

EXECUTIVE INTELLIGENCE REVIEW

September 12-17, 1978

*Mexico's Strategy
For Development*

U.S.-Soviet Showdown?



- NSC coup plans revealed
- Brzezinski's East Europe destabilization scenario
- How USSR sees Carter
- Chinese seek allies against Soviets

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EXECUTIVE INTELLIGENCE REVIEW

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U.S.-Soviet Showdown?

This week's cover story, in our U.S. REPORT, is an exposé of National Security Advisor Zbigniew Brzezinski's attempt, underway since late August, to grab control over Carter Administration policymaking in order to swing the

weight of the U.S. government fully behind his "China Card" and "Middle East Treaty Organization" strategy for containment of the Soviet Union.

Our team of analysts headed by Stephen Pepper has pieced together a step-by-step grid of the key moves in the Brzezinski coup, along with a package of interviews and press reports that indicate the thinking of the Brzezinski and allied Zionist Lobby camp. As well, our report presents the key Soviet statements warning against the Brzezinski plan, including an unprecedented attack on the role of Energy Secretary James Schlesinger. And, in their own words, why Brzezinski's Maoist Chinese allies are preparing for thermonuclear war.

On the other side of the picture: continuing moves by sane Administration forces favoring detente, plus indications that the Democratic Party is fed up with Zionist lobby interference in U.S. policymaking.

On the cover: National Security Advisor Zbigniew Brzezinski and a map showing the key targets for inclusion in his confrontation strategy. Details on page 9.

EXECUTIVE INTELLIGENCE REVIEW

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Europe, Arabs, Japan Build Mideast Development Option

Will a failure at Camp David lead to war? Key European leaders, working with Japan and Arab leaders are working to create a "safety net" option for Mideast peace outside the Camp David framework. Details in our INTERNATIONAL section include full coverage of the development package Japanese Prime Minister Takeo Fukuda is presenting to Arab leaders, moves by the Vatican, and a report on a basket of three-way trade deals being worked out to develop the region. **page 19**

British-Israeli Terrorism In the United States

An in-depth report by U.S. Labor Party Chairman Lyndon H. LaRouche, Jr., on the history, who's who, methods and motives of British-Israeli terrorist networks in the United States is featured in this week's TERRORISM section. Includes information on the role of the Mafia, the drug trade, British banking and insurance companies, and more. (page 47) Plus, in our COUNTERINTELLIGENCE report, LaRouche identifies his would-be assassins. **page 41**

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Nur Mohammad Tarakki*

**Mexico's Strategy
For Development**

Our SPECIAL REPORT features key portions of Mexican President José Lopez Portillo's 33,000-word State of the Nation address in which the Mexican President detailed for the Mexican population his strategy for building an industrialized Mexico using the wealth from Mexico's vast oil and natural gas reserves. Also, the dirt on efforts by Senator Ted Kennedy and elements of the Zionist lobby to block Mexico's development plans. **page 31**

NEXT ISSUE:

Marijuana is an "ideal crop," requiring "no elaborate technology or hybrid seeds." What drug officer said this? Answer: an official at the World Bank!

In our next issue, the drug scandal of the century — how the World Bank, International Monetary Fund, and allied banks are pushing marijuana, cocaine, and heroin as an alternative to industrial development in the Third World — and the advanced sector.

Coverage will include interviews with World Bank and other drug-pushers, an in-depth study of the banking networks that handle the billions in world drug money flows, the latest in the IMF's efforts to turn the Caribbean into one gigantic drug plantation, and a review of Mexico's successful antidrug Paraquat program.

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Brzezinski Coup Attempt Threatens Thermonuclear War

During the month of August the National Security Council under Zbigniew Brzezinski has moved to take operational control of the U.S. government. This fact has been reported by high officials in several executive departments.

The facts that demonstrate this takeover are these: beginning in early August Brzezinski personally intervened to back up James Schlesinger in an attempt to sabotage the proposals by Prime Minister Fukuda that Japan and the U.S. cooperate to develop fusion energy. The same pair forced a review of the agreement that Dresser industries would send oil technology to the Soviet Union. Then while top officials were absent, Schlesinger and Brzezinski formed a voting majority to suspend the deal.

The fact that the deal has now gone through does nothing to change the fact that the NSC has been busy getting control of policy on trade-related matters. Memoranda were sent by the NSC during the last ten days of August to heads of executive departments setting forth new guidelines of control over these departments.

Finally, on Aug. 26, the NSC promulgated as policy the view that the Soviets could be discounted as a threat in the Middle East because they were too pre-occupied with dissension in the Socialist Bloc and by China's threat on its flank.

All of this adds up to the fact that Brzezinski under the pretext of centralizing functions is attempting to gain day-to-day control of the U.S. government. It means that a man obsessed with the exclusive aim to confront the Soviet Union anywhere and everywhere in the world will be in a position to make this aim the official policy of the U.S. government. From the standpoint of the Soviet Union any further aggrandizement of power by the NSC would be tantamount to confirming that the Carter Administration is willing to play the "China Card," that is the attempted encirclement of the Soviet Union. Under these circumstances the Soviet Union would have no choice but to use their *war-winning first strike* capability long before Brzezinski's encirclement plan was in place.

This is the real political context in which Camp David is taking place. This is the real context in which U.S. trade, technology and food produce are being viewed as weapons. This is the real context in which

the U.S. dollar is treated as dispensable because the U.S. is valued only as an enforcer and not a producer in a renewed cold war. Finally this is the real context in which the U.S. tolerates, even allies, with the Nazi Falange and the Begin government because it serves the NSC's strategic aims.

Complicit in Brzezinski's attempted takeover are Walter Mondale, the architect of the war on Congress, James R. Schlesinger and W.M. Blumenthal. It is the policies of these men that have caused the collapse of President Carter's popularity. Fire them and the administration will rebound in the polls.

Everyone should realize that three decisive steps must be taken to avert disaster: 1. the United States should fully support the actions of our European allies and Arab friends to support a new credit facility for world development initiated by the West Germans and French at Bremen and ratified by Western leaders at Bonn. 2. The U.S. should make explicit to Israel that any adventurous course she may undertake in the Lebanon, towards the Syrians, or that threatens the Saudi oil fields will be taken without hope of U.S. assistance. 3. There must be a congressional investigation of the usurpation of powers by the NSC far beyond its original congressional mandate to coordinate, not make, policy.

—Stephen Pepper

Europe, Mideast Allies Counter War Drive

The efforts to impel the U.S. onto a confrontation path with the Soviet Union are well known to America's allies in Europe and the Middle East. These forces are already moving to insure that their efforts for peace and economic stability successfully undercut the Brzezinski and allied London factions' drive for World War III.

Despite the blackmail pressures of a contrived "East European spy scandal" mobilized against the leaders of West Germany by London, Chancellor Helmut Schmidt's government has stated plainly that West Germany will not fight Britain's war, and

intimated strongly that, should the Brzezinski policy prevail in the United States, West Germany will declare neutrality!

Of particular importance is the statement of West German military official General von Bulow, reported in the daily *Frankfurter Allgemeine Zeitung*, that his government disagrees with NATO Secretary-General Alexander Haig on the "Autumn Reforger 1978" maneuvers. The newspaper reported that von Bulow spoke of a "quarrel" between his country and NATO because "the (West German) government doesn't like these kinds of maneuvers." Among the most massive in NATO history, the Autumn Reforger maneuvers have a specific anti-Soviet political significance at this time. They were privately described by a French defense ministry source as "a strictly political matter, and we will deal with it that way. They are not normal strategic maneuvers."

Even more significant than von Bulow's remarks was the West German government's subsequent unprecedented official confirmation of a fight between West Germany and NATO. On Sept. 7 Chancellor Schmidt's press spokesman Klaus Bölling told reporters that indeed there was a "quarrel," but added that it had been "settled." "There are no more problems

between the government and General Haig," he said.

At the same time, Chancellor Schmidt has insisted emphatically during two election addresses during the past week that the core of his political strategy is embodied in the trade and development agreements signed earlier this year with Soviet President Leonid Brezhnev.

From the Mideast came a similar message. Syrian Foreign Minister Kaddam has responded to the floating of the proposal to extend NATO or NATO-type deployments to the Middle East by calmly reporting to other Middle East Arab leaders that through the Soviet nuclear umbrella the Syrians — and other willing Arab states — have the capacity to counter any such strategic policy.

Meanwhile the Shah of Iran, in an interview with the East German *Neues Deutschland* on the eve of his visit to that country, called for "political cooperation on the international level." And Greek Foreign Minister Ralis is currently in Moscow reviewing the Mideast and Mediterranean situation, planning an exchange of visits by Brezhnev and Greece's Karamanlis, and signing major economic deals for shipping, nuclear power, oil, and aluminum plants.

New Anti-USLP Assassination Threats

LaRouche targeted by Black-Guelph Zionist terror networks

Debra Hanania-Freeman, the U.S. Labor Party-endorsed candidate for U.S. Congress from Baltimore, was threatened at gun point on Sept. 5 in broad daylight. As she attempted to enter her campaign headquarters, Hanania-Freeman was approached by a black youth who put a large revolver to her head and threatened: "You go in there and I'll blow your head off." The youth and a female accomplice took the candidate's pocketbook and fled on foot.

The next night, Stuart Rosenblatt, the U.S. Labor Party City Council candidate in Washington, D.C., was shot at with a BB gun as he entered an apartment building where a number of Labor Party members live. Rosenblatt was returning from a candidates' night where he had given a lengthy presentation on the Order of Malta's control over international terrorism and drug running and the Order's assassination efforts against USLP Chairman Lyndon H. LaRouche, Jr. and other leading sponsors of the Bonn-Bremen accords.

These latest incidents against members of the U.S. Labor Party are part of an international pattern of assaults, attempted assassination, and slander of

prominent Labor Party spokesmen and candidates in the U.S. and Europe. This pattern is striking evidence that the City of London and its international Zionist Lobby-Anti-Defamation League agents are now preparing for a hit against Lyndon LaRouche, who is the author of the International Development Bank approach to a new world monetary system adopted at Bremen in July to replace the British-corrupted International Monetary Fund.

Furthermore, in all important details, it is the same pattern of harassment and assault that emerged immediately prior to an attempted assassination of LaRouche on July 16 in Detroit, Mich. — including the use of black youth to do the Zionist Lobby's dirty work. It has been reported and confirmed by intelligence services of various nations that such a campaign of terror and assassination is, in fact, "live."

The Conspiracy to Murder Then . . .

The previous assassination operation against LaRouche began in the first week of July with the publication and circulation of a slander montage against the U.S. Labor Party under the letterhead of

European Labor Party Gains Victory Against Bundespost

The European Labor Party in West Germany won a major victory this week when the Federal Postal Ministry intervened to overturn heavy financial demands placed on the organization by the Bundespost as a condition for maintaining the ELP's telephone service and other communications equipment. The Bundespost is controlled by Walter Hesselbach, a leading figure in German Israeli- and Rothschild-linked Zionist circles.

At the same time, however, the National Caucus of Labor Committees, the cadre organization which founded the ELP's U.S. co-thinker organization the U.S. Labor Party, is faced with a summary judgment for \$90,000 awarded Sept. 6 to the Bank of Nova Scotia in a lawsuit against the NCLC. A New York State Supreme Court judge ruled favorably on the bank's claim that a \$90,000 credit to the NCLC was merely a bank transfer error. The Bank of Nova Scotia is controlled by Eagle Star Insurance Company, which also controls the financial interests of whiskey magnate and Zionist leader Edgar Bronfman. Like most British insurance companies, Eagle Star is a cover for British intelligence operations.

Under Hesselbach's direction, the Bundespost had been threatening to cut the ELP's business phone and the private phone lines of three ELP members unless some \$16,000 — mostly in deposits — was paid on the party's account by Sept. 3.

After a call by ELP officials to the Postal Ministry to complain of the Bundespost demands, during which the ELP warned that the party was planning to hold rallies throughout West Germany, Europe and in the the United States against the financial threat, the Bundespost contacted the ELP headquarters in Wiesbaden and asked that the demonstrations be cancelled. Postal Ministry officials explained that the Ministry had intervened to reverse the Bundespost demands, and said that all phone service to individual ELP members would be restored, and that the party would be given a 14-month period to consolidate its debt.

The Postal Ministry's move came as a result of well-placed international pressure and, within West Germany, the exposure of the Bundespost as an intelligence and terror conduit for networks operating as part of the Hesselbach apparatus.

the Heritage Foundation designed to convince corporate and security officers of major U.S. banks and corporations that the Labor Party was a terrorist organization engaged in industrial espionage for variously East European and Soviet intelligence.

This slander and the one in circulation now are like those circulated since at least 1975 by Georgia Representative Larry McDonald. In December 1975 McDonald inserted into the Congressional Record a slander authored by his aides Herbert Rommerstein, an ADL intelligence stringer, and John H. Rees, a British Intelligence agent, that the Labor Party is an East German intelligence and terrorist organization. In July 1977, McDonald contributed the slander that the USLP is a terrorist, paramilitary, and totalitarian organization to the John Birch Society's Review of the News. McDonald has been instrumental in isolating conservatives and conservative organizations from collaboration with the Labor Party.

The intended effect of the Heritage Foundation slander was to similarly isolate LaRouche from potential collaborators in the effort to bring the U.S. economy into the then-emerging new world monetary system. The free enterprise Heritage Foundation is directly linked to the British Round Table and Rothschild networks.

Prior to LaRouche's arrival in Detroit, personnel

from the U.S. Labor Party's Executive Protection section began to pick up evidence of surveillance. This deployment and the later attempted "hit" were gridded back to agencies linked to Zionist Lobby agent Max Fisher, agencies which exercise control over various gutter-level terrorist gangs like Detroit's Communist Labor Party. Fisher himself is an important link into the British-based Order of St. John of Jerusalem — the masterminds of the "hit" attempt. Fisher is a member of the Jerusalem Foundation, the "Hofjuden" division of that Order.

On July 16, two vehicles, both driven by black men in their early twenties, attempted to block the exit and entrance to Detroit's Veterans' Memorial Hall, where LaRouche was scheduled for a public appearance. A slight delay in LaRouche's arrival allowed for the two cars to be removed.

This attempt to entrap is the characteristic modus operandi of terrorist hits like the kidnappings of West German industrialist Hanns-Martin Schleyer and former Italian Premier Aldo Moro.

... And Now

The current international deployment against the Labor Party is being run in the United States by the shock troops of the B'nai B'rith's Anti-Defamation League and in Europe by the Paris-based Inter-

national League against Anti-Semitism (LICA) to stop the Labor Party from promoting a policy of "containment" against Israel until that nation becomes a responsible member of the world community.

On both sides of the Atlantic, the same slander is being hurled by "left" and "right" that the Labor Party is "Nazi-Communist." In fact, Zionist Lobby agent Sen. Jacob Javits's aide Novak this week volunteered his opinion of the USLP to a caller: "Some aspects of the Labor Party are Nazi, some are Communist."

This slander follows the Aug. 7 release by the Anti-Defamation League of an internal memorandum describing the U.S. Labor Party as an undesirable left-wing disruptive group tied to dangerous anti-Semitic right-wing groups like the Liberty Lobby in Washington, D.C.

ADL operatives have also been observed surveilling Labor Party rallies nationally, and taking down license plates of members' cars.

At the end of August, a pattern emerged of assault against Labor Party members. On Aug. 21, Michigan Labor Party member Susan Boswell suffered a concussion in a hit-and-run incident in Grand Rapids. On Aug. 31, a Boston Labor Party member narrowly escaped a hit-and-run attempt while organizing at an intersection in the Boston suburb of Quincy. Police

have identified and arrested the driver, Alan R. Morris of Braintree, Mass.

Yesterday's threat against Debra Hanania-Freeman followed by less than a week a telephone threat to the candidate's husband made after a half-hour campaign TV broadcast in which Hanania-Freeman documented British-Israeli intelligence control of international terrorism, the threat and implications of a Middle East war, and the full content of the Bonn-Bremen economic accords. The male caller threatened Mr. Freeman: "You better tell your lady to lay off, or she'll get hurt."

Washington candidate Rosenblatt in his campaign has emphasized a program calling for a crackdown on drug-running. The drug trade is a key component of the British-Order of Malta control capacity over the United States. Rosenblatt has also exposed the involvement of an opponent, City Council candidate Hilda Mason, in slander-terror operations against the Labor Party run through the terrorist CounterSpy organization.

Baltimore police have arrested one youth believed to have been involved in the robbery-attack against Hanania-Freeman, and law enforcement officials in both Baltimore and Washington, D.C. are viewing the incidents as part of a broader national terrorism capability.

— Kathy Stevens

U.S.-Soviet Showdown?

The story behind the headlines on the Camp David summit

This week the *Executive Intelligence Review* has pieced together the story behind the headlines at the Camp David summit talks: in the closing days of August National Security Council Director Zbigniew Brzezinski moved to take over direction of U.S. government operations for the purpose of forcing a U.S.-Soviet confrontation that, he hopes, will wreck the prospects for implementation of the Bonn-Bremen economic development accords.

The elements of the story compiled by our team of analysts, headed by U.S. desk head Stephen Pepper, include a grid of the Brzezinski power grab, what the Soviets are saying, the China card and Brzezinski's Eastern Europe strategy, plus efforts by sane Administration forces to maintain the path to détente, and how some Democrats are fighting back against the Zionist lobby.

1. Brzezinski Pulls NSC Coup

"During the last ten days of August the National Security Council moved to take operational control of the day-to-day functions of this government." This is how a highly placed government official, in a position to know, reported the situation that greeted Secretary Vance and other top officials upon their return to Washington at the end of last month.

National Security Council chief Zbigniew Brzezinski, aided and abetted by Secretary of Energy James Schlesinger and Vice President Walter Mondale, is attempting to carry out a coup that will set this country firmly against the Bremen and Bonn accords, and will lead this country on the perilous course towards thermonuclear war with the Soviet Union.

Clear confirmation of both the fact and intent of this policy came from another well-placed source who reported that Brzezinski chaired an NSC meeting on Sunday, Aug. 26 at which was accepted as policy the intelligence evaluation that the Soviet Union could not and would not intervene in the Middle East because of internal dissension within the socialist bloc. This evaluation, totally discredited both in its assumptions and its conclusions by U.S. Labor Party Chairman Lyndon LaRouche, Jr., has set the fundamental policy line for President Carter at the ongoing Camp David summit to exclude the Soviet Union from any Middle East role at all costs.

Israeli Prime Minister Begin, reacting to the Brzezinski initiatives, upon landing in the U.S. declared to a group of reporters: Israel is here to defend the "interests of the free world." Playing to President Carter's known profile, Begin told reporters that his concern is that the prestige of President Carter not be damaged because it would be disastrous for the entire free world. He equated this "prestige" with Carter's adopting a tough line in defense of Israel and against the Soviet Union and Communism.

In this climate, NSC planners felt sufficiently emboldened to float the option that U.S. troops be deployed to the Middle East. As the NSC strategists view it, this option is far more elaborate than the deployment of a few U.S. personnel to patrol border points. It is a strategic deployment, including the installation of a U.S. military base in the Sinai. Reliable sources indicate that Brzezinski does not expect to realize this option now, but its very raising is a warning sign of how confident Brzezinski has become in his role of shaping Carter's policy options.

Soviets Prepare for Confrontation

Beginning with Soviet Foreign Minister Gromyko's warning on Sept. 1 that the Soviet Union would never tolerate the introduction of U.S. troops into the Middle East, the Soviet leadership has issued a non-stop series of declarations that it will not sit idly by while a

U.S.-backed Israel deploys for a Mideast war.

Gromyko issued his sharp warning on the occasion of the visit of Syrian Foreign Minister Khaddam to Moscow where the two nations reaffirmed their defense alliance. Since then, it is reported, the Soviets have sent 300 military advisors to Syria, and a Syrian military delegation has been in the Soviet Union for the last week.

This deployment is necessitated by the continued threats by Israel to again march into Lebanon to "save" the fascist Falange — the Israeli government's Nazi stormtrooper arm in Lebanon — from Syrian "extermination." The Israeli army has been on full alert for three weeks, and two new bombings in Jerusalem set off this week — undoubtedly by the Israeli Mossad itself — are psychological conditioning to hurl the Israeli population into war.

According to latest reports, there are now 70,000 Syrian troops in Lebanon, at the Lebanese government's behest, as fighting between Syrian troops and the Falange intensifies. The Syrians are now moving to carefully disarm the Falange, cutting their forces in the north in two to thus eliminate the Israeli-Falange scheme to establish a separate state in counterposition to the sovereignty of the legitimate Lebanese government. The Syrian government this week cancelled all leaves for the army even though it was the week of celebration of the most holy of Moslem holidays. The Syrians furthermore have established an air defense perimeter around their forces in Lebanon.

At the same time, NATO has launched major military maneuvers under the codename Operation Reforger. A spokesman for the West German Defense Ministry today unequivocally labeled the maneuvers as provocative, which can only "increase tensions with the Soviet Union and endanger detente." The operations are run through NATO command in London and involve ferrying of U.S. forces to Europe. Operation Reforger is Brzezinski's most blatant signal that he intends the Camp David summit to be the mere prelude for a new Cuban missile-style showdown with the Soviet Union.

Siege Against the White House

The Soviet Union cannot be heartened by the fact that not only is Zbigniew Brzezinski dictating foreign-policy options to President Carter, but the President has also left Zionist Lobby cohort Vice President Walter Mondale in charge of the daily functioning of the White House.

According to Mondale's mouthpiece at the Christian Science Monitor, Godfrey Sperling, Mondale has been directly responsible for convincing Carter to attack the traditional Democrats in Congress in order to pass Energy Secretary Schlesinger's discredited natural gas bill. Sperling reports that Mondale has been telling people, "You go with us on the gas bill and the

nuclear carrier (referring to Carter's veto of military appropriations). If not, that's it. You're off."

The entire operation is comparable to the takeover organized by Henry Kissinger of the second Nixon Administration in 1972-73. At that time the British deployed Kissinger to destroy the promise embodied in the Rogers Plan, named after then U.S. Secretary of State William Rogers. Once Kissinger, from his base in the National Security Council, succeeded in isolating Nixon from Rogers by playing on Nixon's well-known anti-communist paranoia, the course towards manipulated war in the Middle East was set.

During the actual Yom Kippur war, Kissinger acting on his own authority activated worldwide the U.S. military and the world was within inches of thermonuclear war. Nixon recovered his senses in time to countermand the insane Kissinger's orders. No such assurance is possible under Carter's Administration.

NSC Countermands Carter

From sources within the government it is possible to reconstruct the actual NSC operation now underway. Using as a pretext the diffuse nature of the Carter Administration, the NSC moved to assume centralizing functions. Memoranda were sent to all cabinet secretaries setting forth guidelines by which the NSC would review policy in areas touching on trade, East-West relations, strategic weapons and material policy, etc.

The NSC operation is so widespread that no department of government is immune. A spokesman in the Agriculture Department characterized Brzezinski's policy as "getting inside our skins and taking us over."

At this writing Brzezinski's mandate has not been fully confirmed. He, Schlesinger, and Mondale have duped the profiled Carter to hand over to them control on the basis of practical functions rather than as a policy commitment. They are using this limited mandate to usurp policy. By exposing the game now it is still possible for responsible forces within Congress and the Administration to reverse the present dangerous course of U.S. policy-making. This requires courage, but to do nothing is to accept the inevitability of thermonuclear war.

The leaders of the French and West German governments — Giscard d'Estaing and Helmut Schmidt, respectively — are doing everything possible within their means to create the conditions in which the Middle East can be settled for good within the policy framework of a development plan for the entire region. But without a strong vocal mandate for their policy from the United States, with Brzezinski and Schlesinger still permitted to usurp the power of the United States government, the Camp David summit is a short fuse for nuclear war.

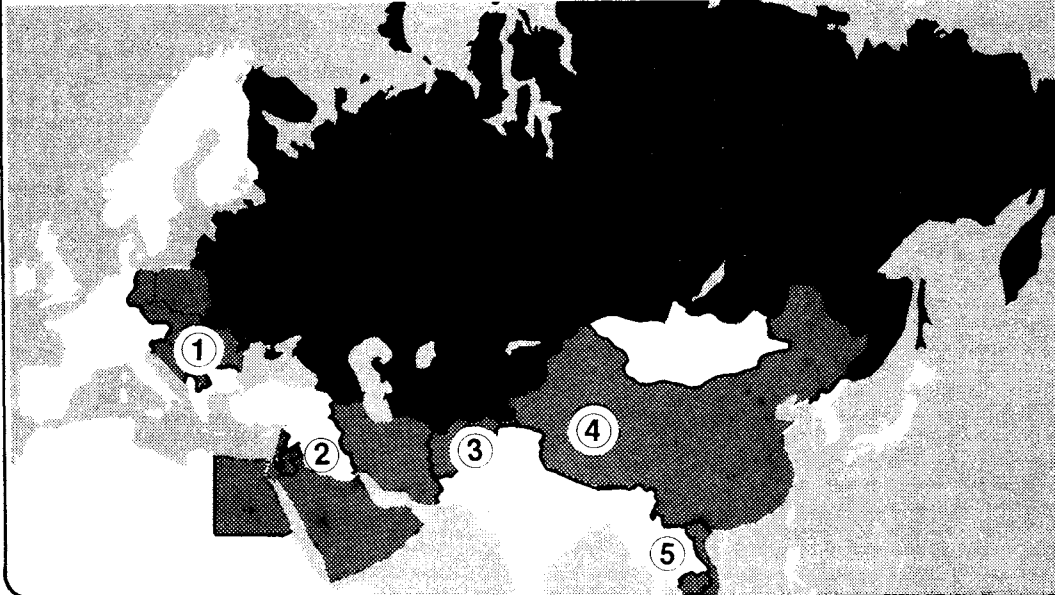
— Stephen Pepper

Brzezinski's Strategy

1 Destabilizations in Eastern Europe to paralyze Soviet response to Israeli moves in the Middle East.

2 Formation of an Anglo-U.S. dominated Mideast alliance (METO) to freeze the Soviets out of the region, to

be centered around Israel and Iran and projected to draw in Egypt, Saudi Arabia, Jordan, and the Gulf States, as well as the U.S., Britain, and China.



3 Attempted overthrow of the new, nonaligned government of Afghanistan.

4 Alliance with China, which is assisting in the plans for METO and in Brzezinski's Eastern European destabilization strategy.

5 Chinese-backed aggression by Cambodia against Vietnam.

Brzezinski's NSC 'Coups in Process' — A Step by Step Chronology

Aug. 1-15 — Press reports, including a series of syndicated columns by Robert Evans and Robert Novack, focus on President Carter's supposed decision to "get tough" on leaks from Cabinet departments, particularly from State and Commerce. White House Special Advisor on National Security Zbigniew Brzezinski dispatches memoranda ordering White House-NSC staff clearance on statements relating to national security.

Aug. 15 — *Executive Intelligence Review* listening posts pick up rumors that Brzezinski and Energy Secretary Schlesinger are seeking new authority to control U.S. exports on national security grounds.

Aug. 18 — Brzezinski and Schlesinger demand an "independent review" of the Dresser Industries sale of oil-drilling technology to the Soviet Union, which has reportedly already been approved by the Commerce and State Departments and the Pentagon.

Aug. 15-20 — Authoritative government sources report that the National Security Council staff has intervened to demand that the U.S. refuse Japanese Prime Minister Fukuda's offer of up to \$1 billion for joint USA-Japan research on thermonuclear fusion power until Japan agrees to structural reforms in its own economy and "stops screwing us on their balance of payments." Additional sources report that the U.S. will push coal liquefaction as its major energy collaboration proposal to Japan.

Aug. 28 — A "rump" meeting of senior administration

advisors convened by Brzezinski reportedly votes to halt the Dresser sale. Secretary of State Cyrus Vance and Defense Secretary Harold Brown are on vacation and do not attend the meeting. Its results are leaked to the *Washington Star* and the *Washington Post*.

Sept. 1-5 — A "line" appears on the Camp David Middle East summit, traced to an NSC briefing by Brzezinski: the Soviet Union will not respond to Israeli military action in Lebanon or an Israeli preemptive strike against Syria because it is preoccupied with prospective "destabilizations in Eastern Europe" and China.

Sept. 5 — A top Carter Administration official confirms that "Brzezinski is running an organizational coup in process... Vance's psychological problems... are involved."

Sept. 6 — Corporate sources report that National Security Council staff under Brzezinski have been granted new authority to review licensing for *all* high technology U.S. exports — in addition to Commerce, State and Defense Department review and ultimate Presidential decision-making authority mandated by 1977 export control laws.

Sept. 7 — The *Washington Post* reports that "President Carter's national security affairs advisor Zbigniew Brzezinski has decided to add an office for strategic planning to the NSC's staff apparatus... to take charge of long term planning on tactical nuclear forces and strategic doctrine." The *Post* reports that the new office, to be headed by Fritz Ermarth of the CIA and Rand Corporation, will have direct responsibility for input into the SALT II and SALT III talks.

2. How The Soviets See Carter

The Soviets have responded vigorously, with the clearest possible public warnings, to U.S. National Security Council Chief Zbigniew Brzezinski's move to grab control over the Carter Administration and use it as the base for his war provocations. Having long experience with Brzezinski's efforts to destabilize Eastern Europe and, more recently, to wield the "China card" and threaten war in the Middle East, the Soviets know Brzezinski as a major source of war danger.

Moscow has repeatedly identified Brzezinski as the catalyst for U.S. and Israeli efforts to use the Camp David summit to create a separate peace or to introduce U.S. troops into the Middle East region.

Statements by Foreign Minister Andrei Gromyko and authoritative press organs of the Kremlin (see below) repeated the warning that what happens in the Middle East is a matter of direct concern to Moscow, especially any Israeli attack on Syria, whose Foreign Minister Khaddam visited Moscow in early September. A Tass commentary released Sept. 5 warned that "giving the U.S. a foothold in the Middle East" — a reference to Brzezinski's project of deploying U.S. forces as part of an Israeli-Egyptian deal — "would introduce a new dangerous element into the situation in that area."

These statements give the lie to Brzezinski's claims that Moscow will not respond strategically to provocations in the Middle East because it has its hands full with Peking and Eastern Europe.

Behind Moscow's tough warnings to the U.S. is a vigorous debate in Soviet policymaking circles over who really makes policy in Washington. *Pravda*, in a Sept. 2 attack on Secretary of Energy James Schlesinger, and *Izvestia* in an Aug. 26 analysis of what distinguishes Europe's Soviet policy from Washington's, identified the existence of power centers separate from the U.S. presidency, whose aim is to force President Carter onto a path of confrontation with the USSR, against American national interest.

With these increasingly accurate attempts to analyze the U.S. situation, the Soviets recognize that President Carter is being hamstrung from outside. *Literaturnaya Gazeta's* correspondent, in his call for Congressional hearings on "anti-American activity" (see below), asked: "Who gains?" — When that is answered, the deadly game of London financiers and the British oligarchy to set the USSR and the U.S. against each other will be up.

Pravda Blasts Schlesinger

On Sept. 2, 1978, *Pravda* correspondent S. Vishnevskii blasted Energy Secretary James Schlesinger as a man in the mold of Zbigniew

Brzezinski and an equally dangerous threat to world peace. The article entitled "The Little Pentagon' — Behind the Mask of the U.S. Energy Ministry" is excerpted below.

Many American legislators, politicians and journalists name James Schlesinger "the energy tsar." This monarchical title is, of course, not given to a member of the cabinet coincidentally....

Since his youth (Schlesinger's) life has been involved with military affairs. In 1960 the 30-year-old doctor of economics published a book called *The Political Economy of National Security: An Investigation of the Economic Aspects of Modern Conflict*. This work could much more precisely be titled *The Political Economy of the Military-Industrial Complex*. Its main thesis is the need to ensure the world leadership of the USA "at any price." The doors of the Rand Corporation — the brain trust of the militarists — opened hospitably to the author.

During the second half of the 1960s he was invited to the capital to work as a government consultant on military budget and energy problems. At the beginning of the decade, under R. Nixon, he began his rapid ascent up the Washington hierarchy.

The lightning rise began to ring in his ears. The aggressivity of the Pentagon chief knew no bounds. He had no desire to heed the positive moves in Soviet-American relations. In endless speeches he raved about "the dangers of détente," the "Soviet military threat," announced schemes by the United States for first nuclear-missile strikes, propagandized the theory of "limited nuclear war," pushed the growth of the Pentagon budget.

During the 1976 electoral campaign, Schlesinger carried out noisy propaganda work. He issued aggressive foreign policy recommendations left and right. He was not ashamed to be the advisor to the candidates of various competing parties and groups — R. Reagan, H. Jackson, and finally, J. Carter....

Why, asks the monthly *Economic Notes*, must the development of nuclear weapons be part of the activity of the Energy Department rather than Defense? Here is hidden the main "secret" of the atomic-militarists: to conceal in the labyrinth of 19 basic energy programs the scale of the most sinister work on growth and modernization of the thermo-nuclear military arsenal of the USA....

J. Schlesinger himself, as chairman of the (Atomic Energy) Commission, gave the green light for the neutron bomb....

The White House's decision to postpone temporarily production of the neutron weapon did not dampen Schlesinger's ardor in the least. The American press reports that in his department, with full encourage-

ment from the Pentagon, plans for new "neutron variants" are proceeding full steam ahead....

The status of Schlesinger's department encompasses his active participation in the formation of the U.S. foreign policy. Quite a few reports are filtering into the press that Schlesinger often gives the White House top-secret recommendations which are constantly aimed to subvert the process of détente.

This summer, according to the *Washington Post*, the Secretary personally gave the President's cabinet a "super-restricted letter" in which he tried to torpedo the negotiations of the USSR, USA, and Britain on full and universal banning of nuclear weapons testing.

Although the contents of the conversations of the "Energy Tsar" during his overseas trips were kept a secret, informed journalists let it be known that his "personal diplomacy" is exactly the same as Brzezinski's. He continually frightens foreigners with

Soviets, Syrians Confer; Moscow Warns On Camp David

Concluding three days of talks in Moscow, Syrian Foreign Minister and the Soviet leadership issued a communiqué Sept. 1 which stated, in part:

... the Soviet Union and Syria view the continued unflagging development and deepening of their friendly relations as an important foreign policy task

... As a result of actions by Israel and the imperialist forces standing behind it . . . the situation in (the Middle East) remains explosive. The efforts of Israel and Egypt, undertaken with active participation of the U.S. and directed at replacing a comprehensive, just Middle East settlement by partial, separate deals, present a special danger The real meaning of this policy is beyond doubt: it is a plot behind the backs of the Arab peoples, on an anti-Arab basis

The Soviet Union and Syria affirmed their resolve to continue joint efforts to obtain a comprehensive, just Middle East settlement . . .

Reviewing the situation in Lebanon, the sides condemned the unceasing interference of Israel in the internal affairs of that country. They announced their intention to aid the normalization of the situation in Lebanon on the basis of ensuring its sovereignty, independence and territorial integrity. The sides called for strengthening the legal power of the Lebanese government throughout the territory of the country and observing the legal interests of the Palestinian resistance movement in Lebanon.

the "growth of the Soviet threat," demands increases in the military might of NATO. He himself revealed one side of his activity in a speech to the U.S. army association, when he defined "ensuring the real security" of oil supplies in the Middle East as "a task of a military nature."

Now a trip by the Secretary to China is planned. His last voyage there was in 1976. At that time Schlesinger came out with openly provocative speeches on "the absolutely obvious threat from the North" which supposedly hangs over China, proclaiming Peking to be virtually an ally of the United States. Such statements soothed the ears of the Peking hegemonists. To them, Schlesinger is "a man who understands better than others the danger of détente," said Lesley Gelb, now one of the top officials in the State Department. Official Washington has since refused to give correspondents any information whatsoever about the Energy Minister's possible trip. But it doesn't take a great deal of imagination to realize that what is up is yet another irrational attempt to play the "China card."...

Soviets Ask: Who Gains By East-West Trade Sabotage?

V. Syrokomskii, a correspondent for the Soviet weekly Literaturnaya Gazeta who just completed a tour of the United States, concluded a three-part series in August with a call for Congressional investigation of the sabotage of East-West trade. Senator Adlai Stevenson III (D-Ill.), Chairman of the International Finance subcommittee of the Senate Committee on Banking, Housing and International Affairs, is in fact preparing hearings on barriers to trade. Syrokomskii wrote:

Trade with the Soviet Union is necessary and beneficial for America. The potential of economic cooperation of the two greatest industrial powers is hard to overestimate. But here in the U.S., artificial barriers are constantly being created. American-Soviet trade is sacrificed to conjunctural, narrow purposes, hostile to the cause of détente and peace.

Government and business specialists have shown that this also inflicts tangible harm on the U.S. Who is doing this? Who gains? Who is acting against the national interests of the country, and on whose orders? In short: who is interfering in the peaceful, mutually beneficial cooperation of our countries, and what for?

That would be a hearing to conduct in the U.S. Congress! It would be interesting to see how Senator Jackson behaved in such a case. And the list of those who should be called before such hearings, inflicting tangible harm against their country and the whole cause of international cooperation, would be easy to draw up. *Literaturnaya Gazeta* is ready to report in detail on the results of such an investigation of anti-American activity.

Izvestia: Europeans On Safer Course Than Carter

In an Aug. 26 article contrasting U.S. policy to that of key West European leaders, *Izvestia's* political commentator S. Kondrashov portrayed President Carter as a capitulator to, rather than an initiator of, antidétente moves. Kondrashov was formerly *Izvestia's* correspondent in Washington.

Kondrashov noted President Carter's restrictions on trade deals with the USSR, specifying the role played by Samuel Huntington, colleague of National Security advisor Zbigniew Brzezinski, in getting them imposed. He continued:

In the case of the computer (whose sale to Moscow was banned by Carter — ed.), the Western European partners of the U.S. demonstrated a sensible approach, in refusing to follow the example of the U.S. President.

Of course the bases of their military-political alliance with the United States remain, but in foreign economic questions Western Europe is exhibiting increasing independence.... This is a case where it would be wrong to say that politics is politics and trade is trade. Yes, economic cooperation with the Soviet Union and other socialist countries has become a real and highly valued fruit for the Western European states. At the same time, this growing trade influences politics, and strengthens a more careful reaction than in the U.S. to the present and the future of détente. Western Europe does not want to repeat the American zigzags, which reflect both the fluctuations of the domestic political conjuncture in the U.S. and the inconsistency of the present Washington Administration's course....

The Ford Administration and later Carter tried to obtain a review of the (Jackson-Vanik) amendment in Congress, but not actively enough, for games with the devil of anti-Sovietism continued and even intensified in the White House itself.

3. China Seeks Allies Against Soviets

The leaders of the People's Republic of China are aggressively playing their part in the anti-Soviet gameplan, and many U.S. strategists of the Brzezinski factional stripe are pointing to the "Chinese card" as one guarantee of success for a U.S. confrontation course against the Soviet Union in the Middle East and globally.

What these strategic wizards have blinded themselves to is the stated goal of this Chinese policy: to provoke a thermonuclear war that will wipe out both "superpowers" and leave China ruling over the radioactive remains.

China's Hua Kuo-feng made the most demonstrative move against the Soviets with his tour last month of Romania, Yugoslavia, and Iran. The subversive, ultraprovocative purpose of Hua's trip to the two Eastern European countries was all too apparent. Part of a British-orchestrated gear-up toward large-scale destabilizations modeled on the 1956 Poznan and Budapest events, the Hua trip was openly intended to help saddle the Warsaw Pact with *casus belli* conditions. Only slightly less obvious was Hua's intent in Iran: to recruit that nation as an anchor in the Middle East Treaty Organization scheme publicly proposed by Zionist lobby leader Edgar Bronfman (for details, see the last issue of the *Executive Intelligence Review*). It is because Hua did not succeed that the Shah of Iran has been hit with massive destabilizations in retaliation.

The Brzezinski group's view is indicated by a recent *Christian Science Monitor* article by Joseph Harsch, which described the troika of NATO, China, and an

Iran-centered Mideast bloc as an unbeatable combination. The same lunatic "encirclement" strategy was expressed in an interview last week by strategist Marshall Goldman (see below). These and other public and private statements make it clear that the Brzezinski camp is fully committed to pursuit of an "encirclement" gameplan with China, together with the actual launching of Warsaw Pact member "defections" from the Soviet Union through a combination of insurrections and British-network coups in Eastern Europe.

What the Great Han chauvinists of China know, however, is that these policies mean inevitable thermonuclear war. In full accord with Chairman Hua's speech at the United Nations General Assembly last spring, the Chinese have once more restated — in even harsher terms — their perspective of a near-term U.S.-Soviet war, this time in the Aug. 11 issue of the *Peking Review*.

China's Plan for War

This article by Hsu Hsiang-chien, Defense Minister of the People's Republic of China, appeared in the Aug. 11 issue of the Peking Review.

... The Soviet revisionists babble that "detente is of a stable and irreversible nature" and that "conditions are now available to rule out the inevitability of war"...

The views of Marxists are diametrically opposed to this. In our opinion . . . war is a continuation of politics

and hence of peace. A new world war can only be postponed but not averted. . . .

Like untamed horses running amok, the Soviet new tsars are making every effort to step up arms expansion and war preparations. Someday their hands will itch and trigger off a war. This is something independent of man's will. . . .

. . . the Kremlin is stretching its tentacles farther and farther and has become a much more dangerous source of a world war than the United States.

So with a view to putting off the outbreak of war, we must work together with the people of the world to disrupt the worldwide strategic deployment of the two hegemonic powers and that of the Soviet Union in particular. Wherever the Soviet Union stirs up trouble, we support the people there in waging a resolute struggle against it. . . .

If social-imperialism and imperialism should impose a new world war on the people of the world, they will certainly arouse the world's people to rise in revolution. The result will be the inevitable doom of social imperialism and imperialism and worldwide victory for socialism and communism.

The Brzezinski Faction's View

This assessment of Chinese-U.S. relations was offered to the Executive Intelligence Review by Harvard think-tanker Marshall I. Goldman, a member of the Foreign Affairs Committee of the American Jewish Congress. Goldman, who spent much of last year in the Soviet Union, and has just returned from a tour of China, has had many meetings with the top leaders of both nations. His remarks typify the mind-set of the Brzezinski camp.

I have concluded from my Asian tour that the Chinese card is far more advanced than anyone realizes. Because of that, I'm not at all worried over Soviet intervention in the Middle East. It will never happen. They are too tied up by the Chinese.

When I say Chinese, I mean Chinese operations, most definitely including the Hua tour of Romania and Yugoslavia. The Hua trip was the spearhead of efforts to expand Chinese influence in Eastern Europe. The Soviet Union fears China and Chinese influence in the bloc. The Soviet Union will not intervene in the Middle East. If the Soviet Union goes in, the Chinese will too. The Soviet Union won't be thrilled about that.

What you say about the threat of destabilization in Eastern Europe is fully coherent. Massive Chinese initiatives have been taken everywhere, everywhere the Soviet Union has, or has had, influence, including Eastern Europe. The Chinese are moving everywhere to counter Soviet influence.

Wherever the Soviets move, they run into China. They won't move into the Middle East, no matter what.

On Aug. 31 the Washington Post touted the use of the "China card" in an editorial titled "Treading Water on Vietnam."

. . . Vietnam, having moved swiftly (and rashly) from war with neighboring Cambodia to dangerous friction with Cambodia's powerful patrons in Peking, finds Soviet support ardent but inadequate and hopes that the United States can plug the gap . . . the Vietnamese need the sort of large-scale cooperation in reconstruction and development that the United States can best provide . . .

Yet the Carter Administration, which came to office promising early reconciliation with Vietnam is holding back . . . The substantive consideration is that it would complicate American relations with China.

. . . China's opening to Washington came under review in the struggle over (Mao's) succession. But during the summer the Chinese apparently decided to press the opening with a vengeance . . . Alert American diplomacy represented by Zbigniew Brzezinski in his trip to Peking last May, may also have played a role.

Certainly China needed no urging to rally other nations to stand up to the Kremlin . . . Party Chairman Hua Kuo-feng has demonstratively circled the Soviet frontier . . .

We do not happen to think the administration has gone too far with China. What is beyond cavil, though, is that the United States has no interests in Hanoi even faintly of an order with those it has in Peking.

On Sept. 3 the Baltimore Sun ran this analysis of China's diplomacy by Michael Parks.

China's views are listened to with new respect . . . including Washington, and increasingly it seems to be perceived — except by the Soviet Union and Vietnam — as a major force for peace and stability in the world.

This new status was strengthened by the unprecedented two-week trip of Chairman Hua Kuo-feng, the Chinese leader, to Iran, Romania and Yugoslavia last month, and the official news agency, Hsinhua, was able to hail it as a 'tremendous contribution to the enhancement of friendship between the Chinese people and the people of the whole world.'

But China's campaign is also injecting the bitter Sino-Soviet feud as a new and potentially disruptive element into many international questions, some for the first time.

Nations in the Middle East, Africa and Latin America, as well as Eastern Europe and Southeast Asia, soon may find themselves parties to that dispute as Peking and Moscow vie for allies. The Soviet leadership warned the United States last week that any American attempt to play "the China card" would effect their relations, including new arms-limitation agreements. . . .

Zbigniew Brzezinski, President Carter's national security adviser, visited Peking, and two Cabinet

members, James R. Schlesinger and Bob S. Bergland, are scheduled to go shortly. The United States helped on breaking the deadlock in the long-stalled Sino-Japanese treaty negotiations, according to diplomats involved, and Peking has been told the Carter administration will move early next year on Sino-American relations. . . .

The unpredictable character of Peking's rivalry with Moscow and now Hanoi could upset China's

recent gains and block future goals, according to a number of Asian and Western analysts.

"China miscalculated the effects of its policies with Vietnam for the result is the opposite of what Peking wanted — Hanoi has drawn much, much closer to Moscow as a result of China's hostility," an Asian diplomat commented, "This raises the very serious question of how carefully other policies have been plotted and their impact weighed"

What Is A 'Christian Science Monitor'?

Since striking pressmen shut down New York City's three major dailies last month a number of newspapers, ranging from the so-called interim strike papers through the Reverend Sun Myung Moon's *News World*, have proliferated on the city's newsstands. Among these, the *Christian Science Monitor* has risen to the challenge posed by the absence of London's usual conduits, Rupert Murdoch's *New York Post* and the Sulzberger family's *New York Times*, by increasing its circulation, diverting its normal distribution, and broadening its coverage.

The *Monitor* is now the primary source of press attacks on President Carter, repeating the same stale story day after day under slightly varying headlines — e.g., "A one-term presidency?" (Aug. 29) or "30 days that may make or break Carter" (Sept. 5) — despite the fact that no real news developments have occurred.

Jokingly referred to in policy-making circles skeptical of the Brzezinski-Schlesinger "China Card" option as the *Chinese Science Monitor*, the newspaper has doubly earned this epithet for its reporting on Chairman Hua Kuo-feng's just-concluded trip to Iran, Yugoslavia and Romania. Publicizing (anonymously) Brzezinski's own assessment of Hua's trip on the USSR (as the national security advisor communicated it to Carter shortly before the convening of Camp David), the *Monitor* portrayed it as a devastating setback for Soviet influence. "Soviets fume over Hua but unable to act," proclaimed David Willis in the *Monitor's* Aug. 29 issue. "Hua visit spotlights Iran's key role; China's latest satisfactions include ballistic advances and Kremlin setbacks; Iran promises further rewards," the paper crowed the next day. By Sept. 6, the *Monitor* was reporting that "China counts Hua's trip a huge success" because "it has got Moscow genuinely worried and considerably agitated."

Attempting to build a steamroller effect on behalf of this Brzezinski-Schlesinger fantasy, the *Monitor*

leaked Aug. 28 that the President had such an option under consideration. But the bulk of this report was devoted to publicizing a proposal for a Mideast Treaty Organization (METO), an anti-Soviet alliance among Israel and the moderate Arab nations, first put out by Zionist lobby bigwig Edgar Bronfman and fully supported by Brzezinski and Henry Kissinger.

The *Monitor*, established in 1908 by Mary Baker Eddy, founder of Christian Science, an synthetic religious cult loosely linked to the British-fostered "spiritualism" and "theosophy" movements which flourished at the turn of the century. Christian Science opposes doctors, medicine and hospitals even in life-and-death situations.

The *Monitor* itself was a project of the British Round Table which designated it as one of its chief propaganda conduits in the United States. Lord Lothian, an active Christian Scientist and original organizer of the Round Table, wrote extensively for the *Monitor* and reorganized its editorial board several times during his tenure as Britain's Ambassador to the U.S. (1925-39). Lord Lothian died because he refused to see a doctor.

Other prominent Christian Scientists have included Lady Nancy Astor, an American expatriate who became the doyenne of the pro-Hitler "Cliveden Set" in England; Lord Brand, managing director of Lazard Freres; Kissinger controller Fritz Kraemer; and Senator Charles Percy.

The *Monitor's* former editor, Erwin Canham, was a Rhodes scholar, a member of the Order of the British Empire and of the Order of Orange-Nassau. He was also the American correspondent for the Round Table's official journal. His present successor, John Hughes, was born and educated in Britain.

Little wonder that a spokesman for the newspaper proudly told a reporter recently: "The *Monitor* has always been the most Anglophile newspaper in the United States."

—Kathleen Murphy

4. Despite Brzezinski, Detente Moves Continue

A number of developments over the past week indicates that Zbigniew Brzezinski and his faction have not yet succeeded in completely undercutting U.S.-Soviet SALT negotiations, trade, and other relations between the two countries.

One important sign of a possible easing of East-West tensions was the arrival in Moscow of a large U.S. delegation, led by chief SALT negotiator Paul Warnke, for further arms limitation talks. The U.S. group was met by a top-level Soviet delegation headed by Soviet Foreign Minister Andrei Gromyko. Reportedly, the Warnke group is attempting to lay out new U.S. proposals on SALT in detail so that when Gromyko meets with U.S. Secretary of State Cyrus Vance later this month the stage will be set for serious negotiating between the two leaders, not a fruitless exchange of opposed "positions."

U.S. officials believe it is significant that American businessman Francis Crawford, arrested in the Soviet Union and convicted of violation of currency exchange laws, has been given a suspended sentence. These officials view the light sentence as a conditional move by the Soviets to cool increasingly tense relations, dependent on subsequent moves by the U.S. Crawford,

an executive of International Harvester, will apparently be free to leave the Soviet Union soon.

Then on Sept. 7 President Carter overruled the attempts by Brzezinski to halt the sale of oil-drilling equipment to the Soviet Union by the Texas firm of Dresser Industries. The Dresser sale had been opposed by the Brzezinski group for "national security" reasons, less because of the significance of the particular sale than as an important move in Brzezinski's broader strategy of consolidating National Security Council control over all U.S. high-technology exports to the Soviets (see the chronology of "Brzezinski's 'Coup in Process'" above).

Carter has thus far done nothing to challenge Brzezinski's general strategy. His failure to do so was underscored by the immediate response to his decision on the Dresser sale from one of Brzezinski's closest congressional allies, Senator Henry Jackson, who has subpoenaed Dresser Industries' records relating to the sale. The Senator said that the subpoena was part of a broader inquiry into the Carter Administration's procedures for deciding who will receive export licenses for politically sensitive trade deals.

5. Democrats Want Mideast Peace

Democratic Party leaders throughout the United States are committed in principle to a positive settlement to the crisis in the Middle East guaranteed by economic development — in the face of the touted strength of the Zionist Lobby in the U.S. which is threatening President Carter with a political crisis if he puts any pressure on Israel to make concessions at Camp David.

Senator George McGovern (D-SD), who has in the past opposed efforts by Zbigniew Brzezinski to force a U.S.-Soviet confrontation over Africa and to play the "China card" against the Soviet Union, is now preparing to call for a return to the Geneva peace conference table by the principles in the Mideast crisis in the event of a failure of the Camp David Summit, according to a spokesman.

McGovern also intends to hold hearings in January to review the role of the National Security Council chief in usurping foreign policy decision-making from the State Department and the President himself.

Last week, House Majority Leader Jim Wright (D-Tx) took initiative to counteract the threat of a new Middle East war by proposing a comprehensive peace package based on Israel's return to the 1967 borders, establishment of a Palestinian homeland, and a

massive economic development program for the region.

Demand Brzezinski's Ouster

Opposed to the Zionist Lobby policy for a Mideast war, Democratic Party regional leaders are furious that President Carter has not taken the pulse of the party to formulate his foreign policy without Brzezinski's assistance. "There is support out here for Carter to pressure the Israelis," declared one Democratic National Committeewoman from the Midwest. "Carter has to have time to pull his act together," said one southern Democratic Party official. "He has finally opened lines of communication to the party. He is a fine man, but he doesn't know politics."

One former party official from the northeast has sent letters to President Carter, Vice-President Mondale, and several Congressional leaders warning of the danger of war and demanding that Carter take decisive action against those in his Administration — like Brzezinski and Mondale — who are backing crisis politics. "I want to send this letter to Mondale. He should know what we think of him. We were forced to vote for him because we liked Carter. Mondale sits on information."

Leaders of the New Democratic Coalition, a liberal division of the Democratic Party, are planning to revive efforts tried several months ago to pass a resolution demanding Brzezinski's ouster. These plans were revived particularly after Brzezinski's associates floated a proposal to station U.S. troops in the Middle East.

Columnist Tom Wicker, who is tied to eastern establishment figures among the Democrats, states that that proposal is a danger to world peace. "It would increase the risk that any local conflict would bring in the superpowers," he warned on Sept. 1.

Organizing to Win in November

While the Democratic leadership is in principle committed to a positive peace settlement, the party's base is not now organized to exert the sort of pressure on the White House that is reflective of the policy

thinking of most party members.

Beginning this month, Democratic National Committee Chairman John White, also a Texas political leader, is putting together a party apparatus to ensure a political victory in November of candidates who campaign on a foreign policy platform of international detente. White told a meeting of governors last week that they must begin to exercise control over their statewide machines to campaign effectively for the 1978 and 1980 elections.

White has sent letters to other Democratic leaders and contributors calling on them to raise funds to support the election of candidates who back a new Strategic Arms Limitation (SALT) agreement. He warned that anti-Soviet hardliners were trying to turn the country away from a policy of detente with the Soviet Union.

— *Barbara Dreyfuss*

Europe, Arabs, Japan Build Mideast Development Option

Key European and Arab leaders, together with Japan's Prime Minister Takeo Fukuda, the Vatican and support from the Soviet Union are all moving to create a fallback option for the Middle East, in the form of a clearly defined economic development perspective. Their goal is to gain acceptance of this development perspective as a "safety-net," a policy option to the grave danger that failure of the Camp David Summit will leave no alternative in the Middle East to war and ensuing U.S.-Soviet confrontation.

In an Aug. 25 article entitled "Thermonuclear War by October?" U.S. Labor Party Chairman Lyndon H. LaRouche underlined the importance of the recent Bonn and Bremen accords as the cornerstone of a substantive Mideast peace: "The Bremen EEC agreements establishing the European Monetary System and European Monetary Fund are the keystones for a currently emerging new world monetary system meeting the exact specifications of the International Development Bank proposal issued by the U.S. Labor Party during the Spring of 1975. In short, in practice, the only possibility for securing a durable Middle East peace is subsumed under the successful implementation of the Bremen agreements."

In moves timed both to support U.S. President Carter's difficult Camp David gamble and put forth a simultaneous "Bonn" alternative to its potential collapse, West German Chancellor Helmut Schmidt and French President Giscard d'Estaing issued strong statements on the need for a Mideast peace this week. As well, Japanese Prime Minister Takeo Fukuda is currently touring the Persian Gulf states, Iran, and Saudi Arabia to foster the stabilization of the region through economic development.

Europe's Leaders Deploy for Peace

On Monday, Sept. 4, President Sadat flew to Paris for a series of personal consultations with Giscard, prior to his arrival at the Camp David meeting. Following a series of private meetings between the two leaders, the French daily *Le Figaro* reported that Sadat and Giscard had reached "total agreement" on the proper solution for the Mideast conflict. France, West Germany, and Japan have all made clear their view that the only viable solution to the Mideast is the question of a Palestinian state and Israel's withdrawal

to its 1967 borders under UN Resolution 242 guidelines.

Egyptian Deputy Foreign Minister Butros-Ghali, who accompanied Sadat to Paris, made a point of commenting on the significance of Sadat's Paris visit, in a *Le Monde* interview, stating that if Camp David failed, "then Egypt would have only France and the rest of Europe to rely on as friends," i.e., the Bonn summit Mideast development proposal.

Moving in step with his French counterpart, West German Chancellor Schmidt delivered two major statements on the need for world peace, in messages timed to converge on the delicate negotiations at the Camp David talks. Speaking at the West German Biblis nuclear power site on Sept. 6, Schmidt said that "West Germany's major task is to avoid the destruction of war."

The West German government has been actively pushing for an economic development thrust to unblock the Mideast deadlock. An article in the Aug. 22 issue of the conservative Frankfurter *Allgemeine Zeitung* reported that the U.S., in coordination with France and West Germany, has worked out a series of economic deals for Egypt incorporating Israeli technological know-how. The newspaper stated that Sadat and U.S. Secretary of State Cyrus Vance have agreed that development is the only solution for the problems of the area. In addition to Israeli expertise, the Saudi Arabians have agreed to contribute petrodollars, and France and West Germany will furnish machine tools and heavy industrial equipment.

Further momentum toward a Mideast settlement has been provided by the personal message of Jimmy Carter to Prime Minister Giulio Andreotti, and the first-ever tour of a Japanese head of state to the Persian Gulf and Mideast region. Carter's letter to Andreotti, delivered by Vice President Mondale who represented the U.S. at the investiture of Pope John Paul (see text below), makes it clear that the American President not only holds the judgment of the Italian leader — who has been identified with efforts for a comprehensive Mideast solution — in the highest regard, but also understands the full import of the Bonn accords for a stable world order.

On Sept. 3 and 4, Pope John Paul took the occasion of his coronation ceremonies to meet with Chancellor Schmidt and several heads of state and government

representatives in order to discuss the upcoming Camp David summit. Recently, the Pope said that a solution to the Palestinian problem was at the core of the problem.

From the Japanese side, Prime Minister Fukuda is stressing vigorously that only economic cooperation can stabilize the region. As one of the chief architects of the Bonn accords, Fukuda is taking the time to brief the heads of state of the Persian Gulf (currently being wooed by China to form an anti-Soviet Persian Gulf security alliance). In Fukuda's view — and what he is presumably telling Gulf leaders — only economic cooperation can stabilize the region within the framework sketched out at the recent Bonn summit (see details in the *Le Monde* article below). In addition to the myriad oil for technology deals that are on the drawing board, Fukuda will discuss the crucial issue of nuclear energy development in the region with particular emphasis on supporting the Shah of Iran's commitment to the nuclearization of his country.

The Soviet Union has sent clear signals that it will welcome viable alternatives to Camp David. Over the weekend, *Pravda's* Washington correspondent Gennadiy Vasilyev stressed that while the failure of the Camp David talks would be a blow to White House prestige — and to the hopes of those seeking a separate peace — this need not doom prospects for peace. Significantly, the French press chose to cover this analysis.

—Mary Jane Coates

Le Monde Reports Fukuda Mideast Initiative

Following are excerpts from an article in the Sept. Le Monde, titled "Fukuda's Visit to the Mideast: Japan Seeks to Aid the Stabilization of the Region Through Economic Cooperation."

Tokyo — Mr. Fukuda left Tokyo on March 5 for the Mideast. The Japanese Prime Minister will visit in succession Iran, Qatar, the United Arab Emirates and will terminate his voyage in Saudi Arabia on September 13.

Mr. Fukuda has wished to endow this first "tour" by a Japanese head of state into the Arab world and Iran

with a political character. It is not completely fortuitous that his presence in the region coincides with the opening of the Camp David negotiations. The Prime Minister intends to make known the desire of Japan to contribute, through its economic aid and its technological cooperation, to the stabilization of the region.

Mr. Fukuda will insist especially on the interdependence existing between Japan, which needs oil, and the oil producing countries, concerned about their security. Concerning peace in the Middle East, the Japanese are prudent. Mr. Fukuda will reaffirm to his hosts Tokyo's position, which upholds resolution 242 voted by the United Nations in 1967, and is favorable to the self-determination of the Palestinian people.

The Japanese are in accord with American policy on two points: on the one hand, Mr. Fukuda will insist on the necessity of the oil producing countries utilizing their reserves in petrodollars to aid the Third World, while continuing to fix the price of oil in dollars; on the other hand, in developing its cooperation with the consuming nations, Mr. Fukuda will help to counterbalance, although in a small way, the Soviet presence in the region. In this perspective, the Prime Minister will propose to Saudi Arabia its participation in an economic assistance program for North Yemen, the Sudan and Somalia (Japan will furnish its technology and the Saudis will finance the projects).

Among these are the construction of a cement factory and a fertilizer plant in the Sudan and a thermal generating center in North Yemen. Japan has also decided to furnish a loan of ¥35 billion to Egypt in order to "reinforce its position in its efforts of peace with Israel." Mr. Fukuda will not go to Cairo — a stop initially foreseen — because of Sadat's absence.

Nuclear Energy

... The Japanese, who are studying the possibilities of new sources of energy, intend to incorporate into their program the oil producing countries who are concerned about their future once their oil resources have been exhausted. Saudi Arabia and Iran are interested in these projects. The Iranians, in particular, have asked for the help of Japan in the development of nuclear energy. Teheran and Tokyo are on the point of signing a cooperation accord in three points: Supply of Japanese technology for the construction of nuclear plants resistant to earthquakes; training of engineers in Japan; joint exploitation of uranium in third countries. . . .

Carter Letter to Andreotti

The following is a translation of the personal letter sent by U.S. President James Carter to Italian Prime Minister Giulio Andreotti.

"The meetings I had with you both in Washington and Bonn were most fruitful, and represented a source of great help for me personally.

"I am convinced that the Bonn Summit started very well, and it will solve the economic problems both of our countries are facing at the moment. And I know that if we continue to develop initiatives, these initiatives will bring success to the measures we discussed at Bonn.

"In the United States, we favorably support the efforts you have launched in Italy to reach those objectives to strengthen and revitalize the Italian

economy. You can count on our continuous support and on our commitment to the aims we established at Bonn.

"I asked Vice President Mondale to seek your assessment of the Camp David Summit and your advice will be of great help to me as we are fast approaching these critical meetings.

"I have gained from your wisdom and your capacity for evaluation, both in the quality of judgment which you showed in the future of Italy and in the future of both our countries.

"It is with eagerness that I look forward to the next meeting with you.

Warmest regards,
President Carter

Papal Intervention Into Middle East Conflict

In a general audience on Sept. 7, the Pope John Paul I expressed his hopes for the "success of the Camp David meeting, so that these discussions might smooth the way towards a just and complete peace . . . not leaving any questions unresolved: the problem of the Palestinians, the security of Israel, the Holy City of Jerusalem."

The three heads of state attending the meeting responded to the Pope on Sept. 8, with a joint telegram thanking him for his commitment to peace in the Middle East.

Widespread hopes that the Pope may intervene in some way in reaching a settlement in the Middle East were encouraged by the attendance of President Elias Sarkis of Lebanon, and of Patriarch Khoreish of the Maronite Church of Lebanon, at the official installation mass of Pope John Paul on Sept. 3.

Also attending the mass were the Israeli ambassador to Italy, Italian Prime Minister Giulio Andreotti, and West German Chancellor Helmut Schmidt. John Paul I requested certain government representatives attending the ceremony on Sunday to stay in Rome for a private summit meeting the next day.

The Pope's interest in finding a solution to the Lebanese problem dates from the first days after his election, when in a speech before a throng of 150,000 in St. Peter's Square, he identified "war-torn Lebanon" as one of the areas of the world he hoped to be able to positively affect.

The role of the Pope in rebuilding national unity in Lebanon was outlined to NSIPS on Sept. 1 by a West German diplomat, who said that John Paul "is the

most important person immediately involved" in building an alliance between the Druze Moslems and the Maronite Christians, which could prove crucial in the settlement of the Lebanese conflict. At the same time, the West German press reported that Palestine Liberation Organization head Yasser Arafat had sent a message to John Paul I, praising the role of the Vatican in the Middle East and expressing the hope that the new Pope would continue this effort. The Vatican has received a similar message from Chief Rabbi Shlomo Goren of Jerusalem.

Pope John Paul's consciousness of the power of the Church to bring about this new order was evident in his speech Sept. 1 to an audience of diplomatic representatives to the Vatican from all over the world. There are two ways, he explained, in which Vatican diplomacy can work: first, on the highest levels, government-to-government relations. Secondly, there is "the forming of consciences . . . and through these forming wider public opinion — regarding the fundamental principles that guarantee authentic civilization and real brotherhood between peoples."

Expressing his knowledge of the immediate necessity for industrial and technological development as the basis for a lasting peace, John Paul went on in implicit support of the new European Monetary System: "Your countries are trying to build a modern civilization, dedicating to this task efforts that are often ingenious and generous and have our full encouragement . . . The Holy See will employ all its strength in that work. It also deserves your full interest."

Christians, Moslems Ally Against Falange

In Lebanon, key leaders of the Christian community — including leaders of the Maronite Catholic sect itself — have begun to join hands with Moslem leaders to work together to rebuild the institutions of the Lebanese state. With the full support of Syria, the Vatican, Saudi Arabia, and France, in particular, these Lebanese forces are putting together an ecumenical coalition that has already isolated the fascist militia of the Nazi Falangists and the allied followers of Camille Chamoun's National Liberal Party.

The leading event was the meeting last week in north Lebanon, when Walid Jumblatt the leader of Lebanon's Druze Moslem community and chairman of the Progressive Socialist Party met with Rashid Karami, the leader of the Sunni Moslems in Tripoli, and Suleiman Frangieh, a Maronite Catholic leader from Zharta, to discuss the formation of a national Popular Front.

This is virtually the same coalition which came together in 1958, during the civil war of that year, to oppose the unconstitutional re-election drive of then-President Chamoun.

Backing the efforts of Jumblatt, Karami, and Frangieh are the various bishops and patriarchs of the Maronite and other Christian sects. Greek Catholic, Greek Orthodox, Armenians, and Maronites are uniting to isolate the Nazis who, in the Falangist militia, have long terrorized even the Christian community.

— *Mary Sonnenblick*

Pope Urges Comprehensive Solution to Mideast

The following is the text of a statement by newly elected Pope John Paul I in a general audience on Sept. 7:

"Today at Camp David an important meeting between the heads of state of Egypt, Israel and the United States begins, to find a solution to the Middle East conflict. This conflict, which for more than thirty years has raged in the land of Jesus, has already caused casualties and much suffering both among the Arabs and the Israelis, and like an ugly disease, has infected the neighboring countries.

"Think about martyred Lebanon, disrupted by the repercussions of this crisis. Because of this, we would like to ask you to pray together for the success of the Camp David meeting, so that these discussions might smooth the way towards a just and complete peace. Just, that is, with satisfaction for all the conflicting parties. Complete, in the sense of not leaving any questions unresolved: the problem of the Palestinians, the security of Israel, the Holy City of Jerusalem.

"We beseech the Lord, praying that He might enlighten those responsible for all the interested peoples, that they might with foresight and courage make the decisions that will bring peace and tranquility to the Holy Land and the entire eastern world."

Mediterranean-Mexican Development Is Focus Of Three-Way Trade Deals

The past week witnessed a flurry of negotiations about large-scale triangular development deals involving key Western and Eastern European nations and Japan, and such oil-producing states as Mexico, Libya, Iran, and Nigeria. While many details are yet to be released, as a whole, the discussed deals seem to represent the longer-term promise of the new monetary system initiated in Bremen, West Germany on July 8: the pooling of advanced sector, oil-producing sector, and Third World resources for a major world industrial boom.

Centered on the Mediterranean and Arab East-Gulf States regions, the geometry of projected deals is also meant, implicitly in most cases, to address the problem being explicitly addressed now by the government of Japan: how to ensure Middle East and world peace through development. The war danger had motivated Chancellor Schmidt's approach both to Bremen and to

the 25-year economic cooperation agreements with the Soviet Union in May. Now the governments of several nations aside from West Germany — including the Soviet Union and other East bloc states, Greece, Italy, and the above-named oil-producers — are acting along that perspective.

French-Arab Credit to Mexico

Intriguing in this context was an article in the Mexico City daily *Excelsior* suggesting that the multi-billion petrodollars of the French-Arab consortium UBAF will be available for Mexican development:

The Union de Banques Arabes et Francoises (UBAF) told *Excelsior* that it is willing to invest all the petrodollars our country needs for its rapid development, regardless of whether it (Mexico) is a member of OPEC.

This statement was made by Gerard Charvet, 2nd assistant to the director of international trade of the Union de Banques Arabes et Francoises (UBAF). The

UBAF could make its capital of \$6 billion available to strengthen Mexico's gross national product and aid in the opening of new world markets to which it does not now have access.

Charvet explained that if they (UBAF) operate as commercial banks in our country, they could obtain very interesting markets in the Mideast, which in addition to expanding trade horizons for our country, would make us less dependent on the United States. . . .

The UBAF posed the following analysis of our reality, as it is seen by banking experts of the Arab world, led by Doctor Mohamed M. Abushadi. The major points are as follows:

—Mexico should diversify its markets, preferably toward Europe, the Middle and Far East. Arab countries should receive special attention.

—The development of its economy should permit foreign investment . . . through the joining of capital with transnational interests, from the government and from Mexico's private sector.

—Mexico's oil policy, in terms of channeling any excess toward export, is considered to be correct. The world's energy future could, within a reasonably short time, reduce to very little the value of that which is today of such enormous value. . . .

—Mexico's decision to develop through international trade is well-known. With its proven oil reserves, immediate wealth is foreseen, and development which could well be described as dramatic. . . .

The French banker noted that there is an immediate possibility for opening trade relations between Mexico and the Arab countries, and that the latter need to increase their agricultural imports.

"It is thought," said Charvet, "that Sudan is the cattle center of the Arab world, but this is not the case. Perhaps within the next twenty years, this could happen. This is why the Arab countries need the produce of other countries with which they do not now enjoy trade agreements, such as in the case of Mexico."

"This is an immediate possibility," the banker said. . . .

Gerhard Charvet said that the UBAF is already studying a plan for Mexico's consideration, which will cheapen transport between European countries who will commercialize Mexican oil. This plan includes the presence of Greek shipowners whose ships carry oil from the Arab countries to the United States and who have already agreed, in principle, to do what they can to achieve the purposes being sought.

Greek-Soviet Marriages?

The UBAF-Mexico relationship, with its interconnections into the Greek shipping world, adds special relevance to Greek-Soviet economic development negotiations during the past week.

The first Greek official since 1924 visited the Soviet Union this week amid reports of a new package of economic agreements between the two countries. Greek Foreign Minister Rallis held talks with Soviet Prime Minister Alexei Kosygin on foreign policy matters concerning the Mideast, Cyprus and the Balkans. According to the daily *Eleftherotypia*, Kosygin also broached the prospect of the USSR providing Greece with technology for construction of nuclear power generating capacity, noting that the Soviet Union is increasingly orienting toward nuclear plants to replace depleting fossil fuels.

As a result of the talks Soviet President Brezhnev extended an invitation to Greek Premier Karamanlis to make his first visit to Moscow, most likely in early 1979.

During a dinner reception for Rallis, Foreign Minister Andrei Gromyko stated: "The peoples of our countries share long-standing feelings of friendship and mutual respect. We believe that there exist great potentialities for the development of Greek-Soviet relations and we believe that you share the same view." Karamanlis sent a message to Moscow in which he affirmed "that the relations between our two countries are developing satisfactorily in all sectors. Foreign Minister Rallis and Gromyko agreed to continue a dialogue to build new economic relations, with the field of shipping being of paramount concern.

The *Journal of Commerce*, Sept. 6, reports that the discussions included the prospects of Soviet merchant ships gaining rights to repair at nationalized Greek shipyards. Other proposals which were considered during the talks were the construction of an aluminum plant with Soviet financing in Greece, the supply by the Soviet Union of oil storage reservoirs on Greek territory and the prospects for the Greek purchase of Soviet oil products.

The Soviet Union has proposed that the Greeks purchase Soviet natural gas piped into Greece via a pipeline through Bulgaria, as well as a possible second purchase of a Soviet-made electric power plant. Prior to the Rallis visit the two countries had already signed a merchant shipping agreement. The *Journal of Commerce* notes that Greek-Soviet trade has increased from a total of \$249.7 million in 1975 to \$325.1 million last year.

Other countries of southern Europe, both East and West, are discussing entering into an ambitious Mediterranean-Africa deal with the Libyans and Nigerians.

Persian Gulf and the East Bloc

The final center of motion around Middle Eastern regional development is Iran and its Gulf States' neighbors. Primarily, motion here centers around Japanese Prime Minister Fukuda's trip to the area.

Prior to his upcoming trip to Eastern Europe, the Shah of Iran laid out a perspective for cooperation and development in a Sept. 7 interview with East Germany's *Neues Deutschland* daily.

After calling for a nuclear-free zone to be established in the Middle East and Indian Ocean, the Shah emphasized that "certain problems of humanity, such as nutrition, illiteracy and hygiene, can only be solved through cooperation of all countries without respect to differences in their social systems."

The Shah then called for "efforts to develop new energy resources." He praised Iran's agrarian reform programs, continued national economic growth, and the income per capita increase during the past 15 years from \$160 to \$2250.

—Mark Burdman and Judith Wyer

Britain's Plan To Ruin Helmut Schmidt

There now exists no doubt about the persons and the motives behind the unfolding of a big new "Commie spy" scandal in Bonn over the past week. Britain's financial oligarchy and its allied terrorist controllers have been using hints provided by the Romanian intelligence official and defector Ion Pacepa to personally ruin West Germany's Chancellor Schmidt at the very height of his popularity, and to halt Schmidt's European Monetary Fund and other development initiatives.

The "Pacepa affair" was launched on the basis of leaks provided by a known British intelligence agent, Robert Moss. Writing in the Daily Telegraph last month, Moss warned — fallaciously — that Schmidt was currently under the influence of Egon Bahr, the Social Democratic Party's business manager, who allegedly advocated West Germany's withdrawal from the NATO military alliance and hence the country's "Finlandization" by the Soviet Union. A government official dismissed the allegations as "baloney."

The same terrorist controller and "China-card" advocate Robert Moss wrote yesterday: "The Pacepa affair suggests that the government spokesman, Mr. Klaus Bölling, acted rashly in trying to dismiss my recent detailed disclosures in this column about secret contacts between left-wing SPD leaders and Moscow as 'baloney.' Watch this space." British intelligence has never issued a clearer warning.

Dire Consequences

Even though the British are working against great odds, the international consequences of their success in destabilizing Chancellor Schmidt would be exceedingly grave — almost as grave as the outbreak of war in the Middle East. At present, the Soviet Union relies on both West Germany and France as forces which can help hold the West away from the path to thermonuclear confrontation, as this path is being defined by British oligarchical circles and their U.S. allies such as Henry Kissinger and Zbigniew Brzezinski. If Schmidt were to be forced out of office and replaced by a vacillating and weak Christian Democratic government subject to British control, or some variation of this, the Soviet leadership would perceive it as a serious weakening of the forces of sanity in the West (and particularly within NATO itself). Under such circumstances, orchestrated confrontations between "left" and "right" groupings in West Germany and elsewhere in Western Europe would eliminate the remaining obstacles to the confrontationist policies of the Bukharinite snake elements (themselves under British aegis) within the Soviet apparatus.

Reliable sources close to West Germany's security services have confirmed that Zionist and "black international" circles are actively preventing West German authorities from effectively eliminating international terrorism. The Israeli Mossad, according to these sources, is threatening to halt all collaboration with West Germany if Chancellor Schmidt requests the extradition of Joachim Klein, a Baader-Meinhof terrorist known to be harbored by Israel. In line with this threat, the London Times has "predicted" a wave of new terrorist "outrages" in West Germany this fall, timed for the anniversary of the kidnapping of the industrialist Hanns-Martin Schleyer.

Encirclement

The British strategy against Schmidt has three essential elements. First, Schmidt is to be portrayed as "standing alone in his party," as the daily Die Welt put it, and unable to cope with such "Moscow-influenced" colleagues as Egon Bahr. Defector Pacepa, for instance, claimed that Uwe Holtz, a parliamentarian who heads the Committee for Economic Cooperation and Development, is working in the employ of Romanian intelligence. According to Pacepa, Holtz supported the signing of a West German-Romanian aircraft deal on "orders from Romanian intelligence." As Die Welt wrote yesterday, "It is not accidental that influential circles around Brzezinski in the U.S. are worried" about such things.

The second phase concerns the "Communist influenced" left wing of the Social Democratic Party, which in reality is run lock, stock and barrel by Anglo-American intelligence networks. Led by SPD Chairman Willy Brandt, this layer is to be mobilized against the *American* CIA as the alleged source of the attacks on their party. (For this purpose, it was arranged that the defector Pacepa be handed over to American and not British intelligence.)

Undermining Schmidt Policies

The third element in the offensive is a direct assault on Schmidt and his policies, led by the same "left" elements who are allegedly influencing him.

SPD Vice-Chairman Hans Koschnick has issued a defense of the antinuclear, zero-growth policies of Erhard Eppler, the notorious SPD leftist who runs the party in Baden-Württemberg. In spite of direct criticisms of Eppler from Schmidt's development minister Offergeld, Eppler has continued to outrageously defend the "democratic rights" of people who advocate terrorist acts.

— John Sigerson

U.S. Only Question Mark For New Monetary System

Final preparations are well under way for the launching of the European Monetary System, despite efforts by Britain and its Dutch and Belgian allies to derail the European Community negotiations. French, West German, and Italian leaders have made a

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redoubled push at the beginning of this month for the EMS.

British commentators' maunderings about the long, tough road of "technicalities" ahead, and their refraction by certain continental outlets, are designed not for local consumption but to further disorient an already largely bemused and laggard American audience. Whether the U.S. will pull itself together toward active co-sponsorship of the EMS is now the main problem for the world economy. The EMS was set into motion at the July summit meeting of EC heads of state precisely for the purpose of upvaluing the dollar on the currency exchanges and, through concerted Euro-Arab-Japanese recycling of offshore dollars into expanded trade and development-priming Third World investment, to magnify the dollar's standing as a prized reserve instrument.

The political architects of the EMS, Chancellor Helmut Schmidt of West Germany and President Valéry Giscard d'Estaing of France, will meet near their border at Aachen, France on Sept. 14-15 to clinch the EMS, according to European reports Sept. 7. The consultations will include Giscard's deputy Bernard Clappier, who is meeting the preceding week with Italian Finance Minister Pandolfi and the perhaps reluctant Italian central bank head Baffi to draw Italy fully into the public consummation of the plan.

The background to Italian participation is threefold. Most immediately, the dominant spokesmen for international economic development in the ruling Christian Democratic Party, strongly supported the EMS at a Sept. 5 meeting of European Christian Democracies in Italy, where a French delegate stressed the EMS as the basis for a European central bank.

The trip to Spain of Italian Premier Giulio Andreotti, secondly, has as an important feature expediting Giscard's plans for building a modern

southern Europe as one indispensable way to apply new EMS credits and technologically transform the entire Mediterranean region. By the same token, the Italian initiative will undercut British attempts to make Spain's planned EC entry an issue to torpedo the EMS. Finally, the stated commitment of Pope John Paul I to his predecessor Paul VI's policy of economic and scientific progress as the vehicle for self-development of the world's population is a significant factor in encouraging Italian participation in EMS implementation.

EMS Operations At Work

France, West Germany, and their Arab associates have already given the lie to British-Dutch claims that the EMS is strictly a European affair which in any case may never materialize. A spokesman for Giscard's Independent Republican party told the Christian Democratic conference that the French government is totally committed to realizing the EMS as an institution "with special relevance for the development of the Third World."

A high-level military source close to Giscard said privately Sept. 6 that "No matter what the British want, the French and West Germans are irrevocably committed to pushing through the Bremen accords. We will not tolerate the destabilization of the Schmidt government. The British can go to hell."

At a two-day confidential briefing session to every member of the French government early this month, Giscard elaborated the EMS as the sole framework of a domestic policy of high-technology, export-g geared economic growth, according to summary French press reports. At the seminar's close, Premier Raymond Barre pointedly told *Le Figaro* that "I hope the Community nations will understand better than in the past that the EMS is not directed against the U.S. nor against the dollar."

In this spirit, a leading Franco-Arab financial group with an estimated \$6 billion in resources, the Union des Banques Arabes et Françaises, announced Sept. 5 that Arab countries are ready to invest in Mexico, the leading sponsor of Grand Design economic policies in the less-developed sector. Led by the Deutsche Bank, West German banks also issued a \$.5 billion credit for Mexico at the same time, and launched it from the Franco-German Euromarket base in Luxembourg rather than from London. The oil and other U.S.-based

multinational corporations who have mooted their intention to "bull the dollar" this autumn say they plan to do so in collaboration with France and Germany, as well as Japan and the Arabs.

Following a Sept. 18 meeting of European Community finance ministers, the French and Germans expect to have the EMS sufficiently in shape to wage a crucial battle at the Sept. 23 annual meeting of the International Monetary Fund. The battle is against the IMF itself — the besieged shell of British policy influence in world monetary affairs; last month West German Finance Minister Hans Matthoefer indicated to the Bonn *General Anzeiger* that his government would not be afraid of a direct clash with EMS opponents there.

European IMF spokesmen have said recently that the IMF will try to insist on its "surveillance" powers over national currencies and economies; as the British press has complained for weeks, the EMS would supersede such powers with its larger funding base and its commitment to real international growth. Meanwhile, French sources report that the Sept. 8 meeting of the Group of Ten finance ministers will discuss the possibility of a giant U.S. drawing on its IMF-held reserves — a grotesque move the EMS architects could follow, however, by refusing to replenish the IMF's cash.

U.S. Allows Anti-EMS Latitude

But the Europeans and other U.S. allies have been limited in their public postures by a sense of uncertainty about the U.S. business community and especially about Washington, which seems to them to be swooning like Pyramus behind a numbskulled wall. In an interview published Sept. 7 by the West German weekly *Deutsche Zeitung*, former Economics Minister and present spokesman for the Dresdner Bank, Hans Friderichs, a leading advocate of advanced-sector development of the Third World, accurately pointed to Zionist lobby and Brzezinski-Schlesinger obstruction of proper U.S. policies toward Japan and the Arabs, but simultaneously seemed to give up on the potential for positive U.S. political and economic leadership. On Sept. 6, however, signs appeared of healthy pressure on the British-dominated Treasury Department as well as the Federal Reserve governors as the Treasury announced that in meetings with Japanese Vice-Minister of Finance, Takehiro Sagami, Secretary W. Michael Blumenthal had firmly pledged further dollar-support actions by the U.S.; Scott Pardee of the Federal Reserve Bank of New York, which conducts the Treasury's foreign operations, went so far as to foresee a capital inflow into the U.S. that would turn around what he called the "ridiculously undervalued" dollar.

In the absence of concrete export- and energy-expansion measures, however, a spectator spirit prevailed in the U.S. This was typified perhaps by a senior economist for one of the biggest New York commercial banks who predicted a firming dollar on

the basis of Arab support — and also of domestic recession — while foreseeing that the U.S., because of its "big stake" in the International Monetary Fund, would fight to prevent the EMS from replacing the IMF, a goal he accurately attributed to the EMS designers.

In this climate, the first of a half-dozen meetings on the EMS was sabotaged by London operatives working out of Roy Jenkins's European Commission headquarters in Brussels. The Sept. 5 conference of the Commission's monetary committee, a body of middle-level officials under slack control from their governments, turned into a quibbling session over second-level technicalities, just as British spokesmen had purred for two months that the entire negotiations would. This catfight in turn became the pretext for a transatlantic disinformation campaign regarding the EMS (see below). The London *Times* not only claimed that a politically absurd Franco-British alliance had emerged against the West German fixed rate perspective but that the latter had reversed itself into sponsoring an equally improbable micro-IMF arrangement.

The London *Times*' efforts in this direction found their way into ordinarily better-informed French journals, into the mouths of second-rank international-division officials at various multinational corporations and banks, and from their counterparts in various embassies and economics ministries, all of whom depend on British courtesy information networks for their information. U.S. senior management in most cases continues to operate in the dark on EMS-related questions.

— Susan Johnson

The London Line on EMS: Theme and Variations

London Times, Sept. 6, "Obstacles in the Path of the New European Monetary System":

BRUSSELS — The existing snake members, led by Germany, favour an exchange rate system in which the European currency unit would be fixed. This so-called grid parity system would differ little in practical terms from the present system of central rates used in the joint European float. The non-snake countries, championed by France and Britain, have...argued for a weighted basket of currencies that would presumably fluctuate in value....

It was generally thought at the beginning that (the EMF) implied a pooling of reserves to create a European monetary fund....Over the summer the Germans, who have the largest reserve board in the Community, and who would therefore contribute most to such a fund, appear to have backtracked, speaking instead of drawing rights upon the pool of ECU's created from reserves, without necessarily creating a fund under independent management....The

important question of coordinating exchange rate policies against third countries appears to have been relatively neglected

Le Figaro, Alain Vernay, Sept. 6:

... Britain, for its part, is refraining from outward expression of its hostility to anything that could contribute to the creation of a European unit of account....London prefers to wait for the moment to negotiate its eventual acquiescence to a watered down version of the plan in exchange for modifications of the Community's agricultural and budget mechanisms.

...Germany apparently prefers that European parities be established vis-à-vis a grid of parities as close as possible to the snake mechanism. The other EEC nations prefer, on the contrary, to calculate based on a basket of currencies, leading toward the creation of a European version of SDRs....

From an interview with an economic official of the government of the Netherlands, Sept. 7:

Q: What is the potential for the European Monetary Fund to extend long-term dollar credits to, for example, the Third World, as the European press suggested at the time of the Bremen summit?

A: The credits are strictly for use within the

Community — short-term credits for intervention, and medium-term for balance of payments problems.

Q: What about this fixed-rate concept versus the basket of currencies....

A: The question is whether there will be a different band of fluctuations for members who were not part of the old snake, and whether the smaller countries will be burdened by the mark's peg to the European Currency Unit, so that its fluctuations make us intervene; there is also the question of valuing the gold component of the EMF so that too much liquidity is not created....

Q: How does the EMF fit in with the IMF?

A: There is a necessity to bring it into accordance with the IMF, and avoid competitiveness. I am pessimistic about the possibility of the EMF's surveillance becoming stricter than the IMF's, but in the past the EC at least attached about the same conditions to its loans to Italy, the UK and others as the IMF did. What concerns us is that France wouldn't mind having the present snake abolished.

Q: What are the potential effects on the dollar?

A: The goal is primarily stability among EC currencies. Later there may be a common relation to the yen or the dollar, but not necessarily.

Bank Of England's Deflation Scenario Unfolds

The Bank of England's plans for throwing the U.S. economy into a deflationary tailspin devolve on pushing suggestible Jimmy Carter into an Aug. 15, 1971-style wage-price freeze as a response to the

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continuing fall of the dollar and the "mounting evidence" of a surge in the U.S. inflation rate. According to one well-informed source, Sept. 18 is the deadline for the formulation of a stringent "anti-inflation" program by the new group designated by Carter at the Aug. 26 meeting of the National Security Council.

The standby authority used by President Nixon in 1971 to impose mandatory wage-price controls has since expired, and Congress is unlikely to pass new legislation, so Carter will have to take a different approach. He is expected to go for "voluntary" wage-price guidelines that will be given teeth by the blackmail capabilities of the various regulatory

agencies — the Environmental Protection Agency, Occupational Safety and Health Administration, etc. For example, steel companies distressed at the failure of Treasury Undersecretary Anthony Solomon's "trigger price" system to limit foreign steel imports, a trade off of protectionist import barriers for "price restraint" would be the blackmail offer.

In his testimony before the Senate Finance Committee Sept. 6, Federal Reserve Chairman G. William Miller carefully avoided any mention of any form of wage-price controls but he called for the implementation of a package of fundamental actions within the next 60 days to "stabilize the dollar." Miller's fundamental actions were passage of Carter's energy bill, postponement of next year's scheduled increases in Social Security taxes and the minimum wage, and cutting the federal deficit: the deflationists' credo.

Miller's statement had the immediate effect of sending jitters through the foreign exchange markets, and causing the dollar to fall against every major currency.

There is of course, widespread aversion in the

U.S. to the Schlesinger energy package, wage-price controls, and London's other schemes to "stabilize the dollar" by collapsing the U.S. economy, but Administration inaction on a positive defense of the dollar — which would center on a hookup between the U.S. and the emerging European Monetary System — has left the door open for another Aug. 15, 1971 "shockwave."

In a recent interview with press representatives from American labor organizations, Carter said that he would not look to mandatory wage-price controls "unless our nation faces a very serious emergency or crisis." Such as that created by the continuing London-orchestrated run against the U.S. currency, perhaps? Given an "emergency or crisis" like that, Carter's "philosophical" opposition to mandatory controls would dissolve.

Further in the interview, Carter made the serious blunder of not dissociating himself from the recessionary high-interest rate policy of Miller at the Fed. "I don't believe that the present Chairman of the Federal Reserve has any substantial difference in philosophy from my own about the proper balancing of inflation control and keeping full employment in our country," Carter said.

Bosworth's Comeback

Equally ominous, the new task force which is formulating the next phase of the "anti-inflation"

Who Will Save The U.S. Economy From The Bank Of England?

Further investigation has revealed that the report now being circulated by the Bank of England entitled the "Growing Structural Vulnerability of the U.S. Dollar" (see last issue of the *Executive Intelligence Review*) was actually written by a still unidentified economist at a U.S. bank in collaboration with the Cambridge Economic Research Group. This accounts for some of the report's Americanisms, and it also serves to underline the threat to the U.S. economy and sovereignty from within.

Circulation of the report to business leaders and public officials has elicited appropriately concerned responses. One Federal Reserve official commented, "If the Bank of England is doing this with the dollar, it's a national security issue." A staffer at the Council of Economic Advisors said it was "totally inappropriate for a central bank to circulate the report" and that the report was "totally inaccurate." Washington sources indicate that the House Banking Committee sent a formal request to the Treasury for a copy of the document, much to the distress of certain members of the Treasury Department.

fight is headed up by Barry Bosworth, director of the Council on Wage and Price Stability. Bosworth had been censured by Carter earlier in the summer for his confrontationist approach to the U.S. trade union movement—playing the complementary role to UAW president Doug Fraser who is predicting "class war."

Bosworth was supplanted by Special Trade Negotiator Robert Strauss as the Administration's chief inflation watcher, but has continued to make provocative statements without White House clearance. Last month he attacked the Teamsters in a speech before the trucking industry's bargaining group and threatened government intervention in the upcoming contract negotiations. His political resurgence in the new task force indicates its coloration.

The overall scenario for dollar collapse laid out in a recent document being circulated by the Bank of England was reiterated in the Aug. 28 issue of the *Investment Index* published in Zurich. Nothing the U.S. does will stop the fall of the dollar, according to *Investment Index*. The U.S. government is unwilling to adopt strong anti-inflationary policies; the American trade balance will continue sharply negative whether or not oil imports are reduced; foreign central banks are no longer willing to support the dollar; etc. Prompting a massive run out of the dollar, *Investment Index* asks, "Will the oil producers wake up?"

The *Investment Index* was started in 1962 by the German-born Baron von Plettenberg, a friend of Otto von Hapsburg, and one Romolo Honegger. Honegger published the newsletter after the two split up several years ago. It isn't hard to see who the dollar's enemies are. According to *Investment Index*:

Regardless of whether the U.S. government tries to reverse the decline of the U.S. dollar against other major currencies by such lightweight measures as a one-half percent increase in the discount rate, the weakness of the U.S. dollar is likely to resume . . .

Assuming that before the current supercycle, which started in 1929, ends in a worldwide economic collapse, a period of "muddling through" will take place (before a "New Dollar," a split into a trade and finance dollar), some foreign investors (such as the oil producers) may realize that their only way of exchanging their dollars for real value will be investment in U.S. assets (including shares, although these are not a real inflation hedge) which, measured in other currencies, are becoming cheaper by the day . . .

In the end, trust in all paper currencies will be lost, including in the DM, these having been undermined by the constant float of excess dollars taken up for years by central banks as ever decreasing monetary "reserves."

Incomes Policy Won't Work

An August 1978 study by Alice Roth and Andre Sharon at Drexel Burnham Lambert warns against the imposition of wage-price controls, demonstrating conclusively that they won't work. The study reviews the miserable experience of the incomes policies in the

United Kingdom and several other European countries, and points out that the two success stories of the post war period — Japan and West Germany — were guided by a commitment to high rates of investment in research and development and new plant and equipment, and a rejection of the incomes policy route. And the report hints at the obvious solution to the current crisis of the U.S. economy and dollar:

In the final analysis, high levels of investment in new plant and equipment and the development and

application of new technology raise labor productivity and are the only ways to achieve a *permanent* moderation of inflation.

Such a solution is at hand, in the U.S.'s joining the development strategy of the EMS, and bankruptcy of the International Monetary Fund and other London dominated institutions which have strangled global economic growth.

— Lydia Dittler

Deregulation Axe Sharpened For Airlines, Trucking

A September offensive has begun against American industry and labor through such federal regulatory agencies as the Civil Aeronautics Board, Securities Exchange Commission, and Environmental

CORPORATE AFFAIRS

Protection Agency, the Justice Department Antitrust Division. Flanking maneuvers in the Congress are led by Sen. Edward Kennedy and his allies. Under the guise of "deregulation" of the aviation and trucking industries, the intent is to establish top-down control over the U.S. economy through the regulatory agencies.

The schedule of events — a Sept. 14 House vote on an airline deregulation bill, accelerated Kennedy Antitrust Subcommittee hearings on the trucking industry, a Sept. 18 Washington, D.C. dinner attended by all the agencies, Kennedy, and the Brookings Institution — is set to coincide with a reported announcement by Carter Sept. 18 on inflation. Under conditions of congressional resistance to his most cherished legislative programs, a panicky Carter is profiled to avoid a disastrous head-on collision and fall in line with the "administrative law" approach of the agencies instead.

The Sept. 18 dinner is scheduled to consolidate anti-industry and anti-labor forces, preparatory to escalating the September offensive from airline deregulation to deregulation of the more resistant trucking industry. This escalation will intersect the approaching trucking industry-Teamster negotiations for a new Master Freight Contract to replace the contract expiring next March. The \$250 per plate gala is being sponsored by the "National Independent Truckers Unity Council," a group spun out like the anti-Teamster PROD and TDU "labor" countergangs sponsored by Ralph Nader and Kennedy circles.

Speakers at the affair will be Kennedy and John Schenefield, head of the Justice Department's Antitrust Division. A representative of the American Trucking Associations will be on hand to attempt a rebuttal of Schenefield. Also prominent will be representatives of the Civil Aeronautics Board, Environmental Protection Agency and Sierra Club, the Occupational Safety and Health Administration, and Common Cause.

The ostensible political objective which draws together such seemingly strange bedfellows as "liberals" Kennedy, Common Cause, and the Brookings Institution, with "conservatives" of the American Enterprise Institute and American Conservative Union — the latter staunch proponents of "deregulation" — is the "free enterprise" argument that unfettered competition will result in reduced costs to consumers (travellers and shippers) and greater efficiencies.

Airlines: Deregulation by Decree

In aviation, the Civil Aeronautics Board's Chairman Kahn has "deregulated" this past year by decree, without waiting for congressional authorization. For example, he has just granted airlines permission to lower fares by up to 70 percent and raise them by up to 10 percent without CAB approval — in probable violation of the Civil Aeronautics Act that established the CAB. Similarly, in the unfriendly takeover bid for National Airlines by Texas International, Kahn has permitted TXI to acquire up to 25 percent of National's stock, although the act forbids acquisition of more than 10 percent prior to official CAB approval of a projected merger or acquisition.

That attempted merger — subsequently thrown off course by a higher offer from Pan Am — is symptomatic of the conditions Kahn's actual deregulations, and the long-protracted uncertainties of legislation, have created. The proposed Pan Am-National merger, now under negotiation between the two firms, is especially illustrative of the issues

involved. Pan Am is an exclusively international carrier, with no domestic routes connecting its terminals. National is a domestic trunk line with little international traffic.

The two merged would create an airline that could efficiently carry international passengers into the United States and on to domestic destinations, or from one section of the U.S. on to international destinations served by more distant U.S. takeoff points, without having to transfer airlines or planes. Similarly for cargo.

Indeed this is how the aviation industry, and trucking as well, were established in this country, through the legislated mandates establishing the CAB and Interstate Commerce Commission (and comparable powers over aviation of the Post Office Department in the late 1920s). These agencies succeeded in directing the creation of an *integrated* national transport system, adequately capitalized, and provided incentives for capital investment and increased efficiencies of both technology and scale. Now the unmonitored "deregulation" of the critical areas of rate-setting and market entry (acquisitions of authorized routes) threatens to throw both industries into chaos, and to encourage bankruptcies of critical middle-sized firms which are unable to compete with the giants and too heavily invested in equipment to operate on the cost-cutting methods available for short periods of time to small outfits.

For Kahn and Kennedy, however, competition alone is the *sine qua non* of economic "health." Notwithstanding his 25 percent stock ruling (and the obvious benefits of a Pan Am-National merger to industry and customers alike), Kahn has gone on record as generally opposing all mergers at this time — preferring to wait until the respective airlines are verging on bankruptcy.

Unlike the relatively more unified trucking industry, which with the invaluable support of large sections of the International Brotherhood of Teamsters has testified vigorously on the grounds identified above, the airlines have been divided on the issue. Some have seen competitive gain if Kennedy's legislation goes through, while those who have opposed "deregulation," such as American Airlines, have after a year or more of manipulated confusion and uncertainty, cried uncle. American announced two months ago that while it had not changed its basic position of opposition, it could no longer do any

effective planning without something — anything — definitive.

The Problem of Capital

The planning problem that the recent merger initiatives (including, along with Pan Am-National, Continental with Western and North Central with Southern) identify is the burden of raising capital for new fleet purchases. Most airlines will have to reequip over the next five years, a very expensive proposition. Even with unexpectedly high air traffic over the past year, financing those purchases is still an open and unsettling question, far more of a financial commitment than, say, retooling auto lines for a new year's model. The obvious alternative source of assured profits is holding down wages. As yet this option has not been mentioned in public — aside from the recent appearance of Barry Bosworth of the Council on Wage and Price Stability before a trucker gathering. But as the fight moves from air to trucking, the role of the Teamsters casts it into sharp relief.

Indeed a representative of the American Conservative Union confided that one of the prime deregulation organizers, Sears Roebuck, has pushed the airline issue primarily as a stepping stone to the more critical trucking area, with the explicit intention of slicing into the business of the regulated common carriers and wiping out the IBT.

Rumors are also afoot that the ICC may refuse to "pass along" Teamster wage gains as authorized increased freight rates, thus forcing industry negotiations to take an intransigent line in the approaching contract talks.

While the airlines and truckers have attempted to fight on an industry-by-industry basis, their enemies have operated as a unified command, which is now becoming increasingly public. Last week, Schenfield's Antitrust Division got into the act, with an announcement that merger "panic" has gripped the airline industry, and requested that the Justice Department be allowed to intervene in the CAB's three pending merger decisions. Thus, driven to a position of rate-cutting competition with no offsetting efficiencies and a growing disruption of stable operations, the airlines have taken the only course left open — merger — and are now finding that option blocked as well.

—Richard Welch

Mexico's Strategy For Development

Mexican President Lopez Portillo's State of the Nation address

Mexican President Jose Lopez Portillo laid out a battle plan for nation building in his second State of the Nation address on Sept. 1. We reprint here excerpts of this historic speech which describe his appeal to the nation and to the world to act "with the power of reason," to join in city-building, the building of a new world monetary system, the creation of a new world economic order.

In a poetically developed dialogue with the nation, Lopez Portillo asserted the role of the dirigist state in directing the industrial development of the country for the benefit of all its citizens, and described the rights and responsibilities of the population and of private enterprise in the nation-building tasks of the republic.

"The worst is over," said the Mexican President, describing the current recuperation of the Mexican economy from the severe economic crisis suffered during the last year of the Administration of his predecessor Luis Echeverria. The President described the sacrifices that workers have endured over the last two years in solidarity with the government's efforts to reestablish full economic sovereignty, and laid out the goals of the coming periods of "economic consolidation" and "accelerated growth."

Then, Lopez Portillo attacked the "unpatriotic ones," who spread rumors of devaluation and threaten capital flight to sabotage the institutions of the Mexican Revolution and the state-directed

development of the nation. These are the same forces that carried out the destabilization of the Echeverria Administration, denounced by Echeverria as "the hooded ones," the Mexican networks of the Black International and the Order of Saint John of Jerusalem.

Armed with the oil-for-technology weapon, and allied with international humanist forces which are developing a new world monetary system based on rapid industrial development of the Third World, Lopez Portillo ruthlessly warned not only the internal destabilizers, the "denationalized ones," but also the destabilizers within the U.S.

U.S. Energy Secretary Schlesinger's sabotage of U.S. purchase of Mexican natural gas was described by the Mexican President, who made clear that Mexico will not bow to blackmail of any sort, and will not "scab" against the Organization of Petroleum Exporting Countries (OPEC).

The speech by the Mexican President is a concrete demonstration that the Schlesinger policy and any other attempted destruction of Mexican-U.S. relations constitutes economic warfare against the U.S. economy. At this crucial time, there is no better neighbor or trading partner for U.S. high-technology industry than the Mexican Republic.

The following excerpts of the Mexican President's address were taken from the Sept. 2 edition of Mexico City's English-language daily The News.

'We Will Build A Nation With The Power Of Reason'

The International Economic Crisis

...Toward the end of the 1960's problems forced their way onto the international scene which were new to the select ruling classes of the super-powers, but which poor and exploited countries had suffered for generations—shortages of food, raw materials, and energy supplies. The inflationary spiral gathered speed and competitive devaluations followed one upon the other. The period of unprecedented growth that the world economy had enjoyed since the last world war came to an end. A break in the precarious

political equilibrium was accompanied by the loss of apparent economic stability which contained basic elements of injustice and caprice that were the seeds of its destruction. Though it had been many years in coming, the crisis caught governments and peoples by surprise and unprepared to meet it.

Uncertain and bewildered by these unforeseen events, countries and consortiums tried each in its own way to profit from the situation. Dialogue and negotiation gave way to confrontation and arbitrary attitudes. By sheer force, the strong took advantage

of the situation at the expense of the weakest, who could no longer continue to support both their own burden and the escalation in pressures from the powerful; but, when the final balance was cast, we all came out the losers.

No country in the world escaped this situation, Mexico was no exception, and has also suffered the effects of the crisis. Here too there were selfish attitudes and violent reactions. The strongest held their own, but the damage affected our whole society.

...In the darkest hour of the crisis, it was proposed that wage hikes be moderated in order to relieve those inflationary pressures resulting from disproportionate increases. Mexico's workers made this solidarity and combative attitude their own and did not exercise their recognized right to dissent. The desired effect was achieved. But sacrifice cannot be unending and it cannot be imposed. Their decision was valiant but necessarily temporary. To prolong it would lead to a continued reduction in demand and, paradoxically, would hinder economic recovery. The next logical step is to adapt wages and prices.

...We have established a series of goals that provide the outline of an overall plan for national development to be carried out in three two-year stages; during the first two years, overcoming the crisis; the second two years, consolidation of the economy; and the final two years, accelerated growth.

...During the first stage of our program, overcoming the immediate crisis, we removed the danger of losing control of our monetary situation, the flight of capital stopped, and some of the money that had left the country returned. There has been a marked improvement in our foreign debt situation and in the balance of payments. Over the past six months industrial production has risen rapidly and agricultural production is recovering.

The process of "Dollarization" has been halted and even reversed; a clear sign that we have adjusted to the system of floating the peso against the dollar, which is also floating—at times in rough waters—against other strong currencies. Today we know that our future as a nation does not depend on a foreign currency, but rather on what we do or fail to do in our country and for it.

Because of the steps we have taken, for the first time in the last three years the real economic growth rate will surpass the rate of population growth and reach five per cent. This represents the fulfillment of one of the first modest, but realistic, goals we set at the outset of this administration.

Ending IMF Conditions

...The free convertibility of the peso has been maintained. Now that parity is no longer an objective, the rate of exchange responds adequately to the conditions of our economy's position with regard to international competition. Although reserves no longer have the same significance, we must point out that we have primary reserves of 2.719 billion dollars,

and more than 1.828 billion dollars in secondary reserves, despite the advance payments made to the International Monetary Fund to pay off the loans that were part of the extended fund facility agreement signed in 1976.

We have reaffirmed our credit worthiness and regained our automatic drawing rights on IMF resources. In doing so, we have demonstrated that no matter how grave the vicissitudes it must face, Mexico fulfills all its obligations. That is why we enjoy credit. Our ability to pay has been proven beyond a shadow of a doubt.

...Should our policies fail to be translated soon into day-to-day well-being for the majority groups of the population, the latter would have full cause to feel that they had been deceived. If an administration that had been put in office by the majority vote of the people were to end by serving the interests of only a small minority, it would be a tragic and insulting oligarchy. We must never allow this to happen.

We have come part way along the road, but there are signs of trouble arising in the present that are no longer a carryover from the past, but a current product of anonymous irresponsibility that reacts to the symptoms of the economy's takeoff by spreading rumors and stirring up fears. A certain lingering distrust is seen in circles that confused pact with privilege; truce with impunity; prudence with weakness; efficiency with technocracy; worker's solidarity with surrender. We affirm that in Mexico nothing constructive is built on privileges, impunity, weakness or technocracy, and that we will continue our institutional efforts to achieve strength through unity.

...These government efforts are aimed at protecting the economically weak classes, and are therefore justified. What is outrageous, however, is that unscrupulous opportunists make outsized profits by engaging in subterfuges and reprehensible maneuvers that harm society as a whole.

...Nonetheless, we do have the obligation to prevent outright mockery and robbery. Therefore, in addition to enforcing the corrective measures that are already in effect as regards strictly commercial infractions, we are preparing bills that will stiffen penalties and identify certain offenses as crimes against the economy of the masses.

The Rights of Labor and Urban Development

...We refuse to consider man as simply one more resource of society. In a democracy, man's welfare is an end in itself and not a means. His work must be his road to personal and social improvement.

...We want socially productive work for everyone; job training that is available to all who want to work; jobs that ensure sufficient food, proper housing, access to education and to culture, and participation in social security, recreation and welfare systems for workers and their dependents.

One of the fundamental benefits guaranteed to Mexican workers is the right to receive basic and advanced training provided by management.

...Our population's rapid growth rate and its inevitable transformation from rural to urban dwellers is one of the costs of our freedom, and specifically of our right to move freely about the country and settle where we please. To defray those costs we must guide this process in an integral manner, devoting equal attention to population, development and land use.

...For a country that was, at that time, vast and sparsely populated with scanty technology and a restricted market economy, the granting of land tenure was the most immediate and obvious means of distributing wealth. To distribute the land, then, was to do justice.

...Many of the plots of land, which are sometimes measured in terms of furrows, produce only a bare subsistence. Land in itself is no longer a source of wealth if it is not supplied with the elements that make it rich and productive. Today, justice demands that we also supply such general conditions as organization, modern farm techniques, conservation, renovation, and fairness in dealing with and rewarding those who cultivate the land.

...Whatever the system of land tenure, excessively small landholdings are the antithesis of the latifundia. The challenge we face is to find a synthesis that will reconcile both extremes and remedy the low productivity of one and the injustice of the other. If we continue to subdivide the land, we will destroy its potential, condemn the campesino to indigence, and eliminate any hope for our survival as a country.

We must recognize the fact that property ownership of any kind is a social function and derives its significance from this alone. Anyone who holds title to land has the duty to make it produce more to help supply a rapidly expanding society, which in turn is obliged to provide better distribution.

...Holdings symbolic of the situation we want to end were recently appropriated by the government. As soon as possible, and as the necessary and sufficient elements become available, we will continue the process with other such holdings until we have eliminated them all. This will be done without damaging production units, which will pass from a single owner who accumulated all the profits to groups of organized owners who thereby acquire the obligation to cultivate those lands and even improve them.

...Anyone who can produce should do so. Our common goal must be to reach a level of sufficiency and, beyond this, to generate shared wealth. It is the duty of the State to create the institutional conditions and provide the necessary infrastructure, stimulus and regulation in order to obtain production levels that will benefit both the nation and those who work the land, avoiding missteps that imply monopolization of the

land or its product, or that leave the campesino prey to the rapacity of middlemen and the voracity of speculators.

Government Will Direct Industrial Development

... It is obvious today that disorderly industrial growth designed to meet conditions of underdevelopment, oriented towards substitution of imports, highly protected, and dependent on capital goods, financing, inputs and technology from abroad, has created a domestic market that is incapable of penetrating further through the strata of society in order to expand mass consumption, and has severe difficulties both in exporting and in assimilating the growing demand for jobs.

It is time now for us to integrate the processes it involves by making more energy sources available and promoting the country's regional development, by aiming such efforts at providing effective use of rural manpower, employment opportunities for the growing labor force, and optimum levels of occupation for the economically active population. We must bridge the gaps in such activity with the development of the steel and capital goods industries, which are the keystones of the process; make good use of our raw materials and stimulate agroindustry; choose the most appropriate technology; weigh the benefits of protectionism, in order to increase our competitive capacity and orient production towards mass consumption as well as towards export, and combine these things with effective financing, credit, fiscal incentives, trade and surplus management measures. Unless these steps are taken, we shall continue to orbit around stabilizing development, which no longer has any socially useful potential.

... Where energy sources are concerned, the conditions for their use have long been established. Their management is exclusively reserved to the nation.

... Mexican petroleum geologists have successfully developed surprising new concepts to explain the formation, placement and location of hydrocarbon deposits.

A few months ago, proven reserves had already reached 16 billion barrels. As of last July 31, they rose to 20 billion barrels, while our probable reserves stood at 37 billion and our potential reserves at 200 billion barrels. . . .

These finds were not the work of chance. At the opportune moment, we had asked oil workers, technicians and administrators to carry out such research, exploration, drilling, development and industrialization. Like the skilled workers they are — among the best in the world — they have done so under unprecedented conditions and time limits; to them, I pay a tribute of admiration, respect, and solidarity. In their areas of competence, they have done away with our dependence on other countries. Today, we can even export oil technology. To our pride, many of the

plants they have designed, built and operated are among the largest and most efficient in the world.

Mexico Will Not Bow to Schlesinger's Blackmail, Will Not Bust OPEC

. . . We will produce fuels and petrochemical products for domestic consumption and for export, in the quantity and time-frame most convenient to us, according to fluctuations in prices and circumstances. Our decision to use both the oilwell gas of southeast and the dry gas of the north within the national system we are building opens ample perspectives for managing such different variants in the structure of fuel production as gasoline, diesel, fuel oil, gas or petrochemical products. We have plants already installed that can be adapted to any one of the options just mentioned.

One point should be clarified here: over a year ago, when serious recognition was first being given to our oil potential, we had to choose between massively exporting the oil-associated gas, which we had to extract anyway, consuming it domestically, or flaming it. We chose to export it, because this would bring us considerable amounts of foreign currency more quickly, thus allowing us to solve our still overwhelming problems. We had to call the world's attention to our prospects.

The other alternative, to use the gas in Mexico, required more time, more promotion, and would generate less foreign currency in the short term.

This is why, assuming a traditionally structured free market, preliminary agreements were reached with foreign companies, in order to revalue the gas as a high quality input and not as the waste product of a production process.

One forgets that gas has fuel value equivalent to that of other combustion fuels, with an edge as concerns its residue rate. Logically, it should be worth more, but this is not the case within the present structure of transactions and waste. Our position, however, remains the same: we must give gas its real value.

If we have a surplus, we can sell, consume or keep it in reserve; but we will never undersell it, which would be equivalent to flaming it.

We did not want to intervene in the domestic problems of other countries, which are in the process of defining their energy policies. When the time limit ran out, we simply withdrew from the agreement and fell back on the other alternative: consuming our gas here, in order to substitute it for other fuels or inputs and thus make optimum use of our hydrocarbons. . . .

Our potential and our geographic location are such that our position as regards fossil fuels can represent a pressure of worldwide significance. Therefore, we once again reaffirm Mexico's line of conduct. We have maintained our unshakeable desire to give raw materials their true value. Neither now nor in the future will we sabotage the efforts of those who, like

ourselves, are fighting for this. It is a fundamental part of the new international economic order we are fighting to obtain. That is why we have sold our crude oil at top prices on the international market; that is why we did not sell our gas. We know that low prices keep the new oil-producing regions of the world from prospering and growing.

Inflation levels and the rise in oil prices can have devastating effects on the world, or at least on its most defenseless areas. Mexico therefore reaffirms the thesis that energy sources must be considered as the common heritage of mankind, and offers its cooperation in efforts to maintain a balance that will allow us to find lasting and universally valid solutions.

We believe it is essential for developed countries to channel know-how, financing and capital goods under reasonable conditions of cost and opportunity towards other countries, in order to promote the discovery and development of alternate energy sources that will allow us all to conserve oil, delay its depletion, use it not only as a fuel, and make use of other energy sources.

. . . Large concerns must become the nuclei for small and medium-sized companies, each one developing its respective advantages. Overall productive efficiency is increased by the subcontracting of processes which small and medium-sized firms are better equipped to carry out. This also permits economies of scale and improved cost and quality control, promotes the spread of technological progress and facilitates auxiliary financing systems through directed supply contracts. There is thus no contradiction between these two structures. This has been proved by our country's experience and by that of developed economies.

. . . The large enterprise justifies its existence in our economy when it uses the ample means at its disposal to originate technological innovations; when it forms part of spearhead industries which can lead the other factors to more advanced stages of development; and when, on the basis of these accomplishments, it can successfully compete in the different foreign markets. The small and medium-sized enterprise, on the other hand, plays an authentically nationalist and democratic role: it creates jobs and diversifies and enhances the domestic market.

Mexican Foreign Policy And The Rule Of Reason

. . . Mexico's international policy has remained the same from the time we achieved our independence to the present day. Principles have never been sacrificed to circumstances or to passing interests. Consistency continues to be our bulwark and our strength.

Throughout history our policy has gone beyond defensive positions that guarantee our independence and assert our sovereignty. We are participating with increasing determination in the effort to transform the



international system. We want a tomorrow, if insanity does not prevent its attainment, in which the world is one of co-responsible nations and not of superpowers.

. . . We have paid special attention to our relations with our neighbors and have sought solutions to the problems that arise demanding no more than what we offer: solidarity and respect. The systems for overall analysis and coordinated solutions of problems that we agreed on during our visit to the United States are functioning well. In view of the constant increase in our trade, these systems are designed to prevent misunderstandings, interference, or dangerous distortions.

Mexican affairs have no place in the internal life of the United States, just as U.S. problems are not the concern of our domestic policy. This understanding is the basis of our friendship. However varied and intense our contacts may be, our relations with other countries are strictly internationalist in character.

. . . The fact is that since these great nations have solved their basic problems of survival, their main interest lies in expanding their spheres of influence; thus, the only thing they fear is war, which they cool off, warm up, or heat to the boiling point according to the times and their temperaments.

For poor countries, the sheep in this world of wolves, avoiding war is very important, but it is not enough. They have other vital needs as well — such

things as food supplies, health services, education, employment, housing and security.

The attainment of peace is important to us also. Peace can be achieved only by establishing an equitable order in the world economy and by organizing financing, trade, and the monetary system to do away not only with war, but also with hunger, disease, and ignorance. The resources exist to accomplish this. Of course, they are not ours, but belong to the powerful nations, who use them to invent new weapons or to make old ones capable of wiping mankind off the face of the earth. They produce these weapons in such quantities that they can even be exported at bargain prices. We will fight to make the giants understand us, so that they will be worthy of a power that can be a blessing to humanity, instead of the affliction it is today to the world's peoples.

. . . We are battling in every world forum to obtain the implantation of a new economic order. Almost everything possible has been said on this subject; almost nothing has been done. Since we have no other arms than our principles and our words, we will continue to wield these weapons until the force of world's peoples and the power of reason makes them a reality in which international law reigns supreme.

. . . We must convert our standards into reality for the more than 64 million Mexicans who by the end of this century will have become more than 100 million. Depending on the action we take, we shall find

ourselves then in a fertile land of tilled fields, or in a barren wasteland; in huge shapeless cities and tiny scattered villages, or in a harmonious balance between city and countryside; with skyrocketing and subsidized prices or with real costs, purchasing power and fair profits; amidst bleak and unproductive plains or burgeoning crops and industrial complexes; with sad and sickly children, or in a world of happy childhood; with bloated rich who travel to buy property abroad; with young people obsessed with their impotence who kill and die, knowing full well that this will not give them what they seek, or with a healthy and equitable people, increasingly well-informed, aware of these differences and contesting them, a people that claims its right to enjoy the gifts of life. In a word, we must choose between maintaining the status quo and creating a new model of country that we will shape together making it the fruit of our triumphs and errors, our possibilities and competence.

The Future Is In Our Hands

. . . The worst is over. Let us not retrace our steps, but rather hold fast to what we have achieved. Let us not throw everything away and have to start from scratch once more. To do so would mean that we would have to begin at a lower level than before and spend years getting back to where we are now — but with more scars, less energy, and more bitterness.

Now that the seas have calmed, we can see what the tempest had blinded us to: there are shoals and reefs that we must and can overcome.

. . . We must use surpluses to strengthen the state and safeguard our national patrimony, preferably through long-term programs that will reach into the 21st century.

. . . We must take steps to prepare for a timely diversification of primary energy sources, with a view to substituting hydrocarbons and developing atomic energy to its full potential.

Little by little, step by step, we will proceed to invest resources where and when they are most needed. If we were to attempt to cover a wide range of projects, the effect would be imperceptible and resources would quickly vanish.

We will carefully select our beach-head projects that will give us entry into the worldwide correlation of forces, and having accomplished this, carry other national activities in their wake.

We will not use surpluses to meet circumstantial pressures or populist demands, to finance subsidies or unproductive transfers, to create an imprudent surplus of monetary reserves, or to relax tax, tariff, budgetary, or economic policies that must be carried out regardless of surpluses; nor will we use them to pay the foreign debt or to finance long-term investment abroad.

Kennedy, Zionist Lobby Grab For Mexico's Oil

They say the resource should be used to bust OPEC

When Mexican President Lopez Portillo stated categorically in his State of the Union address last week that Mexico "is not nor ever will be a scab against those who, like ourselves, are fighting...to give raw materials their true value," the Mexican press was quick to note that the statement was an indirect — but "definitive" — reply to U.S. Senator Edward Kennedy (D-Mass.). What the press was referring to are attempts by Sen. Kennedy and the B'nai B'rith, on behalf of the U.S. Zionist lobby, to play a "Mexico Card" against the Middle East oil producers, particularly Saudi Arabia, by promoting Mexico's enormous oil reserves as "the United States' alternative to dependence on Saudi oil."

On Aug. 25 Sen. Kennedy introduced into the *Congressional Record* an article from the *New Republic*, which attacked high U.S. officials for "concealing" information from the public on the gigantic Mexican oil reserves. The article called for an "extra-special relationship" to be established

between the U.S. and Mexico to guarantee that "the special hold the Saudis have over us can be broken." Over the Labor Day weekend, Kennedy dispatched one of his top aides, Jerry Brady, to Mexico to size up chances for such an oil grab.

Meanwhile the B'nai B'rith is "lobbying on an international scale" to "coordinate the role of American and Mexican B'nai B'rith members in the development of Mexico's oil resources," according to the *Montreal Gazette* Aug. 25. The pressure campaign will be worked out in a week-long B'nai B'rith conference in New Orleans Sept. 17 to 25.

The *New Republic* article — which was written in close consultation with Kennedy's office — parallels an article in the *Wall Street Journal* last month, in which Washington energy consultant Lawrence Goldmuntz argued that Mexican oil must be encouraged to bust the Organization of Petroleum Exporting Countries. However, it is well-known both within and without Zionist lobby circles that it will be 7

to 10 years on the most optimistic of oil development schedules, before Mexican oil exports could vie with those of the Saudis. It is equally well-recognized that Mexico's powerful nationalist tradition concerning its oil and its full solidarity with OPEC (although Mexico is not a member), both reiterated by Lopez Portillo in his Sept. 1 speech, place almost insurmountable blocks in the way of a scab role for Mexico against Arab producers.

So why the Kennedy-Zionist Lobby fanfare? Observers have noted a short-term motivation in Zionist desires to lull U.S. public opinion concerning the dangers of a new Mideast war, including a possible Israeli strike against Saudi oil fields.

More Than Bluff

But there is much more than bluff in the "Mexico Card" ploy. Mexico well remembers the devastating tourist boycott organized by international Zionist forces in 1975 after Mexico voted in favor of a UN resolution equating Zionism with racism. The Mexican side of this pressure operation was coordinated by the powerful former president, Miguel Aleman, a close personal friend of Henry Kissinger.

Mexico's economy, because of the oil, is much stronger today than in 1975 and a repeat of the 1975 tourist boycott would have considerably diminished impact. But Mexico is closely watching for other destabilization tactics designed to weaken its resistance to pressures for the oil. The Aug. 30 kidnapping and murder of the son of Mexico's ambassador to the U.S. was immediately denounced by Jorge Cruikshank, head of the progovernment left Popular Socialist Party as an attempt to "soften" Mexico in preparation for an oil grab.

The same day, the *Wall Street Journal* published a vicious front-page feature comparing Mexico's development efforts to "a derelict selling his blood in the morning to buy an afternoon bottle of wine." The article demanded that Mexico "distribute its income" rather than invest in industrialization, and provided a handbook of economic pressure-points against Mexico with special emphasis on Mexico's vulnerability to measures against "illegal aliens" in the U.S. Kennedy, from his position as chairman of the Senate Judiciary Committee next year, will be the arbiter of legislation to curb the entry of illegal aliens in the U.S.

Simultaneously the Mexican City daily *Excelsior* printed an exclusive interview with the U.S. State Department desk chief for Mexico, David Wilcox, in which the U.S. official made scarcely veiled threats of massive economic retaliation against Mexico if it joined OPEC. U.S. officials in the past have been more discrete. Wilcox insisted that Mexico join the General Agreement on Tariffs and Trade accords — a move Mexico has refused to do for three decades in defense of its industrialization programs.

—Timothy Rush

New Republic: Break Saudi Hold On U.S.

In late August the New Republic, in consultation with Sen. Ted Kennedy and key Zionist lobby figures, published an article suggesting Mexico's oil be used by the U.S. to break the Organization of Petroleum Exporting Countries (OPEC). The article was signed by editors Eliot Marshall and Morton Kondracke.

The United States government has been keeping a secret with enormous implications, but now it's out: Mexico apparently has petroleum reserves of 150 billion to 200 billion barrels, making it an oil power potentially greater than Saudi Arabia

Conservative reserve-to-production ratios used in the oil industry suggest that Mexico might be able to produce 10 million barrels a day by 1985 or 1990

If it does, Mexican petroleum could be an important factor in holding down world energy prices and in reducing the West's dependence on Saudi Arabia and other OPEC sources.

Right now there is an oil glut. If we play our cards right, there need never be a shortage. This means that the special hold the Saudis have over us can be broken.

Aliens for Oil

Interviewed on the article, coauthor Kondracke made the following observations last week:

Q: Do you really feel it will be possible to brush off the Saudis on the basis of Mexican oil? What about Mexico's domestic resistance to such a reserve role?

*A: I personally do see problems with pinning all our hopes on Mexico. The nationalists want to keep the oil in the ground, there are all kinds of horrible scenarios. I don't think we should depend on anyone, Saudis or Mexico. But Marty (Martin Peretz, owner of the *New Republic* and a figure in the U.S. Zionist lobby — ed.) inserted the anti-Saudi passages (in the article). There's a heavy element of ideology here which bothers me. Marty and (Lawrence) Goldmuntz are more concerned with the opportunities, less with the difficulties.*

Q: In your article, you call for appointing an "experienced and prestigious official to a special office for U.S.-Mexican relations." Why do you see the need for this?

A: Well, we need trade-offs, negotiations at a very high level. Now that looks nice on paper. However, what happens when you want to decide how many barrels of oil are worth each 100,000 illegal aliens? Politically, that's dynamite.

Q: So this special high-level office would be designed to minimize the political exposure?

A: That's right.

Q: Were you in contact with Sen. Kennedy's (D-Mass.) office when writing the piece?

A: My coauthor, Eliot Marshall, is well-wired into Kennedy's office. His contact man over there is Kennedy's chief council and oil expert on the Joint Economic Committee (Jerry Brady — ed).

Q: *It struck me that perhaps Kennedy may be thinking of parlaying his interest in Mexico into an asset if he runs for President in 1980.*

A: He could pick up Bobby's support in the Mexican-American community . . . That fits in lots of ways. It would be very shrewd on his part.

B'nai B'rith: Slave Labor for Mexico

Warren Eisenberg, public affairs director of the B'nai B'rith outlined his organization's energetic lobbying effort in the U.S. to acquire more oil from Mexico. Eisenberg avoided discussing the obvious question of how this would be used to counter OPEC, but he did openly call for Mexico to implement the

World Bank program of deindustrialization and labor intensive jobs.

We have an enormous interest in helping Mexico to develop its oil wealth. Mexico has pressing economic needs aggravated by its tremendous unemployment, its high population growth, and other problems. Therefore, much more than the small Saudi Arabian population, it needs petrodollars.

Asked about which approach Mexico should take in the utilization of the revenues it is getting from oil exports, Eisenberg strongly supported the approach that proposes to invest in "labor intensive, agriculture jobs." After detailing the promising amounts of oil Mexico can provide the U.S., he added:

There is an energy crisis. The U.S. should conserve energy and explore alternative energy sources like solar energy. The problem is that the American people don't believe there is a crisis.

Wall Street Journal: Oil and Politics Don't Mix

On Aug. 30 the Wall Street Journal, under a John Huey byline, published a front-page assessment of Mexico's economic prospects which asserted frantically that Mexico has no idea of what to do with its oil wealth. In fact, the Lopez Portillo government has constructed a powerful package of investment programs for industrialization centered on capital goods production, steel, petrochemicals, and a national gas distribution grid. The Journal's contribution to the current economic warfare efforts to gain a hold on Mexican oil states in part:

Two years ago, in the waning days of Luis Echeverria's presidency, Mexico seemed near collapse. But since then, the tension that gripped this giant city has been soothed by visions of a sea of oil . . . But despite the oil-based balm, the cancers that have eaten away at Mexico for years are still afflicting it. Mexican workers, robbed of purchasing power by inflation, are raising their wage demands and calling for more and longer strikes. Soaring population growth defies solution. Farm problems persist. And the flood of illegal emigrants to the U.S. continues as the primary safety valve.

It is becoming clear, in the words of a U.S. State Department economist, that "the problems of Mexico won't be solved by oil, and its major problems may well be worsened by it." Indeed, adds a Commerce Department analyst in Washington, "There is a growing school of thought that oil could be very harmful to Mexico right now. It's providing an excuse — a crutch — not to solve the basic structural problems." Some even

compare Mexico's breakneck expansion of oil sales to a derelict selling blood in the morning to buy an afternoon bottle of wine.

" . . . We don't know what the real situation is," a wealthy Mexican merchandiser complains, "but we're tired of fantasies. If the government has a plan for this petroleum, it should publicize it. We know the oil is a postponement; we just don't know what it's a postponement of."

El Nacional: Yes They Do

A scorching reply to the Wall Street Journal article appeared in a Sept. 3 editorial of the semi-official Mexican daily El Nacional.

In contrast to the balanced, truthful, prudent State of the Union address of the President of the Mexican Republic, and inspired with the evident intention of undermining the address's positive effect in the center of U.S. and world finances, New York, the *Wall Street Journal* . . . published an extensive feature two days earlier, which is a disgusting mixture of facts which we have never denied and echos of Cassandras who in our society have specialized in predicting catastrophes and maintaining the suicidal image of Mexico as irresponsible, uncaring, (and) wasteful. The old imperialist thesis that oil does not mix with politics because it is the special province of "free enterprise," shines clearly in the background of this false and malicious article . . .

From Wall Street, a lot of credit (is provided) to Mexico because it has oil; but (there are) many predictions of disaster because we do not permit plutocratic interests to tell us what to do with it.

Terrorists Deployed To Halt Lopez Portillo's Development Program

On Aug. 29, two days before President Lopez Portillo's State of the Union Address, the son of Mexican Ambassador to the U.S. Hugo B. Margain was kidnapped by terrorists. The next day Hugo Margain Charles was found dead.

While it has still not been fully established who carried out that attack — the first major act of terrorism in Mexico in two years — the murder was immediately denounced by leading Mexican politicians and press spokesmen as an effort to destabilize the government.

The denunciations noted that the renewed terrorist violence had two immediate purposes: first, to create a backlash against a government "amnesty" program for political prisoners — part of the government's efforts to fully eradicate terrorism; and second, to "soften up" Mexico for the foreign campaign to gain control of Mexico's oil.

The Fanfani Connection

Observers in Mexico also noted that it was not a coincidence that the assassination of Margain Charles occurred shortly after the visit to Mexico of Italian political leader Amintore Fanfani. Fanfani has been identified in Mexico and in Europe as a top agent of the Italian wing of the Black International, functioning in Italy as a key link between London-centered oligarchic layers and the "leftwing" terrorists in their control. In an article this week Mexican columnist Manuel Buendia revealed that the main purpose of Fanfani's visit to Mexico was to coordinate the operations of the Black International networks in Mexico.

While in Mexico, Fanfani openly warned of a new wave of international terrorism, and at a luncheon with the Mexican Rotary Club called for establishing an "international antiterrorist front." The head of the Rotary Club immediately explained how this front would be used to undermine the national sovereignty of nations by noting that it should be "independent of administrative authorities."

Prior to Fanfani's arrival, the environment for

terrorism had been created by such London-sponsored press agents as Jack Anderson and by London *Financial Times* correspondent in Mexico Alan Riding. In the two months preceding the attack Riding and Anderson had helped create the type of anti-government environment propitious for terrorist attacks, including a possible "hit" on the President.

In an article in the *New York Times* July 27 Riding charged that "there is mounting evidence that since President Lopez Portillo took office 19 months ago the government has not only stepped up its campaign against the extreme left, but has also moved sharply against militant peasant organizations, urban squatter groups and independent labor leaders." On Aug. 13 Anderson joined in with a column on a miners' strike in the northwestern state of Sonora which compared the Lopez Portillo government to "Pinochet's Chile or Somoza's Nicaragua." Anderson warned that the government's repression was similar to that which led to the Mexican Revolution.

"Left" Debates "Right"

Within Mexico the terrorist issue has been used to create an antigovernment environment on both the so-called right and left of the political spectrum. The "left" is protesting "government repression" and the "right" is attacking the government for being too soft on terrorists. The net effect of this phony debate is to undermine the government's development efforts.

However, the government has not allowed the outbreak of terrorism to stand in the way of its development policies. In his state of the Union Address President Lopez Portillo announced a limited amnesty program for political prisoners not involved in violent attacks on society. During the past months the government has made clear that it intends to use its Political Reform and amnesty program to successfully eradicate both the environment in which terrorism can be nurtured and the terrorist controllers in the Black International.

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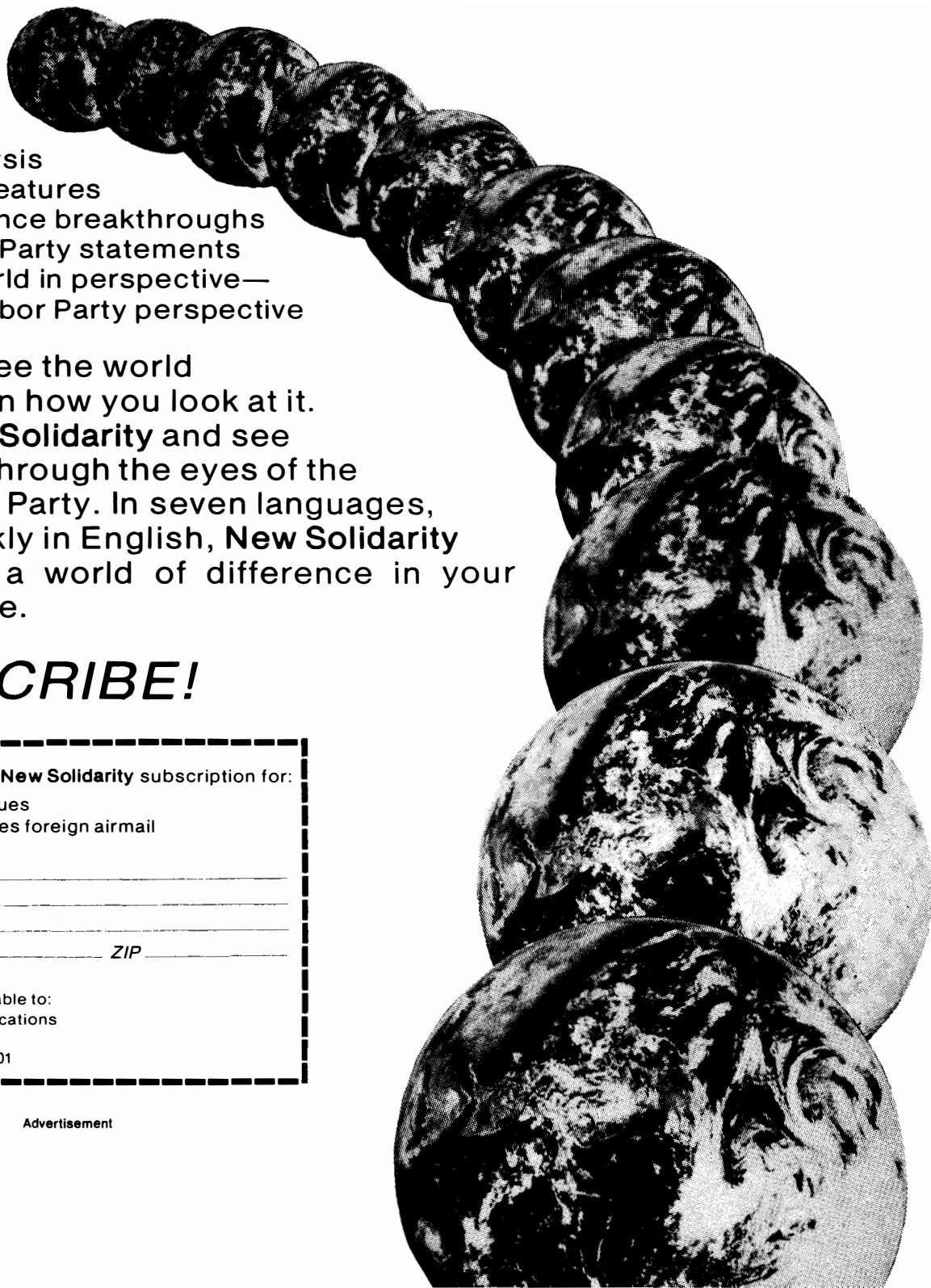
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LaRouche: 'I Name My Would-Be Assassins'

In This Section...

The Executive Intelligence Review in recent weeks has published exclusively the breaking news of the attempted assassination operation against Lyndon H. LaRouche, Jr., the Chairman of the U.S. Labor Party and the widely acknowledged conceptual architect of the new European Monetary System launched in the July summit of the European Community at Bremen. On Sept. 7 LaRouche issued a statement from his New York headquarters naming the "Black Maltese" networks behind the threat to his life, and identifying the strategic conjuncture in September by which the European Monetary Fund, Arab Monetary Fund, and the Tokyo capital market will establish a new gold-linked world monetary system supplanting the International Monetary Fund. It is this new world economic order — described in depth by LaRouche in the recently issued Executive Intelligence Review supplement, "The Facts Behind the New Monetary System," which the would-be assassins are intent on preventing.

As a crucial component of the current world strategic picture, therefore, our COUNTERINTELLIGENCE report this week brings EIR readers LaRouche's Sept. 7 statement, as well as a summary of the "Black Maltese" plans against Guyana's former Foreign Minister Frederick Wills and current Prime Minister Forbes Burnham, plans which are integral to the conspiracy against LaRouche. Wills in particular is internationally celebrated as a Third World spokesman for the new world economic order.

As LaRouche pinpoints in the statement printed here, it is not only his own prior role as author of that economic order which has made him a potential assassination target, but the expectation of his continued important influence in leading U.S. circles for the policy decisions ahead.

Since certain governments, especially the British monarchy, have a proven capability for assassinating even well-defended prominent figures, physical security and related precautions are indispensable, but inadequate by themselves.

The optimal defense against a terrorist kidnapping or assassination today is to name publicly the forces responsible for deploying the terrorists. This confronts the forces behind the assassination with a two-fold problem: the problem of having a "martyr" lain at their political doorstep, and the additional problem, that the next assassination-target might be inspired to take preemptive action against the forces behind his or her projected killing.

This security precaution is not absolute, but it obliges the enemy to incur a far greater risk and penalty, and, in many instances will deter the assassins from completing the project — for fear of giving credibility to the charges made. The best protection is good physical security plus naming those responsible for one's projected assassination in advance. It is not perfect, but it is the next-best thing to preempting the situation by more direct countermeasures.

To my knowledge, I have been targeted for political assassination during three intervals of my life. The first, in which our own independent findings are partially corroborated by an FBI Freedom of Information Act release, involved elements of the Communist Party USA as among those mooted the project, and elements of a Puerto Rican terrorist group deployed into New York City for such a task. This was at the close of 1973 and beginning of 1974, overlapping a coordinate operation which included "black operations" by high levels of the British intelligence organization MI-5.

The second was deployed during the summer of 1977, for which the current crop of international terrorist forces were to have been deployed.

The third was deployed during July 1978, with known elements of the operation caught red-handed in assassination-support deployments and an actual kidnapping-murder mode of coordinated deployment by criminal elements at the entrance to a Detroit meeting-place.

The abortive operation of July 1978 has been refurbished at a higher level of commitment, with

known elements of British intelligence and Zionist organizations caught red-handed in the overall operation, including known top Israeli assassins operating on loan in operations against the U.S. Labor Party within the U.S. as well as other countries. Through aid of other forces, including most-capable intelligence and security organizations, we now have a true bead on most of the top-most elements of the assassination operation. We may not yet know the name of every prominent figure to be held accountable, but we know the names of a very large number, with unchallengeable precision.

Earlier, we have published names of persons and organizations known to be accountable for these evil-doings. In this report, I shall emphasize the nastiest component of the overall forces involved: a direct and witting alliance between Nazi and Zionist organizations. I do not mean "Nazi" in the looser sense of "fascist"; I mean components of the wartime Nazi political-intelligence organizations, including some of the most brutal of the war-criminals from World War II.

The Assassination Project

I am currently targeted for assassination by the same network of forces which, during the past thirteen months, has murdered such persons as Jürgen Ponto of the Dresdner Bank, Hanns-Martin Schleyer of Mercedes-Benz, and former Italian Prime Minister Aldo Moro. The organization behind my projected assassination has the same general motive as governed its actions in the three cited cases.

The central, strategic objective subsuming the projected assassination is that of disrupting the European Monetary Fund, the Arab Monetary Fund, the Tokyo capital market, and collapsing the value of the U.S. dollar and the internal U.S. economy itself. Ponto, Schleyer, and Moro were murdered because they were effective leaders in some aspect of the processes contributing to the success of the kinds of policies put forward by President Giscard d'Estaing and Chancellor Helmut Schmidt at the Bremen EEC "summit" of July 1978.

These proposals will begin to bring the value of the U.S. dollar up dramatically as early as September 1978, will promote capital-goods exports from the U.S., and will establish a gold-linked, new world monetary system, by passing the International Monetary Fund and World Bank, and ending the two centuries of domination of world finance and trade by the City of London. According to leading spokesmen of the forces who have ordered my assassination, I must die for two reasons. Not only do they identify me as a principal conceptual contributor to the emergence of the Bremen policies; they regard me as a continuing asset to the success of the Bremen agreements, and as potentially an influential figure among leading circles within the U.S.

The center of the assassination plot is the British

monarchy and the "Black Maltese" oligarchical and financial institutions of the City of London and Canada.

The project as a whole, like the fabled hydra, has numerous tentacles in many nations, including influential circles allied to Henry A. Kissinger, Zbigniew Brzezinski, James R. Schlesinger, and top elements among certain investment banking firms — such as Lazard Freres and Warburg Pincus — in New York City. The tentacles include, at lower levels, leading Zionist circles, leading, avowedly fascist organizations, "left wing" and "environmentalist" circles, and elements such as the Heritage Foundation. The tentacles also include, in West Germany, circles acting *ultra vires* in misuse of powers of state institutions, notably in conducting the financial warfare against the European and U.S. Labor Parties which is an integral part of the overall assassination-plot operation.

Bronfman et al.

The figures of Edgar Bronfman and his aide, Major Blumfield, afford a useful point of reference at which to pick up the threads of the conspiracy as a whole.

Bronfman exemplifies those elements of the international Zionist organizations and circles which have been overtly linked to fascist organizations since no later than 1961, and which at the same time, are interlocked at high levels with the British monarchy and the Black Maltese networks generally. This is not a matter of allegations or suspicions, but of overt connections, well-documented.

Notable is the case of the Permidex entity and a now-liquidated former subsidiary, conduits for distributing funds to fascist groups.

Bronfman's networks intersect financial and other operations of France's Edmond de Rothschild. Both intersect financial operations of the highest political ramifications of the West Germany Bank fuer Gemeinwirtschaft. This bank, whose best-known leading figures are "anti-Bremen" and "anti-economic-growth" opponents of Chancellor Helmut Schmidt's policies, have interlocked, notably since Willy Brandt's accession to the Chancellory, with the directorship of the Bundespost (Federal Postal Service).

The Bank für Gemeinwirtschaft, nominally the largest deposit-facility for the funds of Germany's trade unions, prominently interfaces City of London financial operations and certain aspects of Israeli and Zionist operations, all of which latter are eminently political in quality or principal implications. Although the key figure, formerly with the Bank für Gemeinwirtschaft, and now leading figure of the Bundespost, Walter Hesselbach, is not officially a member of the Jerusalem Foundation, a Bronfman-centered organization, Hesselbach is justly rated as virtually a member by spokesmen of the Jerusalem Foundation.

Hesselbach's most-visible political, institutional and financial associations subsume every principal aspect of financial warfare and other attempted violations of human rights of the European Labor Party in West Germany.

The Bronfman-Edmond de Rothschild power within such Zionist organizations as international B'nai B'rith (e.g., Basel, Switzerland, a key funding-location for international terrorist operations) subsumes the B'nai Brith links to Nazi and other fascist organizations in various nations. The Permidex case is bloodily clear. Although no Bronfman link to the key, Interarmco, operation is established, Interarmco is a problematic case intersecting Zionist operations generally.

For example, the Anti-Defamation League has endorsed persons associated with the most hideous among all Nazi organizations of World War II, the Croatian Ustashi. Although U.S. Zionist organizations' penetrations of the top circles of Shelton's Ku Klux Klan organization is sometimes passed off as a Zionist intelligence penetration of that and other organizations, the fact is that certain Zionist circles support and run that and other so-called "far right" organizations.

The ADL sympathies for Croatian Nazi war-criminals' circles are not some exotic aberration. The Lebanese Falange, Israel's puppet-force in Lebanon, is not only a creation of the Nazis, but is a Nazi organization still headed by the Nazi, and devout Hitler admirer, whom Hitler personally authorized to head the organization.

The Sovereign Knights of Jerusalem

The splits and regroupments which have occurred in the Order of Malta since 1798 easily mislead the casual onlooker. Although there are some good or neutral persons within some branches of the order, and a certain portion of the unwitting coopted as public relations decorations to most, the Order as a whole is a British-coordinated mass of pure evil, fully justly the New Testament name, "The Whore of Babylon" for the Order's pre-Christian origins. The most shamelessly thuggish of the various branches of the Order is an entity ordinarily designated as the Eastern European branch, the *Sovereign Knights of St. John of Jerusalem, Order of Malta*. This group is formerly distinguished from the strictly British branch — the Venerable Military and Hospitaller Order of the Knights of St. John of Jerusalem, from the Rome-based and French Catholic branches, from the main German branch, and from the Dutch-led Prussian and Scandinavian branch — plus the various priories.

The Eastern European branch is essentially identical with "fascist international." The Nazi Party of Germany was created by the order, as were the Croatian Nazis, the Ustashi, and the Lebanese Nazis,

the Falange. The assorted, main fascist organizations of Eastern Europe — Ukrainian, Polish, Romanian, Hungarian, and so forth, are also creations of this branch.

The relevant history of this branch is adequately summarized for present purposes as follows.

The Order of Malta moved to Malta after its dislodgment from Rhodes. It received sovereignty from the Hapsburg Emperor, Charles V. In 1798 Napoleon conquered Malta for the chief purpose of breaking up that nest of evil. Part of the disbanded order located itself in Italy and other Western European locations. The official Maltese leadership moved to Russia, where it began an integral and crucial part of British intelligence operations in Eastern Europe. The Polish branch of the order was established under the Radziwill family — the same.

At the beginning of the present century, the Russian-based order, allied to the royal house of Yugoslavia, moved to the U.S. and Canada. However, that branch left two important branches—besides the Yugoslav branch—behind: the Lebanese branch, and the Bavarian branch. Subsequently, the Eastern branch reactivated its operations in Europe.

The Bavarian sponsor of this fascist branch of the Maltese Order was the Wittelsbach family, including Ludwig III and Prince Rupprecht. To keep matters orderly, the Wittelsbach house was a British client. When the Wittelsbachs created Hitler and the Nazi Party of Bavaria in concert with Houston Chamberlain of British intelligence, there was nothing paradoxical in that co-sponsorship. The hard-core leadership of the original Nazi party was almost entirely Bavarian personalities sponsored by the Bavarian division of the Eastern European branch of the Order. It was the City of London, with emphasis upon S.G. Warburg, Hjalmar Schacht's patrons and guide, which brought Hitler's influence north of Bavaria, and it was Schacht and his London backers who later put Hitler into the Chancellory.

So, we have the following Nazi and fascist organizations created and maintained by this branch of the Order.

The Nazi Party of Germany.

The Nazi Party of Croatia, the Ustashi.

The Nazi Party of Lebanon, the Falange.

The various fascist organizations deployed under the cover of the "Captive Nations" front.

The element of the original Maltese Order families associated with Italy and Switzerland (Geneva) was formerly assimilated into the reconstituted Sovereign Order, based in Rome, but represented otherwise a direct interlock between the Rome-based Order and the Eastern European Order. These Italian "black nobility" forces created the Mussolini regime (e.g., the House of Savoy), and were key in the Italian Nazi organization governing the rump government of Nazi-

occupied northern Italy during the post-1943 period.

The Zionist circles, including the present Israeli governing circles, complicit in the business, including key elements of the international B'nai B'rith, are allied with the Lebanese Nazis, the Croatian Nazis, and with the fascist organizations of such nations as Italy and France, as well as closely interlocked with the Eastern European "Captive Nations" groups.

The Zionist links into the Shelton branch of the Ku Klux Klan are not merely parallel to the same Zionist faction's links to the Maltese fascists. The Ku Klux Klan was a resurrection of the treasonous secret organization, the Knights of the Golden Circle, the latter suppressed for its role in the assassination of Lincoln. ("Kyklos" is Greek for "circle.") The original knights were a British intelligence operation, established as a continuation of an earlier, Tory, British intelligence network deployed against the American Revolution and the constitutional republic. The Knights' regalia and ritual were parodies of the costumes and mumbo-jumbo of the Maltese Order.

The Overall Networks

Apart from Peking intelligence and some odds and ends, there are three principal, top-most elements to be considered in the assassination operation. The topmost layer is centered in the British monarchy and the City of London. These serve as reference points to pull together the "black nobility" of Europe around the Maltese Order. These forces control a powerful network dominating the international organizations of the Socialist International. These networks created and control, top-down, the principal Zionist organizations.

Hence, to say that the British monarchy, the City of London, the Black Maltese, the British faction of the Socialist International, and the British Zionists all participate in creating and deploying international terrorism ought to generate no confusion. These entities are all participating aspects of the same thing.

This same combination of forces is also the opposition to the Bremen agreements, the backing of the "environmentalist" ferment, and is the source of every notable slander, harassment, and other attacks against the U.S. Labor Party and its allies in every part of the world.

There is not a single case of slander, harassment or other attack against the Labor Party whose authorship is not now known and proven to emanate from these indicated circles.

The 1974 Giannettini report, which details the point that Israeli intelligence has coordinated international terrorism since approximately 1969, is confirmed not only by the Klein case, but by many key intelligence and security services and in large part by our own direct investigations.

So, we are not astonished, when digging into a dirty harassment operation run against us in New York, to turn up a notorious, convicted, top Israeli intelligence assassin in the middle of coordinating that operation.

Obviously, the list of names of persons who are wittingly complicit either in the assassination project itself, or in slander, harassment and overtly criminal operations otherwise integral to the assassination operation as a whole, is very long. This list is limited to agencies and persons of established, witting complicity. They will be named.

—Lyndon H. LaRouche, Jr.

Guyana End Of Assassination Plot

Printed below is a Sept. 7, 1978 statement issued in New York City by the U.S. Labor Party National Executive Committee:

We have just received the original text of a libel against U.S. Labor Party Chairman LaRouche first published in Georgetown, Guyana ten days earlier. The slander, issued by a New York City-groomed Maoist, one Kester Alves, alleges that LaRouche is notably complicit in an attempted destabilization of the Guyanese government by U.S. intelligence agencies.

The facts of the matter, developed with the aid of most-reliable sources, is that IMF and allied British agencies are attempting to manipulate Guyana's Mr. Forbes Burnham into unblocking an assassination

order against the celebrated former Foreign Minister of Guyana, Mr. Fred Wills.

At present, a task-force is deployed, with the purported blessing of the Guyanese government, to maintain heavy surveillance and harassment operations against Mr. Wills. The head of the task-force, a known person, is prepared to arrange an assassination if given authorization to proceed. To latest knowledge, the waiting assassin has been given no "kill" go-ahead. The slanderer, Alves, is part of the conspiratorial group attempting to panic Forbes Burnham into taking responsibility for allowing the murder to be authorized.

Not astonishingly, the included target of the operation is Mr. Forbes Burnham himself.

Although Mr. Burnham has capitulated to the geno-

cidal "conditions" imposed by the International Monetary Fund, he did so after prolonged resistance, a resistance featuring Mr. Burnham's Foreign Minister, Mr. Wills. The IMF is now determined to oust Mr. Burnham. Mr. Burnham has been maneuvered, most recently, into ousting reliable officers of the Guyanese Army, thus further cutting himself off from base of support, and giving Maoist factions a vastly improved position and coup-capability within his government.

The general British-IMF scenario for ousting Mr. Burnham is no secret in diplomatic and intelligence circles. In particular, if Mr. Burnham were blamed for an assassination of Mr. Wills, the forces of marijuana-farmer the "Reverend" Jim Jones and others would raise a clamor for Mr. Burnham's ouster. With the aid of British intelligence-linked sudden mourners of a deceased Fred Wills, the Maoists who trapped Mr. Burnham into unblocking the kill order would spearhead Mr. Burnham's ouster.

Alves himself was appointed to his minor governmental position in the wake of the first of a series of reorganizations of the Guyana government demanded

by the IMF. Former Foreign Minister Wills's departure was only the first and most obvious of the changes accompanying the imposition of "IMF conditions." Wills is not only a prominent international figure, but is a leading target on a Henry A. Kissinger "hit list" which also includes Pakistan's Ali Bhutto, India's Indira Gandhi, and other prominent figures Kissinger regarded as largely responsible for the August 1976 Colombo resolution. As the IMF gains a stronger foothold over the Guyanese economy and government, more and more wretches such as Maoist Alves are added to governmental positions.

The further significance of Alves' libel was the heavy emphasis on Chairman LaRouche. This curious feature of the libel coincides with a fresh assassination operation ordered against LaRouche by the British monarchy, an operation now being deployed under coordination of partially known elements of Israeli intelligence "on loan" to international B'nai B'rith figures. In this side of the matter, Alves's curious stress on LaRouche merely echoes his British masters' efforts to create a thick veil of varied slanders around the attempted LaRouche assassination itself.

Alves: "Crude Attempt to Destabilize"

Excerpts from the Kester Alves article published in the Aug. 31 Guyana Chronicle appear below:

Ever since the Guyana government adopted a firm, exemplary anti-imperialist foreign policy and seriously embarked on the Socialist transformation of the society, the country has been the target of attempts at destabilization.

These acts of destabilization have not been restricted to blatant and — from evidence at my disposal — at times rather crude attempts at intervention in our domestic affairs, but includes a carefully orchestrated propaganda campaign to distort the reality of the Guyana situation.

This campaign of distortion involves elements (in some instances aided and abetted by local quislings intent on furthering their own partisan interests at all costs) from the extreme right — who are justifiably perturbed at the revolutionary example Guyana will provide to the rest of the world, and the ultra-left, who would favor policies (both domestic and external) of unbridled adventurism.

It is in this context that a statement purportedly issued on July 28 in New York by Lyndon LaRouche, Jr., who is described as the "Presidential Candidate of the U.S. Labor Party for

1980" and headlined "Life of Minister Fred Wills in Immediate Danger" must be viewed.

(It should be noted that the U.S. Labor Party is a splinter group of the U.S. Communist Party and is generally thought to be heavily infiltrated by U.S. intelligence agents.)

Describing ex-Minister Wills as "one of the world's leading humanists and contributors to the current anti-British grand design developments," LaRouche ended his statement with a call "on all humanist layers to promptly make felt their concern for the life and safety of Minister Wills and his family."

What arrant nonsense! At best the wild imaginings of an emotionally disturbed mind, and at worst a mischievous (if somewhat ludicrous) fabrication aimed at bringing the government and country into disrepute. (Incidentally, I have my strong suspicions — based on much more than intuition — as to the identity of the person who provided the misinformation which formed the basis of LaRouche's press statement; but in the absence of concrete evidence I would prefer not to elaborate.)

...I tender the statement as an example of the kinds of pressure which are brought to bear on periphery countries — like Guyana — seeking to radically transform socio-economic and political relationships at both the domestic and international levels.

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CUTIVE INTELLIGENCE REVIEW SPECIAL REPORT
 DAILY ENERGY INTELLIGENCE BULLETIN
 THURSDAY, JANUARY 11, 1978

LEADING U.S. BUSINESS DAILY CALLS FOR CUTOFF OF NUCLEAR COOPERATION WITH INDIA

JAN. 11 - THE WALL STREET JOURNAL, A LEADING U.S. BUSINESS DAILY, HAS A MAJOR EDITORIAL TODAY CALLING ON THE CARTER ADMINISTRATION TO DENUNCIATE AND ABOVE ALL HIS COSMETIC CONCESSION THAT HE WOULD AUTHORIZE SUPPLY OF ONE SHIPMENT OF ENRICHED URANIUM TO INDIA, FOR ENDING NUCLEAR COOPERATION. "SO WHILE THERE ARE AT LEAST SOME ARGUMENTS FOR ENDING NUCLEAR COOPERATION, THE JOURNAL CONCLUDES 'IT IS DID AFTER THE INDIAN EXPLOSION.' THE JOURNAL DOESN'T NOTICE MINES AND IS IN ADDITION SO CONFUSED HE THINKS A LETTER WILL KEEP HIS POLICY INTACT DESPITE THE HEAVY WATER SHIPMENT. BUT ON THE OTHER HAND, PERHAPS THE CANDIDATE CARTER WHO PROMISED NEVER TO 'TELL US A LIE WAS USING THE PLOT TO MISLEAD THE AMERICAN PEOPLE.'"

WHAT IS REALLY GOING ON?

WHILE THE DUST HAS NOT YET SETTLED ON THE CARTER TRIP, BRITISH PRIME MINISTER JAMES CALLAGHAN HAS ARRIVED IN INDIA TO SUPPOSEDLY EVOLVE THE COMPROMISE FORMULA TO BRING INDIA INTO AN ACCEPTABLE STATUS ON THE NON-PROLIFERATION QUESTION. WHILE THE U.S. STATE DEPARTMENT HAS SUCCEEDED WHERE CARTER HAS FAILED, AS PRESENTED BY THE LONDON TIMES, THE CALLAGHAN TRIP HAS OBTAINABLE TWO GOALS. ONE IS TO ARRIVE AT THIS TIME, TODAY'S SECRET PROMISES AND THAT CALLAGHAN HOPES TO TAKE DESAI'S LONDON DAILY TELEGRAPH ADDS CLOSING DETAILS WHERE HE WOULD USE THESE SAFEGUARDS ON ITS PLLEDGES TO PAKISTAN. IN PAKISTAN JAN. 11, ONE DAY AFTER THE NEW YORK TIMES ANNOUNCED THAT FRANCE HAS REQUESTED THE PAKISTANIS CONSIDER ALTERATIONS IN CURRENT CONTRACTS.

MIDWEST COLD FREEZES OHIO COAL STOCKPILES

JAN. 11 - AS THE NATIONAL STRIKE OF U.S. COAL MINER AND COAL-HANDLING MACHINERY, A SPOKESMAN FOR THE ELECTRIC UTILITY TOLD THIS NEWS SERVICE FOR THE CUSTOMERS HAVE BEEN ASKED TO VOLUNTARILY CUT OFF THAT THEY IN SHIPMENT PA. HAS BEEN SHUT. THE FACILITY IN SHIPMENT PA. HAS BEEN SHUT. THE UTILITIES AFFECTED ALL EXPECT TO HAVE T. WEEKEND. HOWEVER A SECOND COLD FREEZE IS PRE. ALTERNATE THE US. LAST WINTER DURING SEV. FRESH COAL TO REPLACE FROZEN COAL. IN THE OHIO STATE ENERGY OFFICE DURING TV. COAL DELIVERIES TO RESIDENTIAL USERS.

A SPOKESMAN FOR THE U.S. DEPT. WILL DO NOTHING IN THE PRESENT SITUATION. HE ADDED THAT PRODUCED BY THE ONGOING STRIKE IS UNTIL THEN THE GOVERNMENT CONSERVATIVE BRITISH OPPOSITION

Global Telegram

Global Telegram

Global Telegram

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British-Israeli Terrorism In The USA

The following report was issued on Aug. 24 by U.S. Labor Party chairman Lyndon H. LaRouche, Jr.

During August 12, 1978, a conference was held in Chicago, Illinois on the subject of corporate security under the auspices of the Conference of International Investigators. The conference was backed by the Chubb and Sons, Inc. insurance company, and was presumably a means for promoting sales of Chubb insurance protection against terrorist kidnapping to frightened corporations and their also frightened targetable key executives.

A list of experts was headed by John Grant, officially a private investigator with the firm of Grand and McMurtry in Edinburgh, Scotland and a founder of the Institute for Professional Investigators based in Preston, Lancashire, England. This institute, established in 1973 includes membership of the British Army Military Police and the British Home Office.

The general line offered by Grant et al. was identical with that currently pumped out by British intelligence's Robert Moss and such U.S. mouthpieces of British intelligence as William F. Buckley's crowd. Two top points characterize the line put out by both Moss and Grant. *One*: the coming wave of terrorism in the United States is unstoppable; you can only take intelligent measures to protect yourselves and your families as well as possible. *Two*: there are only two tolerable explanations for the case of terrorism: (a) it is purely a "sociological phenomenon," or (b) it is directed from "communist countries."

Mr. Grant, Mr. Moss and their associates are not only wrong; they are liars. Worse, they are wittingly complicit in furthering the "scenario" for massive terrorism in the United States.

First, to use shorthand phrases, the British and Israeli governments are the entities responsible for international terrorism in the world today — with the complicity of the present government in Peking. Since the investigation of the kidnapping-assassination of former Italian Prime Minister Aldo Moro, there is virtually no antiterrorist leading governmental or corporate or banking circle in continental Western Europe which does not agree that it is the British and Israelis who have been proven responsible for

international terrorism. The better-informed circles know that there are secondary involvements in international terrorism from Eastern Europe, but that the primary source of terrorism and its overall control is run through British and Israeli intelligence services and allied financial institutions.

The varied connections of Chubb insurance and Mr. Grant are most ironical on this account. Chubb insurance is ostensibly collaborating with Lloyds of London. It happens that Italian magistrates, collaborating with Italian antiterrorist intelligence and security agencies have found Lloyds actively complicit in terrorist kidnapping in Italy, especially against those Italian corporations and executives credulous enough to purchase kidnapping insurance from Lloyds. This finding was first leaked in Italy's largest daily, *Corriere della Sera*, in the spring of this year, with direct corroboration of that report and fuller details of the matter provided from appropriate sources later. If Chubb errs to the point of employing specialists recommended by Lloyds, there is a better than 30 percent chance that an individual or corporation which provides security information to a Lloyds-recommended security specialist is buying not merely an insurance policy, but a ticket to a kidnapping ride.

Also, during the continuing investigation of the Moro assassination, it has been discovered that two of the leading Baader-Meinhof terrorists, Joachim Klein and H. Klaar, are agents of the Mossad branch of Israeli intelligence. This links Israeli intelligence directly to the Vienna OPEC terrorist affair, to the assassination of Dresdner Bank's Jürgen Ponto, the kidnapping-assassination of Mercedes-Benz's Hans-Martin Schleyer, and the kidnapping-assassination of Aldo Moro. While Israeli intelligence was nominally assisting the Italian government during the Moro kidnapping, it was implicating itself as red-handed in terrorism in Italy and Germany, by knowingly covering up aspects of the Moro kidnapping and misdirecting Italian security agencies.

Furthermore, focussing upon Mr. Grant, some of the same branches of British intelligence which offer specialized antiterrorist training to governmental and private security agencies also provide training for key members of terrorist groups, sometimes at regular

...this report is to provide key figures and organizations with effective countermeasures against terrorism...

training locations in Britain itself. This is consistent with the prolonged horror show in Northern Ireland, in which MI-5 and SAS (most notably) have run both sides of the terrorist-antiterrorist operations. It was "former" SAS operatives "loaned" to Lloyds insurance who used their positions as security representatives of Lloyds to set up purchasers of Lloyds insurance in Italy for kidnapping, collecting every detail of security information needed for assured success of a kidnapping effort.

No informed U.S. corporation or key executive in his right mind will employ the services of counsel of an insurance company or private security agency which offers the profile of the terrorist problem concurring with the proceedings of the Chicago conference, or with the doctrines of Robert Moss or William F. Buckley.

Although it is factually and morally correct to state that the British and Israeli governments — with complicity of Peking — run international terrorism, that rule-of-thumb truism is too general, too crude a formulation to guide security agencies in pinpointing the kinds of operations against which antiterrorist operations must be targeted.

Although the intelligence services of several Western European and other cooperating nations are currently preparing a report on British and Israeli control of international terrorism, the focus of this joint effort is the case of the Moro kidnapping-assassination. We report here with the advantage of included advance knowledge of the findings to be reflected in that forthcoming report.

The immediate purpose of this summary report is to provide key figures and organizations in the United States a conceptual overview of the investigative and operations requirements of effective countermeasures against a wave of terrorism in the United States. This report is based upon more than a decade of direct investigative and countermeasures work by the National Caucus of Labor Committees against elements of the British-coordinated terrorist apparatus inside the United States and abroad, plus recent years' increasing collaboration with leading and other intelligence and security organizations dealing with this same problem.

For reasons indicated immediately above, the report will focus on the circumstances under which the fuller report on the Moro kidnapping-assassination is being compiled and issued.

1. What Is International Terrorism?

International terrorism today is a mode of warfare employed by what is generally known as the "oligarchist" faction of the world's aristocratic families and international finance, against republican (humanist) forces characterized by a dedication to scientific, technological and related national and global progress. In this overall setting, international terrorism is deployed by the same forces which control the international illegal-drug traffic and which also deploy the so-called "environmentalist" movements.

This mode of warfare — the combined deployment of "environmentalism," drug-cultism and terrorism — is more ancient than the ancient Phrygian cult of Dionysus. This mode of warfare has been employed by the oligarchist faction, sometimes known as the "Persian model" faction in ancient classical sources, over thousands of years down to the present time. The British intelligence services' deployment of the Jacobins under Robespierre, Danton and Marat during the French Revolution is exemplary of Oxford and Cambridge universities' witting use of classical studies of Phrygian cults in a modern setting.

The targets of the "environmentalist" movements and the targets of the international terrorists are identical. They are national governments, political factions, financial figures, corporate figures, and others who represent either a significant force in behalf of technological progress, or which, if not powerful, are regarded as a notable potential danger to the oligarchists' policies and deployments. The modes of deployment of combined "environmentalist" and terrorist forces are both general and specific. The general deployment is aimed at creating "chaos and confusion" within the targeted nation and targeted other institutions. Within the effort to generate overall "chaos and confusion," the oligarchists emphasize targets of assassination who are regarded as significant obstacles to the progress of the environmentalist and related causes.

The motives for the combined deployment of "environmentalism" and terrorism are usefully distinguished as twofold. The two motives are ultimately the same, but in the here and now assume the form of being distinct, if complementary motivations.

At this point we consider the most immediate, most obvious of the two motives: financial power. The forces behind "environmentalism" and terrorism are the same forces which have controlled international finance virtually unchallenged for approximately two centuries, and which have controlled Mediterranean-centered international finance predominantly since the fall of Tyre to the Babylonians in ancient times.

These forces are presently centered in the British monarchy and the City of London's financial center.

They also control two of the world's "Seven Sisters" in petroleum marketing — British Petroleum and Royal Dutch Shell — and also control Petrofina, as well as Belgium's Société Generale and Union Miniere. They control the former Shanghai financial interests — now moved to other locations — and the Hong Kong and Singapore banking centers of the "Golden Triangle." They also control Canadian banking and the British West Indies Eurodollar banks (the "Silver Triangle"). They control much of the banking on the European continent, especially in Switzerland, and control much of U.S. banking, through New York City's investment-banking community. The World Bank, since its founding, has been a new cover for the old British colonial office, and the International Monetary Fund is controlled by the same forces at the top.

Consequently, the most immediate targets of "environmentalism" and terrorism globally are the backers of the Bremen and Bonn "summit" agreements, the backers of the Arab Monetary Fund, and the backers of Tokyo's new, dollar-denominated capital market. Other targets include political and corporate forces in the United States and other nations who are oriented toward nuclear and related technologies, and who are otherwise actively or potentially disposed to associate themselves with the policies expressed by the combined efforts of the Bremen agreements, Arab Monetary Fund and Tokyo markets. That latter effort represents a thrust for immediately establishing a new world monetary system, to bypass the bankrupt IMF-centered old monetary system, and to eliminate the City of London and Eurodollar market's present dictatorial control over world commerce and finance.

Both "environmentalism" and terrorism operate predominantly under what is represented as a "left" cover. However, the same forces which control the "left" side of "environmentalism" and terrorism also deploy a matching "right-wing" set of "antidirigist," "libertarian," plus outrightly pro-fascist forces of ultimately the same effective character. By coordinated deployment of both "left" and "right" elements of this overall capability, frequently in "scenarios" which pit the two forces against one another, a general "chaos and confusion" scenario is developed, under cover of which deception-warfare specific targets are struck.

Over thousands of years, the oligarchist forces have represented in themselves only the forces of the landed aristocracy and a faction of finance and commerce associated with usurious (high-interest borrowing) practices, especially in "tax-farming," (speculative investment in the debts of national and other governments.) Numerically, this inner circle of the oligarchists has always been a tiny minority of society, as it is today. To defeat the forces dedicated to urban and agricultural technological progress (the "city-builders" or humanists) the oligarchists have relied on creating massive social "battering rams"

The World Bank...has been a new cover for the old British colonial office...

against the city-builders, frequently of a "left" profile.

The Phrygian cult of Dionysus and the antiscientific writings of Hesiod are exemplary of the ancient oligarchist practices handed down into modern times. The oligarchists rely upon developing the susceptibilities of backward strata of the population, formerly chiefly backward rural and pastoral populations. These forces are mobilized in "defense of their ancient ways" against the forces of "change" (scientific and technological progress). That was the method employed by the Babylonian tax-farmers and their Seljuk Turk mercenaries to destroy Islamic culture from within, beginning in the eleventh century AD. A lunatic demagogue, Al-Ghazali, was employed by the Babylonian tax-farmers to create a cult of rural and pastoral populations in antirationalist bookburning movement, which destroyed Islam from within, preparing the way for the decay of the Islamic world which persisted from then into modern times.

The oligarchists have used Phrygian cults as the model for transforming sections of urban populations into a "battering ram" against science and technology. "Back to nature" religious cults, fostered with the aid of true-and-tested brainwashing techniques, sodomy, drug-usage, are the characteristic features of this transformation of elements of urban youth populations into a battering-ram in behalf of the oligarchist war against humanism.

A general overview of the terrorist problem in Western Europe and the United States is enhanced in accuracy by a kind of lapsed-time summary of crucial developments since the 1956 Suez crisis — the point at which the United States under President Dwight Eisenhower humiliated the forces of Winston Churchill (e.g., the Anthony Eden government).

The stem from which terrorism was developed back during the 1950s was chiefly a combination of the Socialist International and the "beat," jazz-drug existentialist ferment centered in Greenwich Village and Paris during the 1950s. The U.S. branch of the Socialist International known as the League for Industrial Democracy (LID) and its student affiliate (SLID), plus LID's interface with kindred types within the ADA and UAW bureaucracy. In general, the SDUSA network was the U.S. base for this side of the operation. The U.S. side of this operation was directly interfaced with the Western European side of the same British-controlled factions of the Socialist

International, including the Socialist Party of France and the forces centered around the editorial board of *Sozialistische Politik* in West Germany, penetrating the bureaucracies of the metalworkers and chemical workers unions in that latter action. Out of this, beginning approximately 1958, emerged the "New Left" project.

The other main stem for emergence of "environmentalism" and terrorism today was the international antinuclear movement led by Bertrand Russell, one of the most evil men who walked the earth during the present century. There is not a terrorist organization today which does not include a Bertrand Russell element of pedigree.

The financial conduits and social-democratic think-tanks plus the Bertrand Russell-linked networks, which created the New Left projects in the United States and Western Europe are the most visible midwives of present-day development of environmentalism and terrorism.

The next crucial contributing element to be noted is Robert Hutchins's project, the "Triple Revolution" statement, the first influential postwar articulation of the "post-industrial-society" doctrine, the predecessor of the Club of Rome.

The third crucial contributing element is the intensified promotion of psychotropic and addictive illegal drugs, the project outlined by Bertrand Russell during the 1920s, and associated more immediately with Aldous Huxley.

The fourth crucial element was the promotion of "sexual liberation" and the step-by-step promotion of pornography through such instruments as *Playboy* magazine's pioneering in the United States and similar enterprises by periodicals associated with the Einaudi Foundation in Italy. "Group sex" and the promotion of sodomy are as ancient as at least the Dionysian cults, as a technique for transforming adolescent youth into converts to Dionysian cults.

The fifth crucial element was the use of the racial-oppression issue to promote antihumanist particularism, making "skin color" and narrowly defined "cultural heritages" and local community heteronomic "interests" the basis for wrecking the moral fabric of the United States (in particular), by setting "each against all" in this fashion.

The sixth crucial element was the combined promotion of Chomskyian and similar forms of "linguistics" together with various versions of "sensitivity-group therapy" practices, all of which have the central tendency-effect of "brainwashing" the participants.

The seventh crucial element was the "China option." The Maoist "Proletarian cultural revolution" was imported into the United States, initially by being tacked onto and superseding early 1960s enthusiasm for the Cuban Revolution. This version of Maoism, itself a degraded "back to nature" Dionysian cult, served as the matrix of reference for

"reprogramming" the quasi-Marxist New Left into a straight Dionysian-cult ferment, using "Marxist" labels with new content.

The key strategic elements of the transition from "New Left" ferment into "environmentalism" and terrorism were the breaking of the de Gaulle government in France, and the coordinated weakening of the forces around Konrad Adenauer in Germany. Through the pro-oligarchist forces around Franz-Josef Strauss in Bavaria, the "Volkspartei" anti-Adenauer CDU faction around Helmut Kohl during the mid-1960s, and the transition to the Brandt government through the intermediary role of the "Grand Coalition," the de Gaulle-Adenauer force of commitment to global scientific and technological progress was significantly wrecked, with the allies of Brandt, Strauss and contaminated, Mont Pelerin Society-linked elements within the FDP inclusively key to the process.

A similar process was enacted in Italy. Despite the conflicts between the Christian-Democracy and

Sen. Percy Blocking Eradication

Following a Sept. 2 article in the Washington Post reporting that Colombian marijuana cultivation has increased from 100,000 to a staggering 300,000 acres, the U.S. Labor Party interviewed a spokesman from the office of the Senior Advisor and Director for International Drug Control Matters of the State Department. The interview, made available to the Executive Intelligence Review, is printed below.

Going for \$50,000 per ton, the "cash crop" of 120,000 tons of "high quality" marijuana will net the City of London's banking circles that run the international drug trade a cool \$6 billion at wholesale. On the streets of American cities, the marijuana will be sold for anywhere from \$35 to \$60 billion. Senator Charles Percy (R-III), in collaboration with the National Organization for the Reform of Marijuana Laws (NORML), is leading U.S. efforts to legitimize this massive drug trade.

Q: Did you get a chance to read Saturday's Washington Post article on the Colombian drug situation and the fact that there are 120,000 tons of marijuana ready to be picked by the end of this month?

A: No, I didn't see the article, but I'll make a point of doing so.

Q: Has there been any discussion in your office as to what is going to be done to stop the marijuana crop from being harvested and brought into the U.S.?

Communist Party in Italy, Italy under the tradition of De Gasperi and Pope Pius XII was ruled on the basis of a balance of combined majority social forces among otherwise-opposed supporters of the papacy and the protechnology factions of the PCI and its industrial and agricultural-cooperative base. Pope Paul VI, Prime Minister Giulio Andreotti, and the state-industry sector in Italy are the social-political base for that current in the Christian Democracy, while the forces grouped around Cossutta, Berlinguer and other PCI factional adversaries of Amendola and Napolitano are the continuation of that same combination in the PCI.

In Italy, the oligarchist factional forces are a combination of the political heirs of Benedetto Croce and the so-called "Black nobility." These control the Agnelli faction of the Christian-Democracy, the Lombardi-Craxi faction of the Socialist Party—allied to the Brandt faction internationally and the Amendola-Napolitano factions in the PCI. They also control the political rag-tag of Italian politics, the

Of London's Drug Harvest

A: No, not really, our biggest concern has been with the heroin problem.

Q: *As I discussed with you last week, the USLP is still planning to present the U.S. Congress and the Colombian government with a marijuana extermination plan modeled on the Mexican paraquat spraying program.*

A: That's excellent—but you know, our hands have been tied on this matter. After having set up excellent working relations with the Mexicans on their drug eradication program, extreme pressure has been put on the Congress to stop our aiding them in their paraquat program.

In fact, you know that NORML has taken us to court on the use of paraquat and got a favorable decision from Judge Waddy to enjoin our assistance program to the Mexican government.

Q: *Who specifically in Congress is behind this pressure on the State Department to not give aid to paraquat spraying programs?*

A: Senator Percy. Both he and NORML have put on tremendous pressure.

Q: *Sen. Percy has been responsible for the amendment to the Foreign Military Assistance Bill which prohibits any country from using this money to buy paraquat or any other "harmful" herbicide to use for their eradication programs.*

A: Yes, in fact Percy's aim was to kill the whole spraying program.

Liberal Party, the Trotskyist-Maoist ultraleft, and the "extreme right."

In the Arab sector, British and Israeli intelligence jointly control such key forces as the Iraq-resident Imam of the Shiite faction of Islam, partially through the British intelligence front known as the Bahai cult, and also control various elements of the Palestinian movements.

2. International Drug Traffic

The British monarchy has controlled the international illegal-drug traffic since the close of the 18th century, at the time the British East India Company promoted the export of opium from India into China. The key banks of Shanghai, Hong Kong and Singapore have been primarily based on illegal-drug revenues from the period preceding the "Opium Wars" to the present day. This—including the same banking houses—represents what is known as the "Golden Triangle" of international opium and heroin traffic down to the present moment. The present government of Peking is directly complicit with the British monarchy in production and distribution of the opium and opium derivatives from the "Golden Triangle" at this moment. The old banking houses associated with Shanghai, Hong Kong, and Singapore are the immediate financial conduits for that side of international illegal-drug revenues at the present time.

Illegal-drug traffic's development inside the United States bears directly on the problem of counter-terrorist intelligence and operations at this moment.

Until the late 1920s, according to official U.S. government files, there was no illegal-drug traffic problem in the U.S.A. There had been addiction arising out of misuse of opiates for therapeutic purposes, and some small-scale illegal supplying of opiates to addicts, but the "drug problem" as we currently define it originated in the United States during the last phase of Prohibition. The same networks used to import illegal scotch whisky into the United States during Prohibition have continued the illegal-drug importing down to the present date.

Consequently, a brief outline of Prohibition operations brings us quickly dead on target in locating the responsables for the present-day illegal-drug traffic. The same financial institutions—in Canada, the British West Indies, and the "Golden Triangle"—which conduit tens of billions of dollars of revenues annually from international illegal-drug traffic into the United States are the same financial institutions which control the "environmentalists" and terrorists, and which control the private arms firms key in supplying weapons to terrorists.

The import of illegal whisky into the United States began with a contract negotiated between Arnold Rothstein and representatives of the British govern-

...Fruehauf trailers were carrying special compartments filled with illegal drugs — more reliably than the mail.

ment. British firms brought the whisky to the borders of the United States, chiefly via Canada and the British West Indies. Gangs organized by Rothstein and his successors ("organized crime") prepaid the British for the whisky prior to shipment into the United States through "bag men." The gangs ("organized crime") acted as the British agents for illegal distribution within the United States. Hence, because of these financial and related contractual arrangements, the "Mafia" or "Syndicate" in the U.S. has been a British intelligence operation since the outbreak of Prohibition.

One of the key centers for international-terrorism in the United States is the state of Michigan. This is for historical reasons, not other features of the state of Michigan or its population today. The case of the Purple Gang provides the key to understanding the problem.

For the Purple Gang to secure whisky from Canada, it first had to prepay the Bronfman family interests for shipment. This prepayment, in U.S. dollars, was conducted into Bronfman's accounts through "bag men." One of those "bag men" is among the most prominent and powerful figures in Michigan today. The Purple Gang could continue to operate only as long as Bronfman and his "bag men" in Michigan tolerated the arrangement. Otherwise, a gang was purged or eliminated on signal from Canada, and a new gang assigned to take over that aspect of distribution.

Toward the end of Prohibition, the same networks, including Canadian interests and U.S. "bag men" used for handling the illegal whisky traffic converted to the drug traffic.

Today, the following are the principal sources of illegal drugs into the United States. Canada, via British Columbia, Toronto and Montreal. Mexico. The British West Indies "Eurodollar" banking networks. The British West Indies (the "Silver Triangle") drug traffic is identical in control with the Caribbean "off-shore" Eurodollar banking operations. The Canadian side, which links most closely to "Gold Triangle" operations and to the Hong Kong, Singapore and former Shanghai banking institutions, is also run with complicity of top Canadian banks. Tens of billions of dollars annually are involved in the international side of these operations, dollars which are run through complicit banks wittingly participating in the drug operations themselves.

It is not astonishing, therefore, that the same factions of the Democratic and Republican parties

which push for "drug-decriminalization" are those anglophile factions closely tied politically and financially to the network of London-centered banks which run the international illegal-drug traffic. The placing of a proponent of "drug decriminalization" at the head of the Senate Judiciary Committee, a person whose family fortune is linked to British whisky interests, is a monstrous piece of ingenuousness on the part of the Senate and the electorate.

The financial networks which accumulate tens of billions of dollars annually of illegal-drug revenues—as assets for speculative attacks against the U.S. dollar!—are also the political forces controlling the policies of the IMF and World Bank, which control the Eurodollar market, and which are the London-centered chief opponents of the Bremen and Bonn summit agreements—the forces behind the Heritage Foundation's "free enterprise" campaign, the supporters of Milton Friedman's policies.

The Mexican side of the drug traffic is controlled by members of what is known in Mexico as the "Monterrey group"—chief admirers and hosts of Milton Friedman in that country. The Mexican government of President Echeverria had made efforts to crush this side of the drug traffic, but was unable to succeed completely for reason of lack of adequate cooperation from U.S. officials, and because of U.S. factional support of the Monterrey group. To break up the Mexican side of the heroin traffic one must break the power of the Monterrey group, breaking up the arms-bristling estates on which the heroin operations are based.

There are two basic factional currents in Mexico. One current, represented by the ruling PRI party, is traced through Cardenas and Obregon to Benito Juarez. The other, the Monterrey group (the "Christians who are not Christians," the "hooded ones"—shorthand for Maltese Order), is descended from the Mexico supporters of the Emperor Maximilian. The latter is historically tied to the Maltese Order and to the British monarchy, notably the Rothschild interests in the City of London and in the command of British intelligence. So, although the Mexican heroin traffic has a somewhat different historical background than the Canadian, Southeast Asian and West Indies elements, it is directly controlled by the same British-centered forces, with the bulk of Mexican traffic run through, or financially coordinated through Canadian financial circuits and smuggling routes.

Until a revision was made in smuggling modes a few years back, trailer-trucks, often Fruehauf trailers, running from Canada into the United States through states such as Michigan, were carrying special compartments filled with illegal drugs — more reliably than the mail. U.S. Post Office Department facilities used for processing drugs and illegal weapons are usually facilities which employ a significant number of Maoists and related pro-

environmentalist and proterrorist activists. And, so on and so forth.

This drug traffic is not only a major financial asset of the British-controlled financial system — running in excess of OPEC petroleum balance-of-payments revenues, but the use of drugs to destroy a large portion of the U.S. youth population is an integral, essential complement of the environmentalist and terrorist operations against the United States.

3. The Maltese Order Itself

Although members of the Maltese Order's Catholic branches include persons opposed to the British faction, the control of the Maltese Order's various branches, at the top, especially its Protestant and Jewish branches, is in the hands of a close circle centered around the British, Dutch and Belgian monarchies.

The dominant branch of the Maltese Order is the Venerable Military and Hospitaller Order of the Knights of St. John of Jerusalem, which is an arm of and created by the British crown. The other main branch is the Sovereign Military and Hospitaller order of the Knights of St. John of Jerusalem, based in Rome, and essentially a Catholic branch. It is this, Catholic side of the order which contains most of the honest persons opposed to the British monarchy, persons associated factionally with Pope Pius XII and Paul VI. The German branch of the Order is totally controlled by the British-Dutch-Belgian monarchies and the old monarchical families of Germany (Hohenzollern, Wittelsbach) and Austria (Hapsburg). This faction, the oligarchist faction, has controlled Geneva since the beginning of the 16th century, and has massive control of financial institutions in Basel. The old oligarchical families of Rome are part of the same network, but the usual, rule-of-thumb designation in Italy is the Genoa-centered "Black nobility."

In modern European history, the British, dominant faction of the Maltese Order, is designated as the "Black Guelph" faction. Not only is the ruling house of England (Hanover-Windsor) a Black Guelph family, but its policies are a continuation of the policies of the same Black Guelphs which Dante Alighieri and Petrarch fought during the 14th century, and which Machiavelli opposed during the late 15th and early 16th centuries.

The British faction of the Maltese Order today is the same combination of forces against which the American Revolution and War of 1812 were fought, and the same combination which ruled Europe under the name of the Holy Alliance. Both Metternich and Bismarck, whom Henry Kissinger so much admires, and not accidentally, were creatures of the British faction of the Maltese Order.

The British also control the oldest surviving branch of the Maltese Order, the branch which reached Canada and the United States (and also Argentina)

The Ku Klux Klan is also a product of the British faction of the Maltese order.

via a century-long detour in Russia, Poland and Yugoslavia. This branch of the order controls the "Captive Nations" and Croatian-fascist groups in North America and Argentina. The same networks which control the flow of illegal drugs from Canada into the central United States (Illinois, Indiana, Ohio, Michigan, upper New York State) run the "Captive Nations" organization and its Croatian Ustashi fascist associate in the United States at this time.

The Maltese Order's fascist wing does intersect factions within the Jesuit order and the Catholic Church as a whole. The Buckleyites are overt, shameless supporters of those Catholic adversaries of Pius XII and Paul VI, and the branches of the Catholic orders which are closely associated with the "Captive Nations" organization in the United States and Canada are of the same Maltese genre.

The Ku Klux Klan is also a product of the British faction of the Maltese Order — the source of the identity of the ceremonial robes of the Maltese and Klansmen.

The origin of the Ku Klux Klan in North America is the Tory secret networks created during the American Revolution, which were reorganized as the Knights of the Golden Circle, using rituals and costumes modeled on the Maltese Order's own. The Knights of the Golden Circle were the British-controlled secret society which, under the control of Rothschild and Barings financial representatives in New York, Boston, and elsewhere, organized the Confederate States of America as part of a British plan to divide and conquer the United States.

After the Civil War, Judah Benjamin, formerly Confederate Treasurer and Rothschild agent, together with Bernard Baruch's grandfather and a Catholic priest, reorganized the Knights of the Golden Circle as the Ku Klux Klan ("Ku Klux," a corruption of the Greek "*kyklos*," circle). The treasonous "Copperheads" of the Civil War period, the backers of McClellan in the 1864 Presidential campaign, were also a reactivation of the Knights of the Golden Circle. McClellan was the candidate of the Democratic Party machine of August Belmont, the chief representative of Rothschild in the United States, and part of the financial-political conspiracy behind the assassination of President Lincoln by British agent Booth and the Knights of the Golden Circle.

It is notable that the key New York investment banks are, in the majority, direct descendants of Barings or Rothschild firms involved in the 19th-century conspiracy to wreck the United States and

reduce North America once again to a British colony. Kuhn-Loeb and Lehman Brothers are products of the Confederate States' network of Rothschild-controlled bankers working under the auspices of Belmont, Slidell and Benjamin. These are also the same forces which, following the War of 1812, forced the United States, out of U.S. weakness, to tolerate the continuation of black chattel-slavery in the U.S. and to develop plantation chattel-slavery as a "peculiar institution" of the southern states. It was the City of London bankers, aided by their Barings and Rothschild networks in the U.S., which profited from the looting of the southern states' soil and from the bodies of the black slaves — and which later profited massively from "carpetbagging."

One cannot be blamed automatically for the crimes of one's ancestors, but those forces today have the same basic, treasonous policy against the United States which their British agent forefathers had during the 19th century. They have embraced the crimes of their ancestors for current practice — they have embraced the doctrine of treason, and are not accidentally therefore the principal funding conduits and political backers for environmentalism and for the creation of the "New Left" and its terrorist offshoots.

This is admittedly a touchy topic, since the fact of Rothschild's crimes have been the factual basis on which every "anti-Semitic" campaign in the United States and Western Europe has been premised. Nonetheless, the Rothschilds and their accomplices committed precisely the crimes for which they are blamed — and for which every oppressed Jew is also blamed by the anti-Semites. It is also a touchy topic, since Zionism was created by British intelligence during the 19th century, and the international Zionist organizations have been controlled from the top by British intelligence to the present date.

British intelligence created and controlled the British Joint Distribution Committee, and controls the top levels of the American Joint Distribution Committee. It controls the top levels of the Anti-Defamation League. It controls that continuation of the old Jewish Agency now centered in the 1967-founded Jerusalem Foundation. *The key North American figures in the Jerusalem Foundation are members of the Bronfman family of Canada!*

The best, summary, rule-of-thumb way in which to distinguish the Jew from the leading Zionists today is to note that the majority of the population of Israel, the Sephardic Jews and the "dovish" Ashkenazi and secularized Jews, desire a Middle East peace and ultimate entente with their Arab neighbors. It is a small but politically powerful group, based only on a minority of the Israeli electorate, which keeps the nation of Israel within the tracks prescribed by the British monarchy.

Throughout the world, apart from those of Jewish descent who understand and hate British Zionism, the latter including some of the spiritual heirs of Sholom

Aleichem, the average Jew is not a Zionist with a large "Z," but is a prisoner of Zionism. In Israel, he is walled in by an aversive Middle East situation, and turns to the available Zionist institutions and policies for personal survival. In the U.S., he is walled in by endemic anti-Semitism and by fear that Israel might be crushed in a new "holocaust," and thus tends to be a captive of the Zionist institutions and policies on that account. The Zionist organizations may be a means by which British intelligence turns Jews into a political commodity to its advantage against non-Jewish forces. It is equally a weapon for controlling Jews, for containing them in a "psychological concentration camp."

The top layers of the British branch of the Maltese Order are interchangeable with the top layers of British intelligence. The Round Table organization, of which Lord Evelyn Rothschild is presently head, is the top policy institution for British intelligence, subsuming such entities as the Royal Institute for International Affairs (RIIA) and the London International Institute for Strategic Studies (IISS). A member of either is a de jure member of British secret intelligence services, an agent of those services.

In Canada, the Venerable Maltese Order and the Jerusalem Foundation directly overlap, and jointly control all principal Canadian banking, many Canadian corporations, and effectively control the top-most "Old Boys" networks of government and intelligence as well as the military profession.

The other most notable branches of the British faction of the Maltese Order are the International Red Cross, a sovereign entity controlled by the Maltese Order, the Order of Orange-Nassau, and the Mont Pelerin Society. The Mont Pelerin Society, formed in Switzerland in 1947 and dedicated to extirpating the influence of Alexander Hamilton from U.S. thinking and policy, is nominally the Germany-Hapsburg "front organization" for the Maltese Order, a semisecret intelligence arm of the British faction of the Maltese Order, whose most notable target-nations for intelligence subversion and related operations are West Germany and the United States.

For example, since the 1975 reorganization of the Heritage Foundation, that foundation has been under the total joint direction of IISS (a branch of British intelligence) and the Mont Pelerin Society (an intelligence arm of a sovereign foreign power, the Maltese Order). Through this British-monarchy subversive penetration of the U.S. — all under the benefits of tax-exemption! — the Heritage Foundation has spearheaded a campaign it runs under the rubric of "free enterprise." In fact, behind the "buzz word," "free enterprise," the Heritage Foundation is plainly dedicated to the defeat of the Bremen and Bonn summit agreements, on behalf of the IMF "conditions" and the Eurodollar market. It terms a campaign to place the world economy under the neo-Schachtian financial dictatorship of a group of British-centered private banks a "defense of 'free

enterprise' " against the "dirigist" methods of democratic, governmental control of the nation's fiscal and credit policies. It is for the destruction of private industrial corporations, for the plundering of the U.S. into a depression, for the crushing of progressive U.S. agriculture, and for genocidal methods of "austerity" throughout the developing-sector, and terms this "bounty" "free enterprise."

The last time the world saw such a doctrine of "free enterprise" in full bloom was under Adolf Hitler.

Consequently, if we have the sense and the rigor to strip away mere labels from the reality, to see the differentiation of political persuasions and practices which hide under common labels, it is admissible and necessary to state that the British monarchy, its Maltese Order, the Dutch monarchy, the Belgian monarchy, the leadership of international Zionist entities, and the Mont Pelerin Society are all interlocked, wittingly complicit elements of a single entity of oligarchists, dedicated to crushing the United States as an economic power, and to employing environmentalism and terrorism as included means to advance such evil objectives.

In general, the Maltese Order is the most powerful financial force in the world today. It is this force, identified in Washington principally as the "Zionist Lobby," which stands behind both the effort to wreck the Bremen and Bonn summit agreements and which is behind all environmentalist and international terrorist deployments against the United States and Western Europe today.

This is the enemy, not only of the United States, but of the human species.

4. The Murder of Aldo Moro

The 1970 "Gianettini Report," a report on terrorism issued by a chief of the Italian intelligence service, identified Willy Brandt as a key individual responsible for international terrorism until Brandt's accession to the West German Chancellory. The fact that the Dubcek regime in Czechoslovakia and most of the "dissident networks" in Eastern Europe and the Soviet Union were identical in structure with the forces behind international terrorism obliged Brandt, according to Gianettini, to disassociate himself from the "left" terrorist-linked forces in order to conduct Federal Republic negotiations with Brezhnev.

According to Gianettini, from 1969 onwards, the control of international terrorism in Western Europe and the Mediterranean generally was under the immediate coordination of Israeli intelligence. This is corroborated currently by the fact that Baader-Meinhof terrorists Klein and Klaar have been officially and firmly identified as agents of the Israeli intelligence service, Mossad. In addition, highest-placed sources identify the fraternal, French complement to the U.S. ADL, the LICA, as the key to some of the worst terrorist operations occurring

recently in France. During the period since the Moro assassination, especially during recent weeks, there has been a massive outpouring of evidence which shows that Israeli intelligence is either running or controlling terrorism throughout Europe and the Middle East, including Iran.

Our own studies of the terrorist infrastructure in the State of Michigan, and the Michigan infrastructure's direct connections in New York City, Chicago and elsewhere, show the key elements of terrorism here to be linked variously to ADL-associated circles and to "socialist" elements interpenetrating the leadership of the United Auto Workers.

Whether Israeli intelligence as a whole is involved is a different issue. The U.S. Labor Party has friends among key Israeli factional circles, including the intelligence establishment, such that certain sections of Israeli intelligence could not be complicit in the two known assassination operations projected against this writer, nor willing to tolerate knowingly assassination of other targets. The differentiated perception of the problem of Israeli-intelligence involvement in international terrorism would limit the indictment to certain factors of that nation's intelligence services, plus trained Israeli intelligence "wetwork" specialists operating on "loan" to Zionist intelligence organizations.

To eliminate one common source of mental blocks on this issue, let it be emphasized that most of the successful terrorist attacks within Israel are either directed or "arranged to be successful" by elements of the Israeli intelligence and security services. In every recent case in which Israel has undertaken a criminal adventure in other nations, such as the invasion of Lebanon, the Israeli government has orchestrated the implementation of the prepared assault by causing or "permitting" "Arab terrorist" attacks inside Israel or against Jews outside Israel. This "programmed" terrorist killing of Jews by terrorist attacks is one of the chief ways in which the Israeli government orchestrates the political moods of the Israeli population and of Zionist supporters outside Israel.

In the most recent celebrated case, the kidnapping-assassination of former Italian Prime Minister Aldo Moro, the Zionist complicity in the operation is proven far beyond any element of reasonable doubt. Included in the operation are personalities and business entities once sought in New Orleans District Attorney Jim Garrison's investigation of the Kennedy assassination, entities which were proven complicit in attempted assassinations of France's President Charles de Gaulle, entities linked to Edmond de Rothschild of France and the Bronfman interests in Canada. The same financial connections and operations are massively interconnected with the "Zionist" organizations inside the Federal Republic of Germany, networks which link simultaneously to Maltese factions in Germany and to the "left wing" of the SPD.

The British revived the Mafia during the 1943-45 period, maintaining it as drug-running...

The most visible reference-point for terrorist forces inside Italy is the Riccardo Lombardi faction within the Socialist Party of Italy. Lombardi's second in command is Bettino Craxi, who is the leading Israeli contact man within the Socialist Party of Italy. It is PSI members of the Lombardi current who are heavily interconnected with the development of all the left-terrorist groups including, most notably, the Red Brigades.

The significance of Lombardi is more effectively situated by noting that he is a leading survivor of the immediate circles of Benedetto Croce. The Crocean circles, originally based in Naples University, were originally among the admirers of Benito Mussolini, and later took control of the anti-Mussolini "left fascist" and other formations. This network intersected the old, Rothschild-created and controlled anarchist organizations of southern Italy. Among the members of the network are Ugo LaMalfa, the Communist Party's Giorgio Amendola and Napolitano, and the father-in-law of the present U.S. Ambassador to Italy. That ambassador has acted publicly to block Italian action against terrorist-support networks in Italy, and has been shamelessly less than helpful during the period of the Moro kidnapping.

The Crocean networks were brought together under Allen Dulles during 1943 as the "Action Party of Italy." The Action Party of Italy, although in fact an old British intelligence network, was "loaned" to the U.S. for the period, and was laundered through the same units at Harvard University which later produced Henry Kissinger, Daniel Ellsberg, Zbigniew Brzezinski, and James R. Schlesinger.

Another element of British control in Italy was the "White Resistance" of the late-war period, which included the recently-deposed head of Montedison, Eugenio Cefis, and Cefis's then-junior and current Italian agricultural minister, Marcora. The old "White Resistance" crowd has been tied to Cuccia of Mediobanca, a product of the Crocean networks and leading agent in Italy for Lazard Freres, and protégé of the same Andre Meyer otherwise noted for managing the Kennedy family fortune.

Two other key elements of Italian society are notable in respect to national participation in terrorist and related operations.

One is the "Mafia." The Mafia was created by British intelligence as the "enforcer arm" for "reforming" British agent Mazzini. The Mafia

"disappeared" under Mussolini. Key parts were simply assimilated into the Fascist apparatus, while others were driven into the United States to participate in the Prohibition operations. The British revived the Mafia during the 1943-45 period, and maintain it as a drug-running and "wetwork" reserve-force, in cooperation, notably, with the "Corsican" gangsters, also a British group, operating from eastward of Socialist Party spokesman DeFerre's Marseilles in southern France and in Corsica.

The other most important force is the so-called "Black nobility." Typified by the recently deceased Prince Caraciola, the Italian "Black nobility" centers around the House of Savoy and such "bourgeois auxiliaries" as the Agnelli faction and the Einaudi Foundation. Although the "Black nobility" is heavily interlocked with the command of the Crocean and "White Resistance" networks, it is a distinct entity, which controls the Agnelli faction of the Christian Democracy and the nominally fascist parties and grouplets of Italy.

The Italian "Black nobility" is a most exotic division of the European Maltese Order as a whole. Although it is usually dated from the "Black Guelph" aristocratic faction of the late 13th and early 14th centuries (hence, "Black nobility"), and is otherwise immediately datable from the establishment of the Guelph power in Italy during the 11th century AD, the heart of the Italian "Black nobility" is a group of aristocratic Roman banking families, which can trace their pedigrees and continued family traditions back, without exaggeration, into the Roman republic. During the modern period, from the last half of the 15th century onward, this was known as the Genoese faction.

It was the Genoese faction which launched the Inquisition and Reconquista under Ferdinand and Isabella, which created the Jesuit Order during the early 16th century — at the same time that the same Genoese created a Geneva-based Protestant sect around Ignatius Loyola's former schoolmate, Calvin. It was the Genoese who controlled "Bloody Mary" and "Mary Queen of Scots" in England. It was against the Genoese that Christopher Marlowe, playwright and key operative of British intelligence for the Tudors, wrote his *Jew of Malta*. It was the Genoese who took over Amsterdam while ruining the Antwerp of their Fugger and Welser financier-competitors. It was the Genoese who organized the "Thirty Years War" in Germany, who placed the Stuarts on the throne of England in 1603. During the 16th and early 17th centuries, the Genoese, who controlled the financial interests of the Maltese Order, established Genoa, Geneva, Amsterdam, and London as the vertical axis of evil in the world, the axis of financier evil which has been the chief enemy of the human race since the fall of the Antwerp banks during the 16th century.

The case of the Rome branch of the "Black nobility" is of more importance than amusement. According to Livy and other ancient historians, the historical

Roman republic was under the rule of the Cult of Apollo. That Cult, the chief representative of the Western Division of the intelligence services of the Persian Empire, and what New Testament theology identifies as the "Whore of Babylon," was of essentially a threefold character. It was most obviously a cult specializing in political soothsaying generally. It was also the principal financial agency, the chief usurer of the Mediterranean region. It was also the most powerful political-intelligence agency of the world after its successful assassination-by-poisoning of its Platonic foe, Alexander the Great.

If the history of ancient Rome is studied from the vantage-point of knowing the Cult of Apollo and its methods of operation, all the main features of the known history of the Roman Republic and Roman Empire's decline are directly traceable in terms of provable policies and operations of the Cult.

The center of the Rome side of the overall operations of the Cult of Apollo (and its Stoic successor) was a group of bankers engaged in usury, in partnership with the usurers of Egypt and Babylon. It is those banking families which, in significant part, survived the fall of the Empire down to the present time, and which thus represent the embodiment of an unbroken tradition of the "Whore of Babylon" from no later than the eighth century BC to the present date. To insiders, such as Mexico's former President Luis Echeverria, the representatives of this British-led faction of the Maltese Order are known as "the Christians who are not Christians," and to President Kyprianou of Cyprus, referring to the friends of Franz-Josef Strauss who had just attempted a fresh coup in that nation, as the "magicians."

In the case of the Moro assassination, all of these forces plus their Israeli-intelligence accomplices, were directly involved. Two deaths immediately following the Moro assassination are exemplary. One such death was that of Prince Caraciola, a leading member of the "Black nobility" overtly involved in promoting "environmentalist" hooliganism and the 1977 riots in Italy. The other death was that of Johann von Schwartzberg, ambassador of the Maltese Order to Rome. Prior to their deaths both were being actively investigated for complicity in the Moro assassination.

Johann von Schwartzberg is a representative of an aristocratic family which is "cousin" to the Austrian house of Hapsburg. Although not a high-ranking figure within the publicized accounts of the Maltese Order, Otto von Hapsburg is a key political spokesman for the British faction of the Order in Germany, Austria and in the United States. (He frequently visits Chicago.) Other members of the Hapsburg family are involved in Belgian financial operations controlled by the Maltese Order, including the Société Generale, and are tied to the interests of Baron Lambert and to Swiss ventures which intersect Edmond de Rothschild and Swiss and West German financial institutions which are otherwise key points of

...Moro was killed because he enabled Andreotti to defeat Kissinger.

intersection of common power of the Maltese, the Zionist organizations, and the Socialist International "left" in West Germany.

Investigations by intelligence agencies have pinpointed these forces as being variously directly and politically complicit in the kidnapping-assassination of Moro. They have also firmly established that the assassination occurred as part of the implementation of the "Kissinger scenario" for Italy, the effort Kissinger launched this year in the effort to bring down the government of Prime Minister Giulio Andreotti. Moro was killed chiefly because he had performed a key role in enabling Andreotti to defeat Kissinger by entering into a continued de facto alliance with the Berlinguer wing of the Communist Party of Italy.

It is because of the role of U.S. Ambassador Gardner during the kidnapping, and the fact that the overall operation in which the Moro assassination was included was a "Kissinger scenario," which prompts British-influenced press and political forces in Italy to currently insinuate that the U.S. CIA was complicit in the kidnapping and assassination. The British use this interpretation of the facts to motivate Italy's break from support of the U.S. dollar, or in other words, to impel Italy to line up with Britain in demanding that the European Monetary System dump the U.S. dollar from reserve-currency status.

It is a fact, as we determined independently at the time of the kidnapping operation, that the kidnapping-assassination was part of the "Kissinger scenario" for Italy. It is also a fact that U.S. Ambassador Gardner was "suspiciously" unhelpful to Italy in that time, as he had earlier attempted, repeatedly, to use his position as U.S. ambassador to pressure Italian security agencies into abandoning hot tracks leading to controllers of terrorist operations in that country. However, we who know that Kissinger is in essence a British intelligence agent — as responsible Western European leading circles know — and who also know where Gardner's real loyalties lie, know that the U.S.'s contaminated role in the affair was entirely a result of British "playback" through U.S. channels.

CIA Director Stansfield Turner does fall under suspicion. He is openly a member of IISS, and has other prominent elements of pedigree which locate his bias in policy-outlook and practice as favoring the alien interests of the British monarchy and intelligence service.

What makes Turner most suspicious on the whole is

the fraudulent report the CIA issued to the White House on the subject of the Luanda tribesmen's intervention into Zaire's Shaba Province. The CIA report issued was not merely mistaken, *but lied on the authorship and objectives of the attack*. The operation was run from London and through Belgium. From London, Tiny Rowlands' African operations were caught red-handed by relevant African states in participating in the operation. The Belgian side of the operation was run through the Société Generale with complicity of elements of the Belgian government. The Zairean government and the French government came to correct findings on this matter within less than 24 hours of the attack, findings which were directly available to the CIA, and which were, to our knowledge, transmitted by us to the CIA and other elements of the U.S. government with indications of sources for corroboration of our initial findings. Our findings, and those of the French and other governments were fully corroborated in the aftermath of the operation. Turner lied, on behalf of the British government of whose IISS he is an overt member.

Admittedly, there are, as we have indicated, three factions in the Italian press on the ongoing Moro investigation.

One faction, which is to be promptly discounted, is the proterrorist, "leftist" press as such, including the Craxi-controlled *Avanti*.

Another faction, politically allied with the Piccoli-Andreotti forces of the Christian Democracy, should be read most carefully, since it is currently preparing its readers for the findings of the full disclosure, to be made before the close of October.

The Agnelli-linked press, including *La Repubblica*, generally lies, although it occasionally includes interviews or other coverage which reflects the truth. *Corriere della Sera*, the largest newspaper, is under heavy Cuccia influence, and is predominantly untrustworthy, often conducting "black propaganda."

The Communist Party daily, *Unità*, should be followed regularly by all concerned intelligence and security agencies. It should be read with the understanding that an uneasy balance of power exists between the Berlinguer and Napolitano factions within the PCI. It does include important leaks and statements, but also, on alternate days or in other columns, pro-British propaganda.

Reports which coincide with our version should be taken as reflecting the actual findings of intelligence investigations. Those which offer alternative views will identify representatives of the factions which are either directly complicit in the assassination (and terrorism generally), or are politically allied with the forces responsible for terrorism.

There are two correlative yardsticks to use in assessing accounts in the Italian press, and assessing the political forces behind the publication of those accounts. Those editors and writers who take an "anti-Bremen," antidollar view, or which support the British "alternative" for an EMF subordinate to the

IMF and for dumping the U.S. dollar as a reserve currency, are infallibly the forces politically allied with the agencies behind terrorism internationally. The same point is to be made concerning the coverage of nuclear-energy and fusion issues.

Another useful indicator is occasional coverage of the U.S. Labor Party and its co-thinker organization, the European Labor Party. The Italian internal situation is presently so tightly defined that representatives of all main factions are either committed to the U.S. Labor Party as a political ally or are bitter enemies of the U.S. Labor Party and ELP. Any journal which slanders the U.S. Labor Party or ELP in Italy—or West Germany or France—at this juncture is firmly identified as a conduit for the policies for the forces behind international terrorism. No accidental or irrelevant coverage of the U.S. Labor Party or ELP can occur in those nations' press at this time.

With some qualifications, the same observation can be extended to coverage of the U.S. Labor Party and the same issues inside the United States.

Since 1974, the sources of all the defamatory or otherwise slanderous accounts of the U.S. Labor Party in the U.S. press have originated with sources tied to the political forces behind international terrorism and environmentalism. Admittedly, there are complicated cases, such as the syndication of the Jack Anderson slanderous column, actually authored by persons linked to U.S. terrorist organizations, in which a local newspaper picked up the slanderous column ignorantly, or cases in which pressure has been applied to editorial boards to run prepared slanders. However, the slander itself has been proven in each case to have originated with an agency, such as the Heritage Foundation, IPS, etc., which is either directly complicit in international terrorism, or which otherwise represents the financial-political factional interests on whose behalf terrorism and environmentalism have been deployed.

5. How To Crush Terrorism

In the final analysis, the only way to completely crush terrorism in the United States is to attack the many-armed beast at its vital center, to break the back of the British monarchy and its City of London extension and ally, by crushing the value of the British pound to below \$1.20 and accelerating the implementation of the Bremen and Bonn summit agreements. This war against international terrorism is a war in the true sense, a war against the forces allied behind terrorism and environmentalism with the British monarchy. To win the war, to cause the various armed extensions of the enemy forces to surrender, one must force the adversary to his knees by methods of warfare—in this case, financial and related forms of warfare.

Short of that, international terrorism and its twin evils, environmentalism and drug addiction, cannot

be eliminated. However, there are effective and ineffective ways of conducting the warfare against the terrorists and environmentalists themselves.

Since the environmentalist and terrorist movements are Dionysian cults which depend upon the drug culture to perpetuate themselves, the first general prerequisites of successful combat against terrorism and its environmentalist auxiliaries and safe-house operations is to reverse all decriminalization of marijuana and other dangerous drugs and to pressure to full enforcement of criminal penalties with adequate means for enforcement of antidrug action provided to this end. The easiest way in which to neutralize a major portion of the terrorists' environmentalist infrastructure at will is to have the capability to put hard-core environmentalist activists behind bars virtually at will — a capability which is provided to us by those forces' dependency upon the use of marijuana and other drugs.

No elected official or candidate who supports "drug decriminalization" must be tolerated in office. No elected official, such as New York City officials, who order Police Departments to back off from detentions of drug-users and pushers—including drug-pushers operating openly directly opposite even primary schools, should be permitted to remain in office.

This is war. These are the supporters and auxiliaries of the treasonous forces the enemy is deploying against our nation. They must be harried and contained under appropriate law and law-enforcement to the point of crippling the enemy's capabilities.

The "Levi Guidelines" must be repealed. Terrorism and its supporters represent an irreparable danger to the nation, its Constitutional order, and to its citizens, unless effective crime prevention methods are deployed to prevent this injury. On a basis of finding of the form of advocacy and practices of groups which constitute support for terrorism, such groups should be placed under passive (observational) surveillance, pending further action deployed on the basis of probable cause of impending or actual commission of an offense. There is a distinction between legitimate political dissidence on policy and practices and a form of "dissidence" which commits and-or aids terrorist acts against the nation and its population.

The necessary popular climate for support of necessary measures must be generated through exposure of the ultimate authorship of terrorism and

environmentalism. The evidence being developed around the investigation of the Moro kidnapping and assassination is crucial. As it is now being established that the British faction of the Maltese Order is responsible for terrorism, for international illegal-drug traffic, and for environmentalism, and that top-most elements of the leading Zionist organizations are controlled by forces most-actively complicit in these operations against the United States and other nations, these facts must be widely circulated among institutions and to the general public, if necessary by-passing a press which refuses to publish the truth in this connection.

If a local press refuses to give honest coverage to events bearing upon vital national interests, efforts must be made to create new, competing news organs, and to channel advertising and other support into new, honest news media away from the old.

The long-standing problem with investigations of illegal drugs and with recent years' pursuit of Weatherman and other branches of international terrorism, is that the investigation has proceeded from the bottom up, sometimes chopping off one extremity of the hydra, but never reaching the part of the problem which controls the crime and generates new tentacles to replace the few chopped off by law enforcement.

True, we may not be able to reach out and *arrest* leading figures of Canadian and other foreign banking firms, but that is no excuse for ignoring the source of the drug and terrorism problems. The United States government has efficient means at its disposal for wrecking the financial power of banks complicit in conduiting tens of billions of illegal-drug monies, and for strengthening those factions of other nations which will cooperate with us in crushing the supporters of the Maltese Order's British factions in their nations. We have no excuse for not knowing who the ultimate criminals are, and we cannot say in honesty that we lack means for reaching and neutralizing those criminals.

Of course, a certain amount of hubristic, creative imagination helps to determine which the most effective remedies should be.

We shall not let our nation lie prostrate and whining before the forces of environmentalism and terrorism now being deployed by the British monarchy and its allies. *Or, shall we?*

EXECUTIVE INTELLIGENCE REVIEW

Supplement

by
Lyndon H. LaRouche, Jr.
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Who Are Afghanistan's New Leaders ?

When Afghanistan's royal family was swept away by a coup d'etat last April, British and American newspapers quickly jumped on the revolutionary developments to label the new government a puppet of the Soviet Union. British newspapers, led by the *Daily Telegraph*, went so far as to instigate a press campaign to "demonstrate" that the Soviet Union, through its "puppet" Afghanistan regime, would now drive to the Persian Gulf, "destabilize" Iran and Pakistan without any compunction and set the region afire with tribal and other outbursts. This month, the Cuban press agency *Prensa Latina* reported that the new Afghan government aborted a coup d'etat against it. The coup d'etat is believed to have had the backing of China and Pakistan in the region, and outside the region the United States and former British colonial networks — all to contain the "Soviet menace."

The man who has produced so much consternation is a mere mortal — the current Prime Minister and President of Afghanistan, Nur Mohammad Tarakki. He was little known to the outside world prior to the April coup, but as his own speeches demonstrate clearly, Tarakki is one of a small band of intellectuals who have persisted in their desire to bring

Afghanistan, a feudal kingdom, into the 20th century of progress and development.

Contrary to the Western newspapers' allegations of what his government ought to do, Tarakki in four months of power has accomplished much to change Afghanistan. He has ordered a major literacy drive, in a country where less than 5 percent of the population can read or write. In addition, his Khalq Party, now the ruling party, but for years the teachers and administrators — the "elite" of the country — has taken to the field to implement the new government's decrees for debt relief and total land reform. This is the base for the Tarakki government, a base the royal family, sponsored and supported by the British Empire, never had in the population.

Below is an August 1 speech by Tarakki himself to give the outside world a real look at the inner makings of Afghanistan's new leaders. Tarakki demonstrates in no uncertain terms that the social class he represents, the educated elite, is here to stay and that their program for Afghanistan to develop both its natural and labor resources will not tolerate any foreign efforts to prevent this goal, be they the Muslim reaction, the old Colonial Office, or the tribalists.

Tarakki: 'A New World, A New Man, And A New Society'

We have always been related to each other by means of a strong link, namely the progressive ideology of workers, farmers and peasants and we have been very close to each other, as close as fingernails and fingertips. . . . You, the valiant revolutionary youth, accomplished a task, under the leadership of your party, that was unique in the world. But this achievement, as we have always said, has not been gained by chance or accident. You and the world at large know that this is the result of the systematic party struggles which we have conducted for many long years. When our political party was established, over 13 years ago, on the basis of a new progressive ideology, these struggles yielded a truly interesting result. Of course, the establishment of this party did not mean that we had suddenly awakened after 13 years. It was the result of piecemeal activities during the past 25 years; the nucleus of this party was formed 20 years before it was established. For this reason, I say to all my comrades: This was no chance event or

accident. I repeat once again that it was the regular party activity which was founded on a progressive ideology that led to the establishment of the People's Democratic Party (PDP) of Afghanistan, which is the leading party of the working class in the country.

Your party attained great political success as it established, for the first time, a government of the workers, farmers and toilers in Afghanistan, and it took control of political power. But this is not enough. We can only obtain the very desirable results of our political power when we utilize it in such a way as to eradicate the stinking, rotten, feudal society from its foundations and build in its place a new world, a new man and a new society. The progressive works we have rendered during a period of 3 months are truly unprecedented in the history of Afghanistan.

The issuance of Decree No. 6 of the Revolutionary Council is an historical measure which rescues millions of hard-working farmers from the evils of the

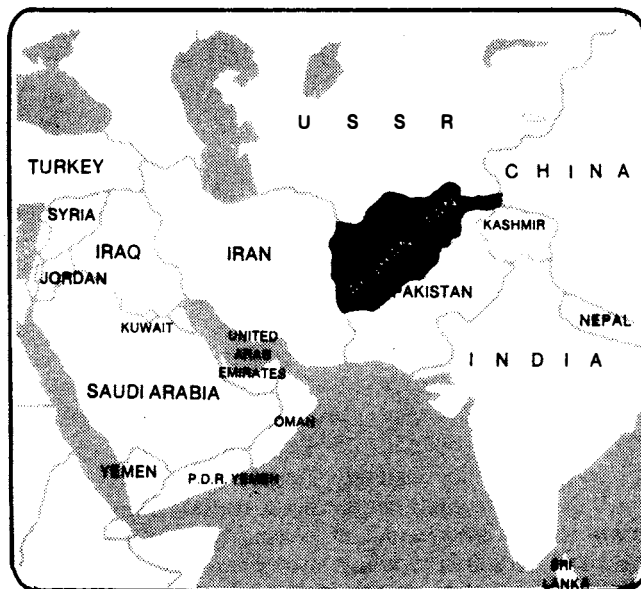
rapacious, blood-thirsty wolves who used to have a life of luxury and enjoyment thanks to the flesh and blood of their prey. Our government issued its Decree No. 6 under the leadership of the PDP and as a result, freed the farmers and toilers from the claws of the cruel rulers. This is a measure of which we can all be proud. This is not only a source of pride but is a fulfillment of our primary duty that we owed to our workers. This heavy blow dealt at feudalism has shaken its very foundations. Thanks to this measure and the land reforms, the feudalist system, its remnants and the feudalist way of thinking will be eliminated in our society; and our land reforms are not very far off either.

We want to create a society in which our workers and farmers can afford to appear in handsome attire and enjoy a good life and health; we want this kind of society.

With regard to the party, it should first become more orderly, more effective and more extensive than before. For now we no longer act in secrecy. From now on a more precise party charter and discipline will be contemplated. Our comrades ought to once again carefully study the workers' and farmers' ideology. I strongly advise my comrades to closely observe party order, discipline and ideology and not only to observe them but to act on them.

If a person becomes a PDP member it means that he is a philosopher, a dialectician, an historian and knows socialist principles and can act upon them. Such prominent party members will be able to build our society in accordance with the needs and wishes of the people and can rescue them from the present social and economic ailments. Party comrades should particularly know against whom they should use the tank, gun and machinegun.

When our party took over political power, the exploiting classes and reactionary forces went into action. The only rusty and antiquated tool that they use against us is preaching in the name of faith and religion against the progressive movement of our homeland. The bootlickers of the old and new imperialism are treacherously struggling to nip our popular government in the bud. They think that since we took over power in 10 hours, they would, perhaps, capture it in 15 hours. But they must know that we are the children of history and history has brought us here. These agents of international reaction ought to know that by acting in this way they are banging their heads against a brick wall. These agents of imperialism who plot under the mask of faith and religion have not begun this task recently. They have been busy conspiring against progressive movements in this fashion for many long years. You will remember the crimes they committed in various forms in Egypt and other Arab countries. Now their remnants and pupils existing in Afghanistan are acting under the mask of creed and religion in a different fashion. They ought to be uprooted as a



cancerous tumor is from the body of a patient in a surgical operation. These madmen of the right and leftist-leaning lunatics are rigorously under control. Whenever they commit an act against the revolution they will be rigorously crushed, for they are waiting for an opportunity to embark on activities in one way or another against us. Your government and your party are so fully in control that they will not give them a chance to act. This party and this government will not allow the lunatics of the left and of the right to carry out their evil deeds. I emphasize once again that we will pursue a serious struggle against such enemies, be they acting overtly or covertly.

We have no overt enemies, and our struggle against our covert enemies depends on the consolidation, progress and strength of our people's party. This party is capable of struggling against everyone such as it has done in the past, and I am certain that it will be able to do so in the future.

Our foreign policy is very open and clear. We do not want to enter into any military bloc and we will not do so. We have boycotted all military blocs. We are party to no alliance. But our nonalignment by no means indicates that we cannot render independent judgment. We have told the American ambassador and President Carter's envoy that we are nonaligned; and let no one doubt that no one has any right to interfere in our internal affairs; we alone have the discretion to determine what is right and what is wrong, and to render our free judgment and independent decision. No one can dictate to us. I told Carter's envoy that we will say what we think is right and what we think is wrong. We have our own principles. On the basis of our principles, our delegate at the nonaligned countries' foreign ministerial conference said in Belgrade: Those who are members

of military blocs have no right to sit in the ranks of the nonaligned countries either as members or as observers. This is our judgment; this is a principle.

. . . Those who are members of aggressive blocs should not sit among the group of nonaligned countries. But some countries say: Notwithstanding our being members of CENTO or NATO, you ought to have endorsed us for you are nonaligned. This is what our nonalignment means to us. . . .

But as a comrade, I say to you that we want peace. We preserve peace and defend detente. From the viewpoint of my party responsibility, I tell my comrades: We want good relations with friends and neighbors, and we do not wish to interfere in their internal affairs or to embark on a conspiracy against them. We will try to maintain good relations with them. . . .

With regard to internal affairs, I assure you that nowhere throughout the country is there anyone or any power obstructing our path. I can tell you that our party is dominant everywhere. As I said earlier in my television interview, from the head of the smallest administrative unit to the president of the Revolutionary Council all are Khalqis (members of the PDP). We all conduct our affairs in accordance with Khalqi mentality and Khalqi responsibility.

Similarly, and this is another thing I can tell you, in the military area, from the rank of 3rd lieutenant to the president of the Revolutionary Council, all are either Khalqis or Khalqi sympathizers or are bound to become Khalqis. In other words, the PDP is in full control in the army. . . .

The course of reform is in progress thanks to Decree No. 6 of the Revolutionary Council—one of the monumental achievements in the eyes of the regime. Under this decree, farmers with little or no land have been freed of the debts they had incurred to landlords and moneylenders. You have sharpened the class struggle in Afghanistan. The class struggle which we awaited for many long years is now gaining in intensity. Previously, nothing material existed for our

people to awaken their political awareness and to make them rise against the feudal lords. I congratulate you and your party, comrades, for the success of your party in capturing political power from the feudalists. This is a great thing that has happened and is a basis for pride especially for those of our youth and party members who fought for it. We are of course grateful to all other progressive people who have collaborated with us in this task.

Let me conclude by urging you strongly, comrades, to couple your studies and knowledge with action; find good, clean and pious comrades. You should not only be an example of political, social and moral piety in the army but throughout the country so that everyone will say that the Khalqis are truly honorable and trustworthy people to be proud of. Our comrades set such an example even before the revolution. I always used to advise them: Always observe your piety, whether you are a teacher, a director or whatever job you may have.

The majority of our comrades were teachers. Before the revolution, whoever wanted to punish one of our comrades would accuse him of being a Khalqi, for he had good morals and would not take bribes. It was on the basis of this piety, that is political and social piety, that we took over power. We had neither money nor anything else to offer the people. All we had was political piety; and we always ought to be exemplary. We are capable of attracting even greater trust in our society and of introducing changes for the benefit of the people thus implementing our slogan, which was bread, clothes and shelter. From then on the people can realize their happiness, prosperity and progress.

Even if all the world's reactionary forces unite against us, they could not make us retreat from our position—even by an inch. Of course, the possibility of some individual measures on the part of the black reaction exists. But we are bringing new changes to society in Afghanistan. No one can obstruct us in this way. They will not obstruct us.

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