West German President von Weizsäcker.
 26 Swedish authorities indict eight employees of the Bofors company and arms trafficker Karl-Erik Schmitz, for illegal weapon sales to Iran.
 26 British Prime Minister Margaret Thatcher and French Premier Jacques Chirac meet in London to discuss INF disarmament deal. Both reject the "denuclearization" of Europe.
 30 Pope John Paul II tours 11 West German cities.

1 Riots in West Berlin by Greens and communists.
 8 Peruvian Communist Party chief Jorge del Prado vows civil war against President García.
 11 Philippine elections result in victory for the slate of President Aquino, amid charges of vote fraud.
 11 Trial of former SS officer Klaus Barbie opens in Lyon, France.
 12-14 Gorbachov conducts highly publicized tour of Soviet Space Flight Center in Baikonur.
 15 Soviet Union launches the Energiya super-booster rocket from the Baikonur Space Center, a breakthrough in the Soviet military space program.
 15 Peru's largest police force, goes on strike, protesting low wages and the terrorist threat.
 17 Two Iraqi fighter jets attack USS Stark in Persian Gulf, killing 37.
 28 Matthias Rust, a West German teenager, flies his Cessna plane into Red Square, providing the pretext for shakeup in Soviet military, including firing of Defense Minister Marshal Sergei Sokolov.

1 West German Chancellor Kohl agrees to accept INF agreement. Decision is backed by Parliament three days later.
 6 Panamanian gnostic Col. Roberto Díaz Herrera launches attack on Gen. Manuel Noriega. His charges of corruption are later discredited.
 8-15 Pope John Paul II tours Poland, criticizing the communist system and rallying nation to optimism.
 10 Worst violence in seven years erupts in South Korea.
 11 British elections result in third term of office for Prime Minister Thatcher.
 12 President Reagan visits West Berlin, appeals to Gorbachov to tear down the Berlin Wall. Demonstrations by Greens, anarchists, communists.
 22 Peruvian Prime Minister and Economics Minister Luis Alva Castro resigns.
 25-26 Plenum of the Soviet Central Committee discusses Gorbachov's economic restructuring.
 25 Colombian Supreme Court overturns U.S.-Colombian extradition treaty.
 25 Pope John Paul II receives Austrian President Kurt Waldheim.

National

16 16 stock-brokers arrested for insider-trading and drugs.
 20 U.S. citizen Karl Linnas illegally deported to Soviet Union.
 21 Three companies associated with LaRouche placed in involuntary bankruptcy, ostensibly to satisfy judgment of contempt fines.
 29 Irangate Independent Counsel Lawrence Walsh indicts Carl "Spitz" Channell, for tax fraud.
 29 Gephardt amendment to trade bill, requiring U.S. retaliation against nations that refuse to reduce their trade surpluses with the U.S., passes 214-218.

5 Joint hearings of the House and Senate Iran-gate committees begin with testimony from Gen. Richard Secord.
 6 CIA director William Casey dies.
 13 SDI proponents in the Senate filibuster against Defense Authorization bill amendment that would enforce "narrow" interpretation of ABM treaty.
 23 Reagan endorses constitutional convention to implement a balanced budget amendment to the Constitution.
 26 Fact-Finding Committee of the Commission to Investigation Human Rights Violations hearings into "LaRouche case."

2 Senate approves AIDS testing for immigrants.
 17 Balanced budget amendment resolution introduced in House and Senate.
 19 Justice Dept. drops indictment against General Dynamics and former NASA administrator James Beggs.
 29 Lyndon LaRouche voluntarily testifies, without immunity, before federal grand jury in Boston. Begins his presidential campaign in New Hampshire.
 30 Boston federal grand jury hands down a one-count indictment for obstruction of justice against LaRouche.

July

- 6-7 Meeting of GATT in Geneva receives President Reagan's proposal to end world farm subsidies within 10 years.
- 14 Massive capital flight begins in Peru, driving down the national currency.
- 15 U.S. announces \$14.4 billion trade deficit for May.
- 17-18 European Community agriculture ministers denounce U.S. demand for cuts in pasta export subsidies.
- 21 European Commission approves three-year plan to cut steel capacity by 30 million tons.
- 22 U.S. Senate approves protectionist trade bill.
- 28 Peruvian President García announces exchange controls, nationalization of banks.

August

- 3 U.S. Senate approves bailout for FSLIC, with \$10.8 billion over three years.
- 21 Dow Jones average closes at a record of 2,709, three and a half times its level of Aug. 13, 1982.
- 25 Philippines President Aquino rolls back part of a 20% oil price increase, following strikes and protests.
- 25 French Agriculture Minister François Guillaume, on tour in Africa, meets with Ivory Coast President Houphouët-Boigny, who supports the idea of a "Marshall Plan" for Third World agricultural development.
- 29 Peruvian Congress approves President García's bank nationalization.

September

- 4 Brazil achieves uranium enrichment capability, closing the nuclear fuel cycle.
- 23 Congress and the White House reach agreement on a new version of the Gramm-Rudman law, raising the ceiling on the federal debt from \$2.3 trillion to over \$2.8 trillion.
- 25-26 Second International Conference on AIDS in Sao Paulo, Brazil. Numerous scientists challenge cover-up by international health establishment.
- 29 Annual IMF meeting in Washington. U.S. Treasury Secretary James Baker increases pressure on West Germany and Japan to underwrite the U.S. economy.

- 1 Paris court hears libel suit of LaRouche versus Soviet weekly *New Times*.
- 3 Nazi Gestapo chief Klaus Barbie is condemned to life imprisonment for war crimes.
- 6-11 West German President von Weizsäcker in Moscow, is lectured on extradition of "Nazi war criminals."
- 10 State Department says Russians are stalling on INF treaty.
- 17 France breaks diplomatic relations with Iran.
- 18 Indian Prime Minister Gandhi expels three top leaders of Congress Party (I).
- 20 Soviet weekly *New Times* issues six-page attack on LaRouche.
- 21 U.S. State Department cuts off military and economic aid to Panama.
- 22 First Kuwaiti oil tankers are reflagged by U.S. for transit through Gulf.
- 22 U.S. and Japan sign agreement on Japanese participation in the SDI.
- 23 Colombian justice ministry revokes arrest warrants against fugitive chieftains of Medellín drug cartel.
- 24 Reflagged Kuwaiti supertanker *Bridgeton* strikes mine in Gulf.
- 28-30 LaRouche visits Turkey, meets prime minister and other officials.

- 4 Saudi newspaper charges that Iranian rioting in Mecca at the end of July was part of attempted coup.
- 5 Tamil guerrillas surrender weapons to Indian troops in Jaffna, Sri Lanka, as result of accord between the two countries and the guerrilla leader.
- 7 Presidents of Central America sign peace plan of Costa Rican President Arias.
- 7 Gorbachov is last seen in public, prior to extended "vacation."
- 12 Colombian mafia chieftain Pablo Escobar released from jail; all arrest warrants lifted.
- 18 Sri Lankan President Jayewardene survives assassination attempt.
- 23 Anti-Soviet demonstrations in Lithuania, Estonia, and Latvia on anniversary of Hitler-Stalin Pact. Soviet press upholds the Pact.
- 26 U.S.S.R. Supreme Soviet announces strict anti-AIDS law, including jail for anyone knowingly spreading the virus.
- 28-29 Military coup attempt against Philippines President Aquino is put down.

- 1 Pope John Paul II meets Jewish leaders, to resolve clashes over Pope's meeting with Austrian President Waldheim.
- 5 Chadian troops launch surprise attack against Libyan bases in Chad.
- 6 President Alfonsín's party suffers unexpected defeat in Argentina's mid-term regional elections.
- 7-11 East German leader Erich Honecker visits Bonn, the first such state visit ever.
- 17 Secretary of State Shultz and Foreign Minister Shevardnadze reach "agreement in principle" on INF treaty.
- 24 U.S. Senate calls for economic boycott against Panama unless Panama replaces its government.
- 25-26 International Commission to Investigate Human Rights Violations convenes in Paris to highlight judicial persecution of LaRouche.
- 29 Gorbachov reappears, following a "vacation" of 53 days.
- 30 Paris court rules in favor of Soviet magazine *New Times*, against LaRouche and associates.
- 30 Soviet Union test-fires two ICBMs within 200 miles of Hawaii.

- 4 First national conference of the American Green Movement.
- 4 Lyndon LaRouche issues draft executive order calling for revoking Executive Orders 12333 and 12334, which legalized the creation of a "secret government."
- 13 Prevent AIDS Now In California group begins petitioning for new anti-AIDS initiative.
- 17 Former presidential aide Lyn Nofziger indicted in Wedtech scandal.
- 23 President Reagan unveils his Commission on AIDS.
- 31 Federal debt ceiling extended to Aug. 6.

- 5 Deranged individual breaks through Pentagon security checkpoint near meeting of Weinberger and Shultz.
- 5 100 congressmen file federal suit to force President to invoke the War Powers Act against the Persian Gulf deployment.
- 7 Federal debt ceiling extended to end of September.
- 22 Federal court upholds special prosecutor law against challenge from Oliver North.
- 28 Administration announces that, as of Dec. 1, persons seeking immigrant visas or residency status will be tested for AIDS.

- 3 State Dept. drops any deadline for Iranian response to U.N. call for Gulf War cease-fire, after five days of Iranian attacks on Gulf shipping.
- 6 Sweden's *Svenska Dagbladet* reveals FBI collaborated with a Soviet agent in Swedish intelligence named Joel Haukka, who blamed LaRouche for Olof Palme murder.
- 10 Pope John Paul II arrives in Miami, Florida for 10-day U.S. tour.
- 10 State Dept. closes Washington office of PLO.
- 13 Lyndon LaRouche goes to New Hampshire to campaign, vows to "rip up" any INF treaty.

October

November

December

Economics

1 France and the Soviet Union reach agreement on their first joint venture, for manufacture of plastics.

1 Gorbachov announces that the Soviet Union will have to implement substantial food price increases.

7 West German government announces sweeping budget cuts, hitting state subsidies to industry, infrastructure, and health care.

14 Argentine President Alfonsín announces new austerity program, devaluing the currency, raising prices, and facilitating foreign debt-for-equity swaps.

19 "Black Monday": New York Stock Exchange loses more than 500 points.

4 Argentina's labor movement goes out on general strike.

8-9 Bank for International Settlements criticizes U.S. economic "team" of Treasury Secretary Baker and Federal Reserve chairman Greenspan.

8-9 Italian referendum votes against existing energy program, which includes nuclear power.

13 President Reagan announces protectionist tariffs against Brazil, in retaliation for Brazilian measures to protect its computer industry.

18-19 Mexican peso in free fall against the dollar, as government says it will not support the currency.

26 Ibero-American Presidents establish permanent consulting mechanism.

4 Mexican President de la Madrid announces measures to fend off hyperinflation, including wage and price freeze.

16 Mexican government, industry, labor, and peasants agree to austerity program.

18 Oil prices hit \$15 per barrel range, following failure of OPEC meeting to reach an agreement on keeping the price up.

International

4 Mexico's ruling PRI party picks Carlos Salinas de Gortari as nominee for 1988 presidential elections.

11 Jaime Pardo Leal, president of Colombia's communist electoral front, is murdered, triggering destabilization.

11 India and Sri Lanka deploy troops to quell riots between Tamil and Buddhist Sinhala groups in Sri Lanka.

11 Uwe Barschel, governor of West Germany's Schleswig-Holstein, is found dead in Geneva. Family charges "murder," but official cover-up says "suicide." Barschel was involved with Iranian arms traffic.

21 Soviet Central Committee Plenum: Politburo member Geidar Aliyev "resigns." Moscow City party boss Boris Yeltsin criticizes party leadership.

21 Secretary of State Shultz arrives in Moscow for negotiations to finalize INF treaty.

25 Chinese Communist Party convenes its 13th Congress, elects Zhao Ziyang new secretary general.

28 Three American soldiers are assassinated in the Philippines, in terrorist attacks.

31 Riots in Hamburg, West Germany, by communists, anarchists.

2 Gorbachov delivers speech on anniversary of Bolshevik Revolution, calling upon communists to mobilize for the imminent collapse of capitalism.

2 Riots in Frankfurt, West Germany; two policemen are killed.

8 Reagan and Gorbachov sign INF treaty in Washington.

8 Aging Tunisian President Habib Bourguiba is replaced by Gen. Zine al Abeddine Ben Ali.

8-11 Arab League summit in Amman results in isolation of Iran, and decision to restore diplomatic ties with Egypt.

11 Boris Yeltsin, Moscow Communist Party chief, is expelled from leadership. Gorbachov accuses him of doubting the party's work.

15 Riots in Romania; several hundred civilians are killed.

21 Jorge Luis Ochoa, top Colombian cocaine trafficker, is arrested. Government vows to extradite him to the U.S.

26 Warsaw Pact defense chiefs meet in Romania.

29 Haiti government cancels election, after voters are gunned down by paramilitary thugs.

3 Peruvian terrorists assassinate a priest while he is officiating mass—the first such attack on the Catholic Church.

7 Organization of American States meets in Washington, rejects proposals for a Grenada-style invasion of Haiti in the name of "democracy."

7 General Secretary Gorbachov arrives in Washington.

8 Gorbachov and Reagan sign INF treaty.

14-16 Summit of Association of Southeast Asian Nations (ASEAN) in Manila.

16 South Korean elections result in victory for ruling party candidate Roh Tae Woo. Opposition cries "fraud!"

18 Colombian government changes line, says will not extradite dope trafficker Ochoa to U.S.

National

7 Two allies of Surgeon General Koop's "condoms strategy" to fight AIDS resign from President's AIDS commission.

19 Four U.S. destroyers pulverize Iranian oil platform used as base for gunboats and mine-layers.

23 Judge Robert Bork, the administration's nominee for Supreme Court justice, is rejected by the U.S. Senate, 58-42. Judge Douglas Ginsburg is nominated next, but withdraws when a scandal erupts over his use of drugs.

24 Teamsters rejoin AFL-CIO.

28 PANIC group submits 720,000 signatures to place anti-AIDS measure on California ballot.

4 U.S. arms control negotiator Paul Nitze is accused of helping the Soviets draft *their* arms proposals.

5 Secretary of Defense Caspar Weinberger resigns; his replacement is Frank Carlucci.

13 White House will not publish legally mandated annual report on Soviet treaty violations in time for the Dec. 7-10 INF summit.

17 Congressional Iran/Contra committees issue their report.

20 "Budget summit" reaches 11th-hour agreement to cut \$76 billion over two years from federal budget, beating Gramm-Rudman automatic sequester.

16 Congress slashes budget for space station by nearly one half.

17 Boston trial opens in *U.S. v. The La-Rouche Campaign, et al.*

17 Senate Iran/Contra committee releases note from Adm. John Poindexter, implicating Vice President Bush in arms-for-hostage deal.

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coma, Singapore, and Hong Kong, where they await the autioneer's hammer.

The airlines: a year of disasters

In *EIR*'s May 29 issue, the very serious problems with the airlines were addressed. We warned, "The number of 'critical' air incidents (defined in the industry as potential in-flight accidents averted by chance), is increasing monthly. The volume of air traffic is also increasing, but under conditions of cutthroat business practices caused by deregulation, and conditions of undercapitalized airspace and airport infrastructure. *This situation is guaranteed to result in fatal accidents.*"

Since that article appeared there have been three major aircraft disasters in the United States. On Aug. 16, 156 people were killed when a Northwest Airlines MD80 crashed on takeoff from Detroit Metropolitan Airport. On Nov. 15, a Continental Airlines DC9 crashed on takeoff from Denver's Stapleton International Airport, killing 28 people. On Dec. 7, a Pacific Southwest Airlines commuter jet crashed in the coastal mountains 175 miles northwest of Los Angeles, killing all 44 people on board.

The deregulation of the airline industry is the strongest factor of all in setting the stage for such disasters.

During the 1970s, *EIR* joined aviation experts in warning that the current threshold of catastrophe would be inevitable if deregulation were implemented. Nonetheless, it went through. Air carriers have been engaged in cutthroat fare-discounting, hostile takeovers, and wholesale scrapping of so-called less profitable routes while overbooking and overscheduling others. All are under increasing cash flow pressures. While carriers compete to carry an increasing volume of passengers, the airline, airport, and airspace safety standards and maintenance are not keeping pace. Underfunding is standard operating procedure under Gramm-Rudman.

The FAA has 21 congested flight areas known as "Red Sections" where traffic is exceeding allowable limits. The Flight Service System, one-fifth of the air traffic controllers that provide pre-flight, in-flight and emergency information on weather, aeronautical and air traffic data, is operating with 307 fewer people than the FAA's own recommendation.

The auto industry gets run over

The first two weeks of December were marked by events in the auto industry indicative of the year as a whole. The first foreign automobile maker that built passenger cars in the United States, Volkswagenwerk AG, will shut the doors to its only assembly plant in this country in mid-1988. The closing of its New Stanton, Pennsylvania plant will eliminate 2,500 jobs. Sure to follow will be additional layoffs at VW's American headquarters in Troy, Michigan. The Pennsylvania plant was to have been the leader of a new wave of auto production in North America.

Two studies put out the same week by Nomura Research and DRI (Data Research Institute), Europe pointed to the handwriting on the wall. Nomura predicted a sharp 20% drop in U.S. car purchases in 1988, and DRI pointed to a decrease in European car output. They didn't need a crystal ball.

In the first 10 days of October, U.S. domestic car sales were down 39% from 1986. GM's sales had dropped 43.8%, Ford's 36%, and Chrysler's 41.2%. Already in November 1986, GM announced plans to shut down 11 of its assembly plants and permanently dump 25,000 workers. The first of those closings occurred on Aug. 26, 1986, when the last car rolled down the assembly line at GM's 64-year-old Norwood, Ohio plant, the largest employer in the town. It meant the end of work for more than 4,000 people.

On Nov. 4, General Motors announced it was closing its Framingham plant indefinitely, putting 3,700 New England employees out of work. Two days later, U.S. automakers announced an 11% decrease in car production.

Still, the big three automakers (GM, Ford, Chrysler) are returning to incentives to get rid of their bloated inventories. As of mid-November, Chrysler Corporation had enough cars to supply its current selling rate for 101 days. General Motors had enough for approximately 100 days. The so-called normal level is 60 days.

The situation certainly received the attention of Edzard Reuter, president of Germany's Daimler Benz, on Nov. 16. He stated the lack of economic leadership could "provoke a grave world economic crisis which could develop its real explosiveness in the framework of East-West conflict. We are running out of chances . . . manipulating with currencies, rather than revitalizing the growth factors of economies."

During the week of Dec. 14, Abel Abanbegyan, economic adviser to Mikhail Gorbachov, offered to help out by selling Americans inexpensive cars!

Steel

Since 1952, one-fifth of our domestic steel industry had filed for bankruptcy-law protection. Jobs in the industry hover near 150,000 and capital investments for modernization are nonexistent. LTV, the nation's second largest steelmaker filed for Chapter 11 in 1986; Bethlehem Steel and Armco are widely discussed as next year's candidates. One of this year's more pathetic examples was the attempt by the former chairman of Kaiser Steel Corporation to force the company into liquidation under Chapter 7 of the federal bankruptcy code, which would sell off all assets to pay creditors.

One might expect a major lobbying effort to rescue the industry. Instead, the lobbying effort that has occurred has been to create a multibillion-dollar fund to absorb the high cost of *closing* unneeded steel mills, including picking up the tab for steelworkers' pensions. The pension issue has been a major source of aggravation for everyone this year. In January, the Pension Benefits Guarantee Corporation, a quasi-governmental pension insurance agency, took over four LTV

steelworker pension plans. This meant it promised to pay \$7 billion to American retirees covered by troubled funds even though only \$3 billion is available to the insurance system. The ailing Pension Benefit Guarantee Corporation could easily be out of cash within five years. It went to court to attempt to throw the liabilities back at LTV. It failed. But along with LTV, Wheeling-Pittsburgh, McLouth, Kaiser, and Sharon have been forced to seek bankruptcy law protection. When major steel companies close plants, they trigger the early-retirement benefits for their workers that are built into the contracts. These were brought in as part of the overall plan to shut down industry, a way to encourage workers not to work, similar to the brilliant idea of paying farmers not to grow food. Now these benefits are capable of bankrupting major firms, thus allowing them to dump their underfunded pension programs on to the PBGC, which will clearly not be able to sustain the load.

The steelworkers in Minnesota got a real taste of the recovery in 1987 earlier this year. At Eveleth Mines, they were told that unless they took a three-year wage cut of \$2.43/hour, after already taking cuts in wages and benefits of over \$4.50/hour over four years, the orders for the 600,000 tons of taconite pellets they produce every year would go to overseas producers!!

No room at the inn

The collapse of so much of American industry has led, predictably, to increasing numbers of homeless people. Even those with a roof over their head are finding it necessary to share. According to the U.S. Census Bureau, 65% of Americans between the ages of 18 and 30 are living with their parents. Whatever housing is available is hardly affordable. An average house now costs well over \$100,000, whereas in 1960 an average home was priced around \$25,000.

Yet, during the first ten months of 1987, 1.41 million housing units were started compared to 1.58 million units last year, a decrease of 10.6%. The decrease of 8.2% in October was the sharpest decline in three years, with little prospect for improvement.

At the same time, the number of families living below the poverty line has increased because of unemployment and cuts in welfare benefits, the availability of low-cost housing has plunged. The federal budget for subsidized housing has all but disappeared.

Now, under a ruling made Dec. 11 by the Department of Health and Human Services, the government plans to cut back its paltry aid for sheltering families with children. It will now contribute to the cost for only 30 days of a family's stay in a shelter for any 12-month period. In fact, it is much easier to get shelter if you split your family up. In Los Angeles, which is not atypical, out of the 215 shelters, only 51 accept families. Of those, only 16 accept families with fathers.

This is Christmas in the "Great Recovery" of 1987.

Europe's death lobby:

by Mark Burdman and Jutta Dinkermann

As the U.S. presidential campaign took off in 1987, only one candidate, Democrat LaRouche, has brought the issue of euthanasia to the forefront of his campaign. LaRouche warned that current trends of fiscal austerity and gnostic attacks on the sacredness of life, especially under conditions of the uncontrolled spread of AIDS, would lead to generalized acceptance of euthanasia practices beyond even what the Nazis did. This contention has met with shock and sometimes skepticism, with some demanding "proof."

Developments in Western Europe during 1987, especially the second half of the year, provide all the proof in the world.

Suddenly, in November, one picks up the daily press in predominantly Roman Catholic France, and reads debates over a French senator's proposal to the National Assembly, to legalize the killing of handicapped children within three days of their birth.

In Holland, a top doctor at a children's hospital boasts that he has helped cancer-sick adolescents take cyanide packets without their families' knowledge; reports are released that 10% of all those who die in Holland do so by euthanasia, in many cases *without* their request; and the Dutch government sends legislation to the Parliament to "decriminalize" euthanasia. In Britain and West Germany, doctors laud Dutch methods for "mercy killing" of AIDS patients.

There have been three qualitatively new trends in Europe which have marked 1987 as a branching-point in the postwar period's attitude toward the sacredness of life and the values of Western Judeo-Christian civilization. These trends include:

1) In several countries, a linkage has been made between the spread of AIDS and the "necessity" of legalizing euthanasia. This has become a rallying cry of the French euthanasia lobby. On Sept. 8, Madame Paula Caucanas, head of the French Society for the Right to Die and general-secretary of the World Federation of Societies for the Right to Die, stated: "AIDS will help us very much, I'm sure." In Britain in mid-November, a medical group formed within the Voluntary Euthanasia Society argued that AIDS' spread necessitates