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Executive Intelligence Review

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EIR

From the Managing Editor

Following President Reagan's announcement of a "Mutually Assured Survival" doctrine based on development of defensive laser weapons, he and his spokesmen also issued a series of negotiations-offers to the Soviet leadership—the most generous of the post-war period. He even pointed out to the Western press that beam-weapons should be viewed as the science to prevent nuclear war, and with their development in sight, a President could even consider offering collaboration to a potential adversary, to ensure that both powers develop such defense systems in the same interval of time. In such fashion, too, the framework of negotiations over a new, perhaps deadly missile crisis this fall, was potentially changed most beneficially.

A Russian leadership acting as "communists" might have been expected, after some howling, to respond positively. A Russian leadership acting as nationalists or pragmatists might also have responded positively. The Russian leadership, however, responded negatively, to say the least. Their ain't no "commies," and no nationalists either, in Moscow. There is only imperial ambition centered around the Russian Orthodox Church's "Moscow is the Third Rome" cult.

This week's Special Report is the first in a series examining this "paradigm shift" in Soviet culture and institutions. Editor-in-chief Criton Zoakos elaborates how, over the past two decades, "systems analysis" and Malthusianism replaced "Marxism-Leninism" as official Soviet state doctrine.

We also call your attention to the related problem of "Debate-gate," the subject of this week's National Section lead story. It is a plot to topple the Presidency, with the Soviet KGB in the thick of it, operating through Averell Harriman-linked personnel associated with the Carter apparatus in the Democratic Party, and through the FBI itself.

Susan Johnson

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Director of Intelligence Criton Zoakos details the process by which "systems analysis" was introduced to Russian policy-thinking, and displaced "Marxism-Leninism" as official doctrine, opening the way for a resurgence of the "Third Rome" cult-outlook.

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Brazil's temporary surrender no solution to debt crisis

by David Goldman

For those concerned with world monetary stability, Brazilian Finance Minister Ernane Galveas's announcement July 15 (just before *EIR*'s deadline) that Brazil had come to terms with the International Monetary Fund should have been the worst news possible. It will be viewed differently in Washington and New York, to the inestimable detriment of the United States and the American banking system.

According to sources at the Basel-based Bank for International Settlements, Brazil's acquiescence to a range of International Monetary Fund austerity demands will make it possible for the IMF to disburse about \$400 million to Brazil, such that Brazil may make its payment to the BIS just under the deadline. The BIS will not "extend" the July 15 deadline, as Swiss National Bank President Fritz Leutwiler, in his capacity as BIS chairman, had announced the preceding Monday; the IMF-Brazil agreement appears timely enough to avoid the threatened default crisis.

For the moment, crisis has been postponed, once again, and once again at the cost of disturbances in the world political and financial system which may not be containable. Analysts with access to the sordid behind-the-scenes drama leading to Galveas's reluctant capitulation will shudder at the implications.

Here is the transcript of a discussion with an administration official familiar with the American government's role in this business:

Q: How do you read the Brazilian situation?

A: Brazil got beaten up to the point of making an agreement with the IMF.

Q: Does the IMF agreement include the demands for reduction of state-sector subsidies as well as the indexation

cuts?

A: I presume it must.

Q: Was there any communication between the U.S. government and the Brazilian government on this matter?

A: There has been continuous communication.

Q: Was any special message delivered during the past several days?

A: What the Brazilians were told is that if they did not come to an agreement with the IMF, the BIS won't renew the loan, they might declare you in default, and then you'll be in big trouble—the usual arguments.

Q: The usual Treasury arguments?

A: Yes.

Q: Can this be repeated with Venezuela and the other countries?

A: Well, it's resolved for the moment, but the others are going to come up in quick succession.

Q: What is next?

A: This is very hard to time; I would say Venezuela in about six weeks, but it's difficult to be precise.

The U.S. Treasury conducted a fair imitation of a terrorist who hijacks an airplane by threatening to blow up the plane, himself with it. Had the Treasury backed up Leutwiler's threat, and forced Brazil into default, the top nine American banks would have immediately lost assets in the amount of double or triple their shareholders' capital; if other countries followed the Brazilian lead, the American banking system's equity would sink to the status of 1922 Reichmarks. Worst of all, the Treasury was not bluffing; the ideologues who

flank Secretary Donald Regan would likely have done it. Under threat of total economic war, the Brazilians broke.

According to the *New York Journal of Commerce*, Brazil's options expired when its foreign exchange ran out—including the billion dollars' worth of gold it has sold over the past year—and the country was left with two weeks' supply of crude oil. Galveas spent part of the week prior to July 15 in Caracas, attempting to secure oil supplies from Venezuela in sufficient volume to withstand the threat from the Treasury, and apparently failed.

For a third time, the Ibero-American continent failed to hold together against an external threat. Brazil's inability to secure oil supplies from Mexico and Venezuela recalls Argentina's inability to persuade Brazil and Mexico to join in a common debt moratorium during the Spring 1982 Malvinas War, as well as Lopez Portillo's inability to secure agreement on the same subject from Brazil and Argentina last September, when his administration vainly sought the means to reject the International Monetary Fund program.

The Treasury has achieved nothing, of course; Brazil can implement the IMF program now less than ever. Sections of the Brazilian government were active in the organization of the mass strike movement now in progress in Brazil, leading towards a June 21 general strike. Brazil has mobilized, like Russia in 1914, and the fact of its mobilization constitutes the act of war. Either the Brazilians will repudiate their IMF agreement once sufficient lines of oil supply are in place, or Brazil will de-mobilize; but the latter option will destroy the institutions that hold the nation together. As at the outbreak of World War I, when the European nations chose war rather than the devastating consequences of shutting down mobilization at midpoint, the Ibero-Americans must either choose economic war, or crumble internally.

The threatened disintegration of institutions will not merely guarantee that not a cent of the continent's \$350 billion foreign debt will ever be paid, but that no political forces will remain to preside over the aftermath.

Cui bono—who benefits?

The Treasury has made no excuses concerning its intention to push "adjustment" to the point of economic war; Secretary Regan told *EIR* in late June that if the Ibero-Americans formed a debtors' cartel, "they would never get another loan again." From discussions with Treasury officials involved in negotiations with the Bank for International Settlements, it appears that the two-week extension represented not so much a compromise as a tactical detour. Open Treasury support for a default declaration June 30 might have triggered a response at the Defense Department, the CIA, the National Security Council, and other agencies who are warning the President of grave national security complications should the U.S. take the role of George III against a rebelling South American continent. The July 15 deadline represented a "compromise" that served the Treasury's factional purposes.

Switzerland may have more than a merely ideological hold on the American side of the negotiations. The Federal

Reserve governor chiefly responsible for international affairs, Dr. Henry Wallich, is the scion of an old and nasty German-Swiss banking family; he maintains close ties to the German-speaking central banks, and attends the monthly BIS meetings on behalf of the Federal Reserve. Wallich is a faithful conduit for *Mittleuropäische* views (including his post-January advocacy for a tighter American monetary policy, coinciding with Leutwiler's). Fed Chairman Volcker, the New York banks' man, is the ideal meeting chairman, but not an initiator of ideas, and must lean heavily on Wallich. The Treasury's chief international officer, Assistant Secretary Marc Leland, is the former personal lawyer of Swiss banker Edmond de Rothschild (and son-in-law of Guy de Rothschild); his superior, Undersecretary Beryl Sprinkel, is an ideological clone of Milton Friedman, close to the Karl Brunner monetarist circuit in Washington.

Sources close to Fritz Leutwiler insist that a political change occurred over the two weeks prior to July 15, permitting the Swiss National Bank chairman to stick to his deadline. Much depended upon the internal situation in the United Kingdom. Mrs. Thatcher is committed to a strong American defense policy, and, in that sense, is one of Mr. Reagan's few close allies among foreign leaders. Nonetheless, she began the war projected against Ibero-America one year ago (thanks especially to Lord Carrington), which hardly suited Britain's interests. Her economics also have much to do with seminars in 1975 under Berne University professor Karl Brunner, a Swiss National Bank consultant and Leutwiler confidant also prominent in conservative monetarist circles in the United States. Mrs. Thatcher's chief advisor Alan Walters is also a monetarist of the Brunner stripe.

As reported by the *London Observer* July 10 (and not denied by 10 Downing Street), Mrs. Thatcher's response to a last-minute Brazilian plea for help that weekend was to urge that Brazil be taught a lesson in austerity. Such outrage over this gaffe emerged in the City of London, especially among the clearing banks heavily committed in Ibero-America, that the *London Daily Telegraph* editorially attacked Mrs. Thatcher July 14 for the first time since she became Prime Minister.

A hidden, but perhaps critical, element in 10 Downing Street's hostility towards Brazil may be Brazil's refusal to give British military aircraft access to airfields; this display of Brazilian solidarity with Argentina may have set Mrs. Thatcher on her ear.

As sources close to Leutwiler emphasized, the British "tough line" towards Brazil was a significant factor in Leutwiler's emphasis on the July 15 payments deadline; "major forces were at work" strengthening Leutwiler's hand, a source close to the BIS chief reported, citing the British development.

Continued monetary deterioration

The global consequences of continued financial deterioration in Ibero-America are a principal element in Swiss calculations. Brazil has paid no interest and principal since June 1, and ran up considerable arrears before June 1. Bra-

zil's arrearages began with the attrition of interbank lines made available by the major American banks as of May; earlier, American banks had extended at least \$12 billion in such lines to Brazil starting during the fourth quarter of 1982, partly to replace lines withdrawn by continental European banks. The entire continent built up \$37.5 billion in such interbank lines between August 1982 and February 1983. The IMF agreement does not begin to deal with Brazil's \$2 billion of arrears to the banks; as IMF officials emphasize, the March IMF program for Brazil cannot be resumed without guarantees from the banks that Brazil will be funded. These guarantees are not yet in sight.

Brazil's immediate problem is only the closest to the surface of many similar ones. The sharp rise of Eurodollar rates (to 10.75 percent for six-month money) since early May reflects not Federal Reserve tightening, but growing illiquidity on the Eurodollar market itself. Continued, perhaps accelerating attrition of OPEC deposits in the primary market following the \$6 billion drawdown reported for the first quarter is sufficient to produce substantial interest-rate pressure on the market. More dangerous is the heavy dependence of France, Italy, Belgium, Spain, and other European nations upon the Eurodollar interbank market to fund balance of payments deficits.

Europe's financial crisis is indissolubly linked to the Ibero-American crisis through the mechanism of the global interbank market. In financial terms, France, Italy, and Spain are moving rapidly into the position of Ibero-America now, except with a six-month delay. The other difference is that these three worst-off countries may not go to the IMF; between them, they can legally demand over \$25 billion in loans under the "enlarged access" formula, at a time when the IMF is already struggling to reduce its commitments.

France, with close to \$100 billion in external debt, is rapidly becoming another Brazil, but with perhaps fewer resources respecting the world market with which to postpone its crisis. Internally, the French government is nearly bankrupt; the most recent "jumbo" Eurobond issue arranged for France via the European Community served mainly to pay the current salaries of the French civil service. An internal French Treasury study now says that by a year from now, France will have to borrow as rapidly as it is borrowing now merely to pay interest on the existing debt. Italy, if possible, is in even worse condition; Spain is on the verge of major political as well as economic dislocation.

Federal Reserve specialists view the interbank market as the most visible fuse with respect to the European debt bomb; the abandonment of the foreign branches of Italy's Banco Ambrosiano last spring and summer by its bankrupt parent office might repeat itself on the grand scale. An indication of the danger is the increase of "tiering," i.e., differential rates applied to weaker borrowers in the interbank market, as well as the rise of Eurodollar interest rates themselves.

As *EIR* will document in more depth in our Quarterly Economic Report, the American economy bought time from the economic grave by means which are rapidly exhausting

themselves—as the present rise in interest rates makes clear. Wittingly, the Treasury boosted its actual borrowing requirement to \$350 billion per year, in order to include close to \$100 billion of "agency" bonds supporting the mortgage market; the Federal Reserve maintained the fastest rate of peacetime reserve-creation in history to enable the banks to buy Treasury securities at a \$100 billion annual rate. This extraordinary chain-letter operation failed to produce a collapse of the dollar and rising interest rates for one overriding reason: the United States has been the recipient of a \$50 billion per annum flow of flight capital from the rest of the world, principally from Ibero-America, sufficient to stabilize the dollar and temporarily hold interest rates down. Despite Volcker's attempts to oppose them, the forces driving interest rates upward have almost crossed that tripwire which will knock out the housing and auto consumer-credit flows which sustained the so-called "recovery" this far.

In the most basic sense, therefore, the international debt crisis is not an exogenous threat to an otherwise-sound American economic situation. The debt crisis, triggered in its present phase by flight capital more than by any other factor, is the immediate and direct result of the means which Paul Volcker and Donald Regan chose to rig their "recovery."

The view from *Mittleuropa*

At some point in the process of unraveling, American banks themselves will repeat their actions of September 1982, shutting down commitments to weaker banks abroad, with potentially disastrous consequences for the funding position of both the rest of Ibero-America (Venezuela and Chile in particular), and Western Europe. It is impossible to say where the chain will break, once yanked sharply. The probable rupture will be among Ibero-American and European third-tier banks, who will be unable to meet Eurodollar interbank obligations, turning into a chain-reaction of contraction of interbank lines.

We earlier reported the growing conviction among central European, particularly Swiss, banking circles that a financial crash was not only inevitable, but from their standpoint, desirable. A strategic perspective in the German-speaking European countries has become evident during the past month without which vantage point the wrangling over the Ibero-American debt is incomprehensible.

Soviet planners hope to include much of Western Europe in the basin of resources which the sclerotic Soviet economy may loot. Any major problem on the interbank market will bring down French finances and plunge the rest of Europe deeper into depression; under these conditions, the stays that have held Europe inside NATO may break. That, in summary, is what the Swiss axis counts on.

The signals from Washington are not encouraging. President Reagan does not have his Administration under control in a matter that may determine whether the country survives. Unless the White House shuts down the economic warfare ministry masquerading as the American Treasury, it is difficult to see what will interfere with *Mittleuropa*'s plans.

NDPC drops 'debt bomb' on Volcker hearings

by Susan Kokinda

Representing the *only* nationwide organization to oppose the nomination of Paul Adolph Volcker to a second term as chairman of the Federal Reserve Board, National Democratic Policy Committee (NDPC) Chairman Warren J. Hamerman dropped the reality of the pending Swiss-orchestrated international financial collapse and Lyndon H. LaRouche's alternative of "Operation Juárez" on the Senate Banking Committee at Volcker's confirmation hearings July 14. Only hours after the Committee had meekly accepted Volcker's assurance that the Brazilian debt situation was "under control," Hamerman read to the committee a telegram from Jorge Bittar, citing a resolution by 1.5 million workers in Brazil, rejecting the Volcker-backed policies of the International Monetary Fund. The telegram demanded Senate rejection of Volcker.

Continuing with similar communications from Colombian trade unions and from forces and individuals throughout Western Europe and the United States, Hamerman warned that the confirmation of Volcker, whose policies are viewed by the entirety of the developing world as the cause for the current crisis, could indeed be the final insult which triggers the activation of the Ibero-American debt bomb.

While Volcker sailed through the morning questioning by the Senate Banking Committee unscathed, Senate Banking Committee chairman Jake Garn (R-Utah) announced that the committee would not vote on Volcker's confirmation until after his July 20 semiannual appearance before the committee to report on future Fed monetary policy. The delay may have been prompted by the White House, which has become publicly jittery about a Fed-provoked rise in interest rates bringing down the façade of a U.S. recovery. Both White House spokesman Larry Speakes and a group of House Republicans led by Minority leader Robert Michel (R-Ill.) warned the Fed against any increase in interest rates.

The same day that Garn announced the delay on the Volcker vote, House floor managers of the IMF quota increase announced a week's delay in bringing that bill to the floor—pushing consideration off until July 20 or 21. The ostensible reason was "scheduling problems," but Capitol Hill sources report that the IMF bill is 10 votes short of passage and that State Department and Treasury lobbyists need time to line up additional votes.

Those signs of trouble were, however, nowhere evident in the questioning which Senate Banking Committee members directed at Volcker during his confirmation hearing. Volcker routinely treated committee members as the IMF treats developing sector governments. When Volcker was begged for assurances that he would not raise interest rates, he insisted that only a drastic closing of the budget deficit, through spending cuts and "revenue enhancement" (tax increases), could secure his cooperation. "How much of a deficit cut?" pleaded the members. "Try \$50 billion for a starter," Volcker told a visibly gasping committee. Evidencing why he is Yuri Andropov's preferred Fed chairman, Volcker added, "It's not my job to tell you what defense programs to cut. Cutting a certain amount makes economic sense. It's up to you to decide if it makes military sense."

International reality intervened once when Senator Don Riegle (D-Mich.) asked Volcker if the Brazilian debt situation was manageable. It receded just as quickly when Riegle readily accepted Volcker's pledge that it was "under control." Volcker's brazen claim that the IMF would be solvent and able to handle the world debt crisis as soon as Congress anted up its \$8.4 billion quota was similarly swallowed.

It was not until the afternoon session, featuring the NDPC as the only national opposition to Volcker, that reality intruded into the Committee's proceedings. Hamerman began by noting that "the argument has been made that the reappointment of Paul Volcker is necessary for world financial stability. Quite the contrary is the case." Hamerman read over a dozen statements from Brazil, Colombia, France, West Germany, Sweden, and Italy, and from minority, labor, constituency, and agricultural leaders in the United States.

The NDPC chairman gave the committee the kind of international briefing seldom heard in a city which thinks truth lies with the day's *Washington Post* headlines. Hamerman detailed the immense international motion to resolve the debt crisis through North-South cooperation, as called for by Indira Gandhi, the Non-Aligned movement, and increasing numbers of leaders in Ibero-America, and which may culminate with a call for debt moratorium at the July 24 Andean Pact celebration of Bolivar's birthday. Lyndon LaRouche's "Operation Juárez" proposal and its growing influence in Ibero-American deliberations were presented to the stunned committee. Hamerman said, "It is safe to say that Paul Volcker will not adopt these policies when the crisis hits. . . . He is the worst possible choice at the most dangerous time in American history. . . . Yuri Andropov's strategic policy takes into account the final crisis of capitalism, a collapse which will be brought about by the reappointment of Paul Volcker."

Hamerman concluded his 20-minute testimony by warning, "Paul Adolph Volcker has mismanaged the United States to the point where our national security, as well as the national sovereignty of most of the nations of the North and South, is threatened. A vote cast for Paul Volcker is a vote cast against the fundamental principles upon which our republic was founded and looked to as a 'temple of liberty and beacon of hope for all mankind.' "

Labor leader supports beam-weapons strategy

Pedro Rubio, Executive Committee Member of the Colombian Workers Union (UTC), is a founding member of the Club of Life. On Oct. 20, 1982, at the founding conference of the Club of Life in Rome, Italy, he called for the formation of a North-South Labor Committee as the instrument through which trade unionists of the advanced sector and underdeveloped countries could unite for effective action to stop the current world depression. Mr. Rubio gave this interview to Max Londoño on June 21, 1983.

Londoño: Mr. Rubio, in your capacity as a member of the Advisory Committee of the Cartagena Accord, what do you expect from the meeting of next July 24 in Caracas?

Rubio: Given the failure up to now of the process of integration of the Andean Group, I consider it necessary that this presidential meeting on July 24 in Caracas be based on the Presidents' taking advantage of the opportunity to begin discussions to transform the Andean Group (Cartagena Accord) into a great Ibero-American Common Market. Only in this way can we make ourselves respected by the great powers, on the question of exports and imports. We think that if the countries of the continent unite, and trade our raw materials, we can achieve a New Economic and Social Order for Ibero-America.

Londoño: When you talk of aggression, to whom do you refer, to the banks, the countries of the North, or to what?

Rubio: To the entire economic system which they are implanting here, and more concretely to the international credit outfits like the International Monetary Fund and the World Bank, which are granting us loans with conditionalities which our countries—and all the more so the workers—are no longer disposed to keep paying, because these conditioned loans are what has led as a consequence to social injustices in all of our peoples.

Londoño: What could we do about this situation in which the bank imposes conditions, and in this connection, how do you see the matter of the Ibero-American countries' debt?

Rubio: Shortly after taking office, the president of Colombia, Dr. Belisario Betancur, supported the call of Bolivian

President Siles Zuazo for the creation of a *cartel*, a debtors' association with the goal of reviewing the foreign debt of all the countries and if necessary declaring either a moratorium or terms to be able to pay these debts and a lowering of interest rates, which is the most important.

We in the UTC . . . came out on this at the time of our Congress in the city of Medellín and in the plenum in the city of Bogotá, and therefore, we consider ourselves identified with the President. . . . So we consider that the lowering of interest on the debt and the declaration of a renegotiation of this debt or a moratorium on the same is indispensable.

Londoño: Various Latin American labor organizations have come out on this subject, for example, the general secretary of the Confederation of Venezuelan Workers, José Vargas, and also the Regional Inter-American Workers Organization ORIT via its head, Tulio Cuevas, proposed the need for a collective renegotiation of the debt and suspension of the IMF's aggressive conditionalities. Don't you think that some event should be organized around all these efforts taking place in Mexico, Venezuela, Peru and Colombia itself?

Rubio: We believe, and this is what we are going to propose to ORIT, that it is indispensable to form a common front, and organize an international meeting—just as the foreign ministers of all countries do, we have to get the workers together to tell the world what we think on this matter.

Londoño: In relation to the Ibero-American Common Market that you mention, why don't you explain a bit more what would be the content?

Rubio: Our countries are the raw material producers for all the articles we are then forced to import. This poses a marvelous opportunity to unite, to demand and sell our raw materials at truly fair prices. Now, we have countries like for example Brazil, Argentina, and Mexico which were previously above the other countries in development terms, and are now suffering the merciless punishment imposed by the IMF. So we can also interchange the technology that they may have among the countries of Ibero-America. Our raw materials, we can trade with countries like Japan, for example, for high technology, so that our countries will also have the right to life, the right to be able to progress, the right to be able to produce, so as to later compete in imports and exports.

The International Monetary Fund and World Bank have always maintained that the developing countries like Colombia, Ecuador, and Bolivia—the Andean Group—do not even have the right to think about competing in terms of industrialization, but many think this way in Japan, and today they are giving us a worldwide example of how things can get done when people orient themselves and direct themselves toward progress. . . . I think Colombia can do it.

Londoño: There is now a grave worldwide danger of thermonuclear war. President Reagan proposed last March 23

that beam weapons be developed to strike down missiles. What impact has this had in certain labor circles?

Rubio: For us in the UTC it is a question of principles. Our principles are based precisely on the defense of man as a human being, on total defense, and therefore, we are in favor of everything that has to do with defending the right to life. We gladly support the U.S. President's decision, insofar as arms are not being created to kill, but mechanisms to finish off the weapons that take life. We support it, and we are saying this at every opportunity we have to come out for it.

Londoño: The Betancur government has taken measures against some financial groups which have had control of the economy. What does the UTC propose on the management of the financial sector?

Rubio: The UTC has maintained for many years that the banks should be nationalized. This is the only way the government can have real control of money, which does not even belong to those handling it today, but to the people in general. We are paying great attention to this, and hence we support these measures, because only . . . with the kind of strong policy exercised by President Betancur in terms of banking management, can we get the money out of the hands of the money magnates—who were created, educated and put in power by the IMF and who are creating problems for President Betancur to keep him from carrying out his program—and thus be able to mandate lower interest rates to facilitate the country's industrialization.

For us the only solution is bank nationalization, as was recently done in Mexico, and here one certainly needs the backing of the working class so that as in Mexico they don't allow the IMF and the other credit agencies to destabilize the government of President Betancur.

Colombia's largest union demands joint debt action

Alfonso Vargas, secretary general of the Union of Colombian Workers (UTC), presented this document as his union's official paper to the meeting of the consultative Andean Labor Congress in La Paz, Bolivia, on July 11-15. The UTC is Colombia's largest labor organization.

Undoubtedly, the subregional Andean Pact now finds itself in a crisis without any historical precedent. In this regard, the Colombian Foreign Trade Institute [whose Spanish acronym is INCOME] released to the public the statistics on trade between Colombia and the other Andean Pact nations, with an alarming comparison between the level of exports and imports of the first quarter of last year with the first quarter of this year. What is urgently needed is a joint effort to resolve these problems of trade and to confront the

financial institutions which are destroying integration from the outside, not only to make the Andean Pact disappear but to push each of the member nations into a bottomless crisis under the conditions imposed by the International Monetary Fund.

We have two very clear examples to back up this statement.

Let us start with Ecuador. After the IMF negotiations with Ecuador in the second week of November of last year, this nation closed down imports of 900 articles coming from the Andean Pact. At the start of this year, Ecuador had new negotiations with the IMF and, in addition to imposing certain austerity measures, it devalued the Ecuadorean currency, the sucre. Colombian exports to our neighboring country were completely paralyzed. The devaluation of the sucre made Colombian products exorbitantly costly in Ecuador's internal market.

The same occurred with Venezuela. After this country was subjected to a capital flight of nearly \$30 million dollars per day, a result of the economic warfare of the international bankers and the high interest rates for credit, Venezuela imposed exchange controls and devalued its currency stepwise. The devaluation was made with the idea of complying with the IMF in its demand that Venezuela should devalue the bolivar by 80 percent. In such circumstances, Venezuela suspended imports of 500 products from the Andean Pact. Venezuela is the Andean group country which has the largest domestic net product and which imported the most from the Andean group, especially from Colombia. Colombian exports to Venezuela were \$106 million dollars in the first quarter of last year; in the first quarter of this year they were only \$39 million. On the other hand, exports from Venezuela were \$131 million last year, and in the first quarter of this year, dropped to \$71 million.

The most serious thing is that the IMF forces which created this situation are trying to use the circumstances they created to also force Colombia to either devalue its currency massively or accelerate the gradual devaluation. The argument is that now we have to compete with our own neighbors, who, since they devalued their currency, of course can export more cheaply. A competition for "who can devalue the most" would only lead to *collective suicide*. The mere devaluation of currency does not lead to any increase in exports, because, through no fault of any Andean Pact nation, the international markets are in disorder, and because the sale of products at lower prices by our countries would lead us to sell a greater amount of product for the same value as before, as has effectively been occurring.

Bolivia and Peru are in the same situation. However, the politicians of the continent and the Andean region are starting to wake up in regard to these problems. Last year, the president of Bolivia, Hernán Siles Zuazo, proposed a joint renegotiation of the debt of the Andean Pact, which presently totals some \$70 billion. The president of Colombia, Belisario Betancur, backed Siles Zuazo's proposal. Presently in Ven-

ezuela there exists a virtual political revolt against the IMF conditionalities. At the recent forum on Latin American Thought in Caracas on the occasion of the anniversary of Simón Bolívar, one of the resolutions . . . was on the necessity for collective renegotiation of the Latin American debt. Another was on the necessity to save ourselves from the IMF's conditions.

In view of this situation, the working class of the Andean Pact proposes:

1) A collective renegotiation of the foreign debt of the Andean Pact for a period of 25 years or more, with an invitation to the rest of the Latin American debtor countries to participate.

2) The reactivation of interregional trade through barter agreements and/or through the creation of an Andean Pact currency to which all of the member countries would fix the value of their currencies, independently of what happens to the dollar.

Unfortunately, the U.S. dollar is no longer a currency that facilitates commerce. It only serves for debt payments.

3) Above all, within this trade relationship, the supply of food must be guaranteed against any blockade or economic seige that the bankers may decide to impose as reprisals.

4) The perspective of the Andean Pact must progress toward the creation of an *Ibero-American Common Market*. Even in the extreme case of isolation, Ibero-America or even the Andean Pact can live better with mutual trade relations than under the hellish conditions and programs of the International Monetary Fund and the international bankers.

5) The development of a capital goods industry in the Andean Pact, which for the first time in our history would allow us to produce machinery and machine tools, that is to say, industries that produce industries.

6) The development of great joint infrastructural projects and other joint projects in steel, metalworks, petrochemicals, and other technological processes that will permit us to advance our natural resources.

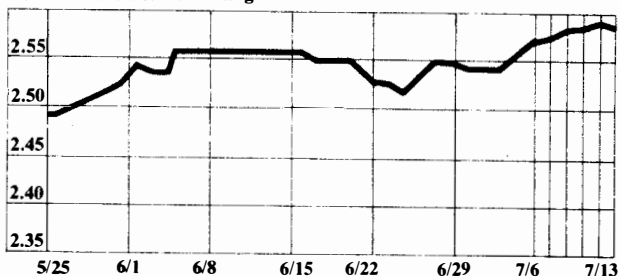
7) The creation of an Andean Pact university to educate advanced scientists, plasma physicists, nuclear physicists, chemists, and biologists, with the perspective of developing for the future fission and fusion energy and genetic engineering to improve species for agricultural production. This [university] should be the center for the education of the present and future labor force and to improve the quality of labor.

Finally, we should make it clear that the IMF does not have a dime. It is promising money in exchange for its conditions, but its promises are intended solely to break our countries away from the perspective we are proposing. If the IMF doesn't accept our perspective, the only thing we should say is what the Venezuelan finance minister said recently in an interview: "I couldn't care less what the IMF is thinking, and even less what the rest of the international bankers are thinking." Right now, we have only two options. Either we effect a genuine integration, or we are simply condemned to death.

Currency Rates

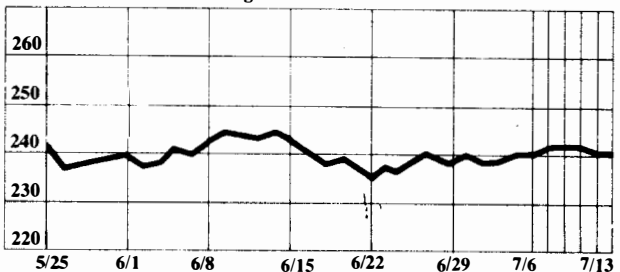
The dollar in deutschemarks

New York late afternoon fixing



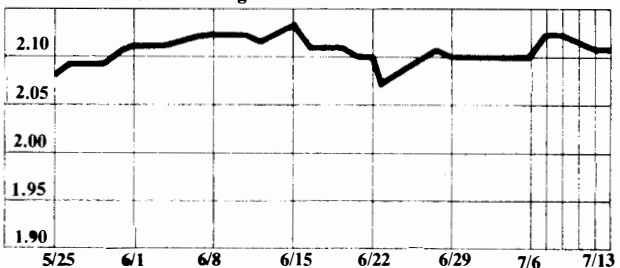
The dollar in yen

New York late afternoon fixing



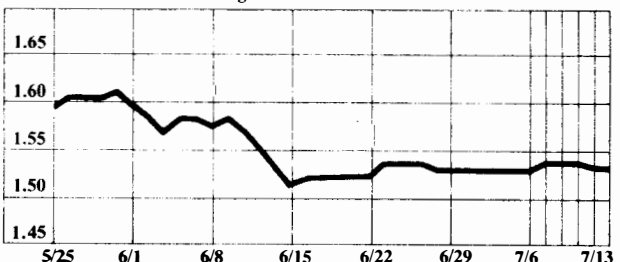
The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



'All unions must oppose IMF conditionalities'

Walter Boehnke is a factory council member of a firm in the bread and bakery goods industry in Schleswig-Holstein, West Germany. At the founding conference of the German section of the Club of Life on May 28 in Karlsruhe, he was elected as a member of the board of the Club of Life. The following interview was conducted by Aglaja Corleis.

EIR: As you said in your speech in Karlsruhe, there is no economic upswing in sight. Where do you see a solution and what demands should the unions promote?

Boehnke: I see the following solution: the German economy is based on exports. If we could not export any more, then the German economy sooner or later would stagnate, and unemployment will increase even more. I see the following way out: The German trade unions should demand that the world monetary system be changed, so that the Third World countries may again export and import: The Third World countries must obtain credit on the most favorable terms, so that they can buy the goods they need in the industrialized nations.

I hold that the demand for a 35-hour week is not necessary, if, as I said, exports were cranked up again. Then there would be so much work that a 35-hour week would be unthinkable.

EIR: Mr. Boehnke, you are a member of the North-South Labor Committee of the Club of Life, which was founded last October on the initiative of Colombian trade union leader Pedro Rubio. What tasks do you see for cooperation between the Northern and Southern Hemispheres?

Boehnke: I think that the task of the unions of the northern hemisphere should be to support the demands of the unions in the underdeveloped countries, in order to express a clear solidarity. I have in mind particularly the demand of the Mexican and South American unions for the abolition of the conditionalities of the International Monetary Fund, since the industrialization of the underdeveloped countries can and must take place, in order for us to create the chances of survival here. The German trade unions and the unions of the industrialized nations should fully and totally support this demand.

I think the unions do have a certain power. They ought therefore to use this power for once, to clearly and meaning-

fully say what is wrong here, why we are sick, and to bring this power to weigh in the political balance.

EIR: Thus one can at the same time end unemployment here and further the industrialization of the so-called South.

Boehnke: Yes, that is in my opinion the highest priority task of all unions.

EIR: How do you judge the danger that the "Green" anti-industrial circles will gain power in the unions?

Boehnke: The fact alone of the Green Party's demand for the abolition of the trade unions is a great danger, and I believe that the German trade union movement has not adequately recognized this danger.

We must not allow a second 1933 to happen, and there certainly needs to be a big clarification even inside the unions, as to what danger the Greens mean for us. I would not go so far as to say that they are blind. I believe actually that there are some people who already see the danger, but nobody opens his mouth; that's the tragedy! Then, people said: "We did not know," but today people do know!

EIR: How do you judge the danger of a growing xenophobia, as is being spread through the parties and the media?

Boehnke: I can only speak for my company, where there is absolutely nothing like anti-foreigner feelings. We cooperate well with our foreign co-workers, we have Italians and Turks in my firm, and I cannot see any xenophobia there whatsoever. I do not think that the ordinary man in the street tends to be anti-foreigner; at least in the council I have not detected it. On the other hand, German industry called these people here, but the German government has been quite neglectful. It has neglected to integrate these foreign workers!

EIR: One more question, on the latest austerity measures which were passed during the last session of the Bundestag [parliament].

Boehnke: I think that this cannot go any further. I accuse the government of taking the path of least resistance and making the socially weakest ones pay the bill, and in contrast the government massively exempts businessmen with the argument that they have to invest to create more jobs. I can tell you that, on the contrary, what investment is being made is eliminating jobs all the time. When a firm invests today it only invests to cut back workers and not to create new jobs. At least in my company it's that way.

EIR: That brings us back to the point that things can only pick up when more is produced than is required for local needs.

Boehnke: That's exactly right: Our industry was built upon exports, and when we no longer export, then our industry sooner or later will die. Then we have what some circles perhaps want, namely the delayed Morgenthau Plan, or the Green Sheep Meadow in the Federal Republic.

MHD research: slowing here, speeding up abroad

by Marsha Freeman

For the past three years, the magnetohydrodynamics (MHD) energy research and development effort in the United States has been fighting for its life. Budget balancers in the Reagan administration have zeroed the program out of three successive budgets, but Congress has refused to let it die.

MHD promises to increase the efficiency of generating electricity from the 34 percent that is the industry average, to double that when the technology is fully developed. MHD direct conversion can be used with coal, oil, or gas-fueled power plants, or with nuclear fission reactors. In the future, it will be joined with the super-hot nuclear fusion process to produce electric power.

MHD conversion needs no moving parts. The motion of a hot, ionized gas flowing at supersonic speeds past a stationary magnetic field produces electricity directly. The days of huge rotating steam turbines will be gone forever when MHD reaches its potential.

At the 21st conference on Engineering Aspects of MHD, held June 27-29 at Argonne National Laboratory outside Chicago, it was clear that though the U.S. MHD effort has been reduced by two thirds in terms of its funding, other nations recognize the present and future necessity of increasing the productivity in the crucial electric power sector, and are going ahead with significant MHD programs.

Is MHD ready for commercialization?

This was the title of the keynote address at the conference, delivered by MHD pioneer Dr. Richard Rosa. The speaker stated from the outset that he had thought the answer to that question has been yes since 1959, when the Mark I MHD generator built at the Avco Everett Research Lab produced its first kilowatts of electric power.

Rosa reviewed in brief the accomplishments of the MHD program since then, in the hopes of countering policy proposals and position papers recently circulated to Congress by the Department of Energy, which funds the MHD programs. These documents dispute that any significant steps toward commercial development have been attained, and assert that MHD is too complicated; that it will not be ready until nuclear fusion is achieved, so it is not really necessary; and that the program should be reduced from its current paltry \$30 million

to \$10 million per year to do only basic research.

It was quite apparent at the conference that though the United States has been slowing down its MHD effort, which had reached a peak funding level of \$78 million before the Reagan administration came to Washington, government and private interests in other countries were moving ahead with ambitious MHD programs.

France and Israel push ahead

For the first time since 1970, a paper was presented at the conference on the MHD effort in France. Though technical problems in the late 1960s discouraged the French utility industry from continuing large-scale research in MHD, a second look is being taken at the present time.

In France, MHD is being considered for two potential applications. One is for export; it involves using a liquid metal for a closed-cycle MHD system which would use solar energy to provide small amounts of electrical power in rural parts of developing countries. French developers are looking to the Sahel region of Africa as a potential market for this technology, where individual systems could bring at least the basics of industrial life to a widely dispersed population which will not have large baseload utility power plants to service it for some time.

Private interests in Israel are looking toward the Middle East as a market for similar small-scale liquid metal MHD units. By the end of this year, Israeli researchers plan to build a 5-10kw pilot plant to demonstrate the feasibility of the technology. The SOLMECS Corporation in Jerusalem plans to develop and market the units.

A number of developing nations, with large geographic expanses and isolated, thinly-populated rural areas, such as India, have made good use of solar-powered units which, up until this time, has been primarily developed by NASA for space applications. Over the past decade, NASA has built units that deliver a few kilowatts of electrical power and run on solar energy. These units, which can be small enough for one household to use, radically alter the standard of living of these currently backward peoples. One unit can power a light bulb, so people can read at night; a small refrigerator to preserve food; a radio to bring people into contact with the outside world; and perhaps one other small appliance.

These units will provide a bridge to the future by bringing rural people into touch with the rest of the world until large power plants are constructed and thousands of miles of electrical wires are strung. One of the original purposes of the small units NASA designed for the developing sector was to refrigerate medicines at hospitals.

MHD in space

The French MHD effort is also getting a small amount of funding from the CNES, the NASA of France. CNES is looking into the use of MHD conversion with a liquid metal fast breeder reactor in space, for on-board electrical power and also possibly electric propulsion.

Interest rates will end housing 'boom'

How long can government pump-priming and private speculation on mortgage paper keep going?

Averaging an annualized 1.67 million new home starts for the first five months of 1983—compared with 1.06 million starts for 1982—the U.S. home construction market is the prop of the fake U.S. economic recovery. It will take a huge tumble in the second half of this year, as the current increase in short-term interest rates accelerates this summer.

The essence of the housing recovery is a finance-pyramiding scam unique in U.S. home market history.

Look at the housing market over the past few years. In 1978, the year before Federal Reserve Chairman Paul Volcker took office and began raising interest rates, the number of housing starts was 2.036 million. By 1981 and 1982, the total was 1.100 and 1.067 million, respectively.

Then Treasury Secretary Donald Regan and the Council of Economic Advisers decided to brake the rate of collapse of the U.S. economy, by using U.S. tax monies to build up housing and buy a short-lived economic recovery, starting with the fiscal year 1983 federal government budget, which went into effect in October 1982.

The price of the government-financed housing recovery is the ballooning federal budget deficit.

The method of increasing home purchases was to reintroduce 30-year, *fixed-interest-rate* mortgages, at rates homebuyers could afford. Fixed-rate mortgages had scarcely been seen for a year and a half.

There were two ways in which the government could accomplish this objective.

The first is for the government itself to issue fixed-rate mortgages. And in fact for 1983, the Federal Home Administration (FHA) and the Veterans Administration (VA), the two government mortgage-issuing agencies, have tripled the number of mortgages they offered over the 1982 level.

The other method is for the private sector—S&Ls, pension funds, insurance companies, commercial banks—to originate fixed-interest mortgages, and sell them in packages—called mortgage pools—to U.S. government agencies in the secondary housing market, Ginnie Mae, Freddie Mae, and Freddie Mac.

The private institution is not stuck with long-term, fixed interest rate paper—the U.S. government is. The government agencies issue bonds to pay for these mortgage pools; the private institutions buy the bonds, and earn a good rate of return.

The financial investors bought the Ginnie Maes, for example, in the first quarter, at an average yield of 11.96 percent. The financial investors financed the purchase of Ginnie Maes by either borrowing money, or taking deposits, or the equivalent, at the prevailing short-term money market rate.

According to James O'Leary, chief economist for U.S. Trust, "the financial investors are not buying Ginnie Maes as long-term investments, but short-term high yield investments.

They are as safe as Treasury securities and have higher yields."

But if the cost of short-term funds rise, all the investors will try to dump the Ginnie Maes onto the market at the same time. "The Ginnie Maes will be unmarketable," O'Leary declared.

In 1981, the U.S. government accounted for 28 percent of all funds advanced for housing. But in the fourth quarter of 1982, the start of the 1983 fiscal year, the government accounted for \$88 billion, or more than 100 percent of the total \$84.1 billion housing money advanced in that quarter. (The S&L's and commercial banks drew down their mortgages in that quarter.) In the first quarter of 1983, the government accounted for \$76.9 billion, or 57 percent, of all funds advanced.

Short-term interest rates have risen 1.0 percentage point since the first week of May, and now stand at 9.0 percent.

An increase of another 1.5 percentage points this summer would raise the level to 10.5 percent. Since it costs banks and financial investors 1.0 to 1.5 percent to service their deposits, the total cost of short-term funds will effectively be over 12 percent.

At this point, the institutions will rush to sell their Ginnie Maes, and the housing "boom" is over.

This tells us all we need to know about those statistics that purport to show the U.S. economy's "recovery."

Basically, "supply-side" economic theory, which claimed it would build up capital stocks by taking from the consumer sector, revealed its absurdity some time ago. So, for political reasons, relating to the perceptions of debtor-nations and others, Paul Volcker and Donald Reagan decided to pump up the consumer sector. They didn't get a recovery, but they got what they wanted—some improved, but very temporary, statistics.

Business Briefs

International Finance

British angered by Thatcher's Brazil stand

London's *Daily Telegraph* asserted in an editorial July 14 that those members of the international political and financial community who have attempted to force Brazil to default are reckless and "insouciant," and are ignoring the effect this will have on the world financial system: a complete collapse of the banking system.

In a second commentary, on Brazil, the *Telegraph* warned that if the International Monetary Fund forces Brazil to intensify the austerity conditions demanded in exchange for loans, this will have "catastrophic consequences" for the country's economy. Brazil, the *Telegraph* noted, "may be preparing for a siege economy," in concert with other Ibero-American countries, to counteract the IMF's assault.

The editorials are the result of a fight occurring in Britain over the way British Prime Minister Thatcher has thrown in her lot with the Swiss banking community in forcing a no-holds-barred confrontation with Brazil over its debt. Insider sources in London report that in mid-June Thatcher arm-twisted the Bank of England to support the Swiss earlier in a move to bludgeon Brazil, by refusing to give Brazil an extension on a \$400 million payment owed to the Bank for International Settlements—although the Bank of England was under pressure from British commercial banks not to support the Swiss confrontation move.

"We have priority over the BIS in getting repayment," a British financial source stated, criticizing Thatcher's moves. BIS chairman Fritz "Leutwiler's statement was a disaster and a complete surprise" for London banks, the source noted.

Ibero-America

La Vie Française: 'eve of third world debt battle'

An article in the French business weekly *La Vie Française*, reporting on the Brazilian

debt crisis, quoted at length the final declaration of the Caracas Congress on Latin American Political Thought. "This conference brought together all the political and intellectual 'heads' of the Latin-American continent and devoted much of its labors to reviewing the debt situation and studying the ways and means of establishing a *debtors' cartel* and developing its action, with its objectives the declaration of a multilateral debt moratorium, the mutual protection of member nations, and the collective renegotiation of debt."

After quoting the most important parts of the Caracas declaration, *La Vie Française* noted the upcoming July 24 meeting of the Andean Pact in Caracas: "The agenda is: the actual establishment of the debtors' cartel and its executive and defensive agencies. The rules of the international money game are changing. What the moratorium pushed by the cartel can create is a geometry in which the real economy will regain its primacy over the financial cancer."

Exposing Fed Chairman Volcker's plan to bail out the U.S. banks, the article noted "the IMF is broke," and pointed out that Volcker's plans would entail a dollar hyperinflation.

Labor Policy

Kirkland disputes own resolution

The International Congress of Free Trade Unions, at its June 23-30 congress, passed a disarmament resolution favoring what Yuri Andropov and his Third Rome forces want. The heart of the resolution issued in Oslo, Norway states:

The ICFTU and its affiliates will press for:

Cessation of nuclear weapons testing and production; for the pursuance and conclusion of bilateral agreements between the U.S. and U.S.S.R. on reduction, limitation and control of theatre and strategic nuclear weapons; in particular for the withdrawal and termination of SS-20s by the U.S.S.R. and abandonment by the U.S. of deployment of Pershing II and cruise missiles; and the production of enhanced radiation neu-

tron weapons; for the agreement on creation and progressive enlargement of nuclear free zones.

Using the slogan "It is better to die on your feet than to live on your knees," Kirkland posed "reservations" to the resolution, which he helped write and nonetheless endorsed.

But Kirkland expressed no such concern when interviewed by an *EIR* associate, editor of the Swedish *Energi & Utveckling* magazine. He acknowledged that the Soviets are developing beam weapons—an effort his resolution would prohibit the United States from doing.

"What do you think of President Reagan's 23rd of March proposal?" Kirkland was asked.

"Well, it's good if it could be done, but I'm afraid it's pie in the sky," Kirkland replied.

"Do you think the Russians are working on it?"

"Yes, it's likely," said Kirkland.

"So you mean that the Russians are putting a lot of money into something that is pie in the sky. Is that likely?" he was asked.

Replied Kirkland, "What magazine did you say you worked for?"

OPEC Finances

Arabs withdraw more foreign assets

The Arab oil-exporting countries increased the rate of their withdrawals of deposits from foreign branches of U.S. banks during the first quarter of 1983. According to the Federal Reserve on March 31, the Middle East oil exporters had a total of \$13.23 billion deposited with foreign branches of U.S. banks (a seven-year low), down from \$15.5 billion at the end of 1982. The Fed reported that in the first three quarters of last year Arab oil exporters held \$17.6 billion in foreign branches of U.S. banks.

OPEC's total deficit this year is expected to hit \$70 billion. The traditionally wealthiest oil exporter of the oil cartel, Saudi Arabia, has already officially announced a projected deficit of \$10 billion this year. But other Arab sources project Saudi Arabia's

deficit could be as high as \$30 billion because of drastic cutbacks in oil sales. Saudi oil exports remain less than half their record high of more than 10 million barrels a day of two years ago.

Technology

Los Alamos scores laser breakthrough

Los Alamos Scientific Laboratory reports that it has achieved a major breakthrough in the development of high power, short wavelength gas lasers for both fusion and beam weapons. In June Los Alamos researchers successfully fired the world's most powerful krypton-fluoride (KrF) laser. This system is the result of a program begun in March 1982 and represents both a scientific and technological advance of great proportions.

The facility was completed in record time and will put out a 20 kilojoule laser pulse in one microsecond when brought up to full power. The initial tests demonstrate, though, that the KrF laser technology is economical, readily scalable to high energies, and not overly complicated. The full 20 kilojoule output, which will be achieved in the near future, represents a thousand fold scaleup over previous levels. As Los Alamos scientist Allen Hunter noted in the press release, these recent tests are most significant in that they demonstrate that further scaleups to the megajoule level are feasible. This would be the sort of regime needed for both laser fusion and beam weapon applications.

The KrF is a short wavelength, .25 microns, gas laser which operates with efficiencies above 5 percent. The KrF gas is excited to a lasing mode by injecting a high power electron beam. Because of its potentially compact size, short wavelength and efficiency, the KrF is an excellent candidate for both space-based and ground-based antimissile defense. For both inertial confinement fusion applications, though, the KrF laser pulse output will have to be greatly compressed in order to achieve the required hundred terrawatt power levels. Dr. Hunter noted that this can be achieved by multiplexing the laser beam. Multiplexing consists of

optically cutting the long beam up into pieces and optically stacking those pieces into a single short pulse. Another pulse compression technique being developed at Lawrence Livermore National Lab is that of Raman nonlinear gas compression—during the interaction with a gas the laser beam is reflected and compressed.

Because of its short wavelength, ease of construction and economy, the KrF is the ideal near-term candidate for commercial laser fusion power plants.

International Forecast

A rare bit of Swiss economic sanity

The latest issue of the prestigious Swiss newsweekly, the *Schweizerische Handelszeitung* (SHZ) carried a surprising interview with F.T. Haner, head of the widely-known risk-analysis firm BERI International. Under the headline "Debt write-down," Haner said, "Alone, a debt forgiveness, worldwide, could adjust the payment obligations of the overindebted 'threshold nations' with their long-term carrying and paying capacity, and thanks to this, allow industrial nations to pursue trade with these important clients. . . . The debt forgiveness would cause substantial capital losses for internationally active banks. These losses should be offset by the issue by the countries of residence or an international organization of guaranteed, low-interest rate, long term securities that would replace the assets in the balance sheets of the banks."

Haner reported that he expects a world debt conference in 1985, but "until then, several financial crises will break out. Even before the end of this year, Mexico will find itself unable to service its debt service. Brazil and the Philippines will have to declare a debt moratorium within the next few months. In early 1984, the newly-elected Argentine government will repudiate the debts incurred by its predecessors."

Haner further warned against the "foolish assumption" that the United States could or would bail out every nation—a rare piece of sanity to appear in the Swiss press.

Briefly

● **AFRICAN DEPOSITS** in U.S. banks abroad declined to \$709 million by the end of the first quarter from \$1.23 billion as of September 1982.

● **THOMAS KOCHAN**, professor of industrial relations at MIT's Management School, boasted to *EIR* July 8, "We have not seen changes in labor contracts like this since the 1930s. Paul Volcker has played a tremendously important role in this. He has created widespread unemployment and the climate for changes which otherwise may not have happened. In addition, the high interest rates have squeezed those basic industries which have collective bargaining contracts. The recovery will be characterized by excess capacity and unemployment, which will make future changes possible."

● **COUNT Otto von Lambsdorff**, West German Minister of Economics, called for "further expanding and deepening of Soviet-West German cooperation in the economic, scientific, and technical fields," according to a July 1 *Izvestia* account of an interview Lambsdorff gave to Novosti Press agency. All of this would be discussed in an upcoming session of the Soviet-West German joint inter-governmental commission, Lambsdorff said.

● **U.S. CORN ACREAGE** planted in 1983 is the lowest on record, according to the U.S. Department of Agriculture. Corn planting this year covers 60.1 million acres, down 27 percent from 1982; and planting for other grain was estimated at 52.5 million acres, down 28 percent from the year before. USDA estimates sorghum planting at 11.6 million acres, the lowest since 1949.

● **ROBERT HOLZACH**, head of the Union Bank of Switzerland, explained Swiss policy toward debtors in a speech he gave in New York City July 10: "Sovereignty is no substitute for solvency."

The surfacing of Holy Mother Rus: a documentary report

by Criton Zoakos, Director of Intelligence

During March 1983, and in reaction to President Reagan's March 23rd speech announcing the new U.S. Strategic Doctrine based on high energy laser beam weapons for anti-missile defense, the Soviet Union underwent a qualitative "paradigm shift," in its military, foreign, and domestic policy into what is best characterized as a "Third and Final Rome" messianic orientation. EIR contributing editor Lyndon H. LaRouche, Jr. presented this conclusion in "Yuri Andropov: 'Czar of Holy Mother Russia,' " published in these pages on June 14, 1983. Soviet policy at this time is determined by imperial messianic motivations shaped by the "Blood and Soil" ideology of "Holy Mother Rus," whose foreign policy component is the establishment of an imperial world hegemony known in Russian policy traditions as the "Third and Final Rome." With this Special Report we begin to present the documentation of events and processes which led to this astonishing but comprehensible result. All four main institutional sources of power of the U.S.S.R.—Mr. Andropov's KGB, Mr. Chernenko's CPSU, Marshal Ogarkov's Armed Forces of the U.S.S.R., and Patriarch Pimen's Russian Orthodox Church—share this "Holy Mother Rus" perspective. Patriarch Pimen, however, because of the character of the process in question, plays the dominant if less visible role. This first documentary report focuses on the processes by which the Soviet General Staff arrived at its present "Holy Mother Rus" orientation. Subsequent reports will present the parallel processes which occurred over the years within the KGB establishment of Mr. Andropov, within Otto Kuusinen's, Eugen Varga's and Anastas Mikoyan's Communist Party, and within the Russian Orthodox Church.

Until 1961, the works of **Fyodor Dostoevsky** were illegal in the Soviet Union. During that year, the Soviet Communist Party started limited publication of Dostoevsky's work. Today, the Soviet book market is flooded with his works. Dostoevsky today is immensely popular—exactly because he represents the extreme form of Holy Rus chauvinism, expressed thusly in his book *The Possessed*:

If a great people doesn't believe that only in it is the truth (*precisely* in it and *exclusively* in it), if it doesn't believe that it alone is capable of



Yuri Gagarin, the first man in space, rendered as a Russian peasant-hero, in this icon-like painting that appeared in the Soviet weekly Ogonyok in 1981. It was accompanied by crudely chauvinistic text, entitled "Son of Russia."

and called to resurrect and save everyone with its faith, then it instantly stops being a great people and instantly turns into ethnographic material. . . . A truly great people can never be reconciled to a secondary role in humanity, or even to a primary one, but absolutely and exclusively to the role of the first. Whoever loses this faith is already not a people. But there is a single truth, and it follows that only one of the peoples can have the true God.

Who this "true God" is, was explained by the Ukrainian Communist Party daily newspaper *Pravda Ukrainy* in a lengthy article on June 10, 1983:

Clerical-Ukrainian nationalist ideologists abroad and in the Vatican have raised a new wave of anti-communist propaganda in connection with the approaching [Russian Orthodox] Church jubilee, the millennium of Christianity in Rus. They are preaching the idea of an eternal religiosity among the Slavs and call Christianity in Kievan Rus the Catholic one.

The fabrications about the Catholic origins of Christianity in our country do not correspond to historical reality because Kievan Rus introduced Christianity from Byzantium, not from Rome. To spread Catholicism, Roman Popes, allied with lay feudal lords, repeatedly organized expeditions against Russian lands. However, their attempts failed to bring any success to the Catholic expansion.

Between the 1961 re-introduction of Dostoiévsky and the 1983 Communist Party defense of Eastern Orthodoxy against Roman Catholicism, a tremendous cultural "para-

digm shift" occurred in the moral, emotional, and intellectual life of the entire Soviet population, which has been ignored in the West by all except a very few astute but isolated observers. Most of our intelligence agencies and think tanks either ignored or misinterpreted the events. In recapitulating this process of cultural/affective transformation of the U.S.S.R., we shall limit our report to a certain number of selected events which, however, possess the characteristics of "crucial experiment," events whose occurrence proves the existence of large-scale processes at work.

A generation of Dostoiévskians

First, the case of **Mikhail Lobanov**, staff member, from 1968 to the present time, of the Communist Party youth magazine *Molodaya Gvardiya*. For the past 15 years he has been indoctrinating the entire younger generation of the Soviet population, the generation which is just about now entering positions of responsibility and decision making in the government, in the spirit of Dostoiévskianism, typified by his 1968 article "Prosveshchennoe meshchanstvo" ("Enlightened Philistinism"), published in the April 1968 issue of *Molodaya Gvardiya*.

The *meshchanstvo* [petty bourgeoisie, philistinism] goes about its business in a very up-to-date way. It considers itself abreast of all the latest developments in science and world progress. It just loves the piquant aspects of science—heart transplants, flying saucers. . . . It loves to talk about physics and lyrics,

about this or that electronic theory of immortality, and so on. . . .

Having no thoughts of its own, the *meshchanstvo* takes everything it can get hold of and turns it into something banal. Even great thoughts, great names are banalized. It tries to take individual genius and paste onto it a special little word to annihilate the significance of the heroic thought of the great man: Rousseau—"Rousseauism"; Tolstoy—"fatalism". . . .

The *meshchanstvo* has a "mini"-language, "mini"-thoughts, "mini"-feelings. Everything is "mini." And the *Rodina* [Motherland] for them is "mini". . . . They cannot imagine any other audience for themselves than mankind as a whole, no particular people [Russian: *narod*]. The people for them is something provincial.

Culture is an organic plant, unthinkable outside the soil of its own people. . . . In the history of peoples, one can recall periods when the oppressed, the as it were uneducated people gave birth through the organs of its self-consciousness—its national artistic geniuses—to the imperishable values of culture.

[They] have forgotten how to laugh. But look at a healthy *muzhik* [Russian peasant], his good-natured physiognomy—you think, how his open, good-natured laughter brightens up his soul. . . .

Imagine how [Alexander] Herzen felt, having left Russia for the sake of "freedom of speech" in Europe, and then beginning to suffocate in that Europe from the miasma of bourgeois banality. Then how Herzen burst out: "I began with a cry of joy as I crossed the border, and now I have completed my spiritual return to the Motherland. Faith in Russia saved me when I was on the verge of moral disaster."

Imagine Herzen's horror as he had fled across the border, full of hopes and faith in European spiritual prosperity, and then it turned out that there is no spiritual flourishing, but only "a petty and dirty milieu of *meshchanstvo* which, like slime, covers all of France with its greenness"—shopkeepers, the bourgeoisie, a faceless human paste. . . .

One can imagine the question being posed to Herzen by an imaginary opponent: "So you talk about the Russian people, you sympathize with them for their sufferings. But what will happen when that people reach well-being, when it reaches prosperity? Are you sure that then, lacking that universal hunger without which a Russian cannot survive, our people will have any depth of spirit? Will it be prepared to deliver a shock for the renewal of mankind? Will not the bourgeoisness which you so despise devour the body of the people?" Herzen would have replied: "Bourgeois Russia?! May Russia be spared that curse!"

There is no more cruel enemy of a people than the trial of bourgeois prosperity. It is tantamount to paralysis for the creative genius of the people. And

what then will be left of that people in the memory of mankind?

As long as a nation has not been paralysed into set forms, as long as its inner forces are still powerfully fermenting, albeit potentially—then there is historical hope. Can there be any such hope when the nation is brought down to the level of the simplest pragmatic ideals and needs? This simplification is infectious in the present world. **Americanism of the spirit** affects other peoples. National feelings are already being termed an anachronism. What can be the fate of peoples when, in the words of one foreign sociologist, Europe is nothing but a single industrial mechanism, where the interrelations between the many-tribed mass are wholly determined by technical and organizational factors? Integration is the word which these advocates of a "unified organism" use to spiritually enlighten the peoples who have been contaminated by the national "anachronism." Integrate in order to scrape clean that wild remnant of the nation, the people, in order to move everyone around in a universal industrial dance. So that neither the spirit, nor the memory of the past, nor language itself will remain from these peoples—unburdened by all these relics, how much more successful will not the regulation of this "unified organism" be. No matter that this "integration" in the peoples leads to the disappearance of the Atlantis of original culture, that instead of a beautiful meadow dotted with flowers there stretches out some sort of naked asphalt highway, that the leveling leads to a standardization that is disastrous for creativity.

Sooner or later, these two irreconcilable forces—moral originality and Americanism of the spirit—will come into a conflict to the death.

Lobanov ended his essay with the story of how he recently returned to his own rural home village and was sitting in a small hut with local villagers. One of them had been a highly decorated soldier in the War, but he said nothing himself.

And that heroic Russian man sat unobtrusively there in the corner, with only the trace of a shy smile. . . . Later, as we were returning through the woods in a snowstorm, it occurred to me: **Leo Tolstoy** knew his people. No wonder he loved his Tushin. These were the people who saved Russia. And are they not the embodiment of the historical and moral potential of the people? Are they not our faith and hope?

Chalmayev: epic Russian soap opera

Second, the case of **Victor Chalmayev**, regular writer of *Molodaya Gvardiya* and author of at least eight major novels reeking of Mother Rus chauvinism between 1970 and 1982.

Chalmayev, in whose honor the term "Chalmayevism" was coined in Soviet literary circles, wrote the article "Inevitability" in the September 1968 issue of *Molodaya Gvardiya*, whose essence is characterized by the following:

The modern-day young person is probably surprised to see that in the historical novels of recent years such a prominent role is played by . . . tsars, great princes, and along with them—but by no means below them—patriarchs and other princes of the Church, Raskolniki [Old Believers], and anchorites. Of course, this is not an idealization of monarchism, even though Aleksei Mikhailovich in the works of Vs. Ivanov, and Prince Yaroslav the Bold in Val. Ivanov, and the founder of Tbilisi Vakhtang Gorgasal, the Georgian Tsar of the 5th century and the hero of G. Leonidze's poem "Samgori" are shown in the full majesty of their patriotic feats, their State reason, and their personal courage. . . .

This is the history of a people which sometimes by evolutionary means and sometimes by means of revolutionary outburst proceeded from one form of State and social consciousness, created by the concrete conditions of its historical existence, to another, more progressive form, until it reaches the highest form of social and State organisation of society—scientific communism and socialist democracy. But that does not mean that the entirety of centuries-long pre-history, the spiritual life of the Russian people and the other peoples of the U.S.S.R. should be condemned to oblivion. Alongside the temporary, the transitory, there is also in the efforts of Peter the First, Ivan Groznyi, and in the attempts of the reformers of the Church to change, for the sake of the Motherland, the Byzantine idea of renunciation of the world as the main feat of man, something majestic, which inspires us too with the thoughts of feats of historical creativity.

A great country cannot live without deep pathos, without inner enthusiasm; otherwise, it becomes overwhelmed by flabbiness and torpidity. What was needed was the all-overshadowing idea which leads minds to fiery passion—the unifying Rus.

What unique characters—pearls of the spirit of the people—were produced by the epoch of the Raskol [the late-17th century schism in Russian Orthodoxy].

In essence there was a historical paradox: the Raskolniki burned in the fires, and Russia seemed in the eyes of Europeans to be the counterpole of Reason. It had sunk into unfathomable sectarianism, wild fanaticism, and, after two or three decades, it then surges forward, catches up with and surpasses Europe, and the moderate and prudent inhabitants of the German settlement [the foreign quarter in Moscow] began to tremble like cockroaches in the cracks.

The popular organism sort of "stores up" these

spiritual forces which nurtured [Raskolnik leader, the fanatical Archpriest] **Avvakum** and [his contemporary, Patriarch] **Nikon**, these fiery surges and dreams. From them it forges the foundation for feats on behalf of the State. Once in a hundred years the Russian People emerges for a Poltava or a Stalingrad, but it takes a century to prepare for it. One must never be flippant towards the Motherland—a soul made empty by lack of faith will never one day become a Donskoi or a Bagration or a Matrosov. And even the religious energy of the Russians—perhaps not always, but very frequently—was in the past transformed into a feat of arms, into creative inspiration, in other words, into goals which were far from religious.

A review of Soviet published sources during the 1970s and up to 1983 leaves no doubt that systems analysis has now officially replaced 'Marxism-Leninism' as the state doctrine of the U.S.S.R. In fact, numerous books and 'scientific treatises' have been published throughout the U.S.S.R. which justify 'Marxism-Leninism's' right to exist on grounds that it is a reasonable 'subset' of systems analysis.

With genuine historicism, Vs. Ivanov depicts all the phases of the Raskolniki movement, portraying them not as something deliberately dark, savage, and sinister, but as naive, spontaneous attempts of the people to create an ideal Russia, a beacon of goodness and humanity.

Undoubtedly [the suicide of the Raskolniki] is far from a universal solution to life, but there is in it a considerate, filial attitude towards the Motherland which is completely lacking in the "logical" arguments of the traitor.

Both serfdom and capitalism are a sliver which does not have room for the thousand year-old, renewing Rus of the People.

This mentality is by no means typical only for the Kom-

somol or only for *Molodaya Gvardiya* magazine, which we singled out because of the special role it has played in indoctrinating the current generation of young adults in the Soviet Union. This chauvinist spirit also pervades the mass circulation *Literaturnaya Gazeta*, the mass circulation weekly *Ogonyok*, the prestige mass circulation "fat journals" *Nash Sovremennik*, *Moskva*, and others. The hegemony of the Dostoevskian-Mother Rus chauvinist spirit is exemplified by the fact that the 7,000-member-plus Russian Union of Writers is dominated by the cultural mafia around the current "dean" of Russian chauvinist fictional writing, **Sergei Mikhalkov** and his son **Nikita Mikhalkov**. Mikhalkov was the man who in 1943 wrote the lyrics for the new Soviet national anthem which, during that time replaced the "Internationale." It is Mikhalkov's Soviet national anthem, performed today, which characterizes the Soviet Union as "an unbreakable union of free republics forged by Great Russia."

Glazunov: 'The Mystery of the Twentieth Century'

The "Mikhalkov Mafia" starting from its hegemony in the field of fictional writing has also established hegemony in painting and the cinematic arts. As of 1982, "Socialist Realism" has been officially dropped as the state-approved style of art and, by means of a government-announced policy article, has been replaced by "Glazunovism." **Ilya Glazunov** is the chauvinist painter sponsored by the Mikhalkovs, who for years has been producing enormous canvasses of military and chauvinistic themes executed in the Byzantine-iconographic style of the Kievan Rus period. One of his most atrocious works—a large, complex canvass dominated by the haunting portrait of Dostoevsky and originally titled "The Mystery of the Twentieth Century"—was donated by the Soviet government to UNESCO. *Izvestia's* **V. Novikov** published the following on Feb. 7, 1982 in bestowing official state blessings on Glazunov:

In contemporary Soviet depictive art, it would be hard to name another artist, whose work has attracted such interested attention and such stable interest as that of Ilya Sergeevich Glazunov. . . .

It is now impossible to imagine our depictive art without Glazunov's paintings "Russian Icarus," "Two Princes," "Prince Igor," "A Russian Beauty," "The Motherland," the series of canvases dedicated to the 600th anniversary of the Battle of Kulikovo Field, without his brilliant illustrations for the works of Dostoevsky, Leskov, Goncharov, Nekrasov and other Russian writers. . . .

The work of I. Glazunov is illuminated by the truth of life, by a lofty feeling of the Motherland.

In its breadth, this feeling is comparable with the endlessness of Russia's expanses, and its depth is commensurate with the age-old depths of the being of the Russian people, its glorious history. This is the source of the artist's consistent and inexhaustible in-

terest in historical themes and his striving to resurrect and visibly incarnate the decisive moments in the fate of the Motherland. For, as the well-known truth says, to love means to know, and it is impossible to love what you don't know.

But knowledge of the history, philosophy, and culture of the past is necessary not only for work on historical themes. Philosophical comprehension of reality, historical method of thought, and consideration of the moral and aesthetical experience of the past are all necessary conditions for creating artistic works on contemporary subjects as well. I. Glazunov's work fulfills these requirements with enviable fullness. He does not allow himself merely to "respond to" one or another phenomenon of contemporary life by focussing on its external aspects. He uncovers the inner tension of action and creates each work on the basis of spiritual values accumulated by many generations, assessing the affairs and actions of today by lofty ideological, moral, and aesthetic criteria. Therefore his heroes who are contemporary people building a new life, in a sense stand facing the past, the present and the future at once. . . .

With what love and knowledge the artist speaks about the events of the fatherland's history, about monuments of national culture! . . .

Ilya Glazunov is an artist who takes an active position in life. He travels a lot in our country and visits the hottest spots on the planet. . . . A great creative achievement of this artist was his monumental painting "The Contribution of the Peoples of the Soviet Union to World Culture and Civilization," given to UNESCO by the Soviet Union.

The *Izvestia* item was published barely two weeks after the death of **Mikhail Suslov**.

Cinema: Rasputin as national hero

The "Mikhalkov Mafia," also exerts control over Soviet cinema as well. Two films known to the West are typical of Holy Mother Rus chauvinism: *Siberiade*, an epic about the resiliency of the ancient Russian *starik*, the eternal wise "Ancient of the Days" who typefies the mentality of *raskol'nikism*; secondly, the scandalous *Agonia*, an epic film which glorifies and rehabilitates to full historical justification none other than the monk **Rasputin**, the mystic manipulator of the last Romanov Czar, **Nikolai II**! The film portrays Rasputin as the passionate personification of the resilient, passionate, mystical, patriotic Russian peasant who shall never cease struggle to save his beloved Mother Rus, who shall persist in his endeavors to save her despite all odds, despite the fact that her Czar, before the great crisis, is weak and irresolute. Czar Nicholas II is portrayed in the film as merely a king not experienced enough and not resolute enough for the circumstances: a pathetic actor in the great drama of history who,

however, is good enough to allow the heroic peasant mystic to try to save Mother Rus. This film was produced during 1972-73 but was not shown to the Soviet public until 1981. In 1982 it was shown at the Venice Film Festival and was the "shocker" of the year.

What happened to 'Marxism-Leninism'?

At the end of the 1960s, there was still serious official Soviet opposition to this new Dostoevskian-chauvinist trend. **Alexander Yanov** of Berkeley University, an immigrant from the U.S.S.R., describes in his book *The Russian New Right* how **Leonid Brezhnev**, then at the height of his power was in fact defeated by the "Chalmayevist" tendency. After numerous complaints from Brezhnev, one **Vasilii Shauro**, chief of the Central Committee's Culture Division, sent the Director of *Molodaya Gvardiya*, **Yu. Melentsev**, to a meeting with Brezhnev to explain his policies of cultural chauvinism and seek further support. Reportedly, Brezhnev answered: "There is no place for you, not even in the Party, let alone the Central Committee." The following day, Melentsev was dropped from the Central Committee but he was made Deputy Culture Minister of the Russian Soviet Socialist Republic. By 1978 he was the Minister of Culture of the Russian Soviet Socialist Republic; and Shauro remained in his powerful Central Committee staff job, working in tandem with government **Minister of Culture Petr Demichev**, a patron of the Holy Mother Rus movement.

Subsequent to Brezhnev's defeat by Melentsev, a second attempt was made by the Central Committee's Marxist opponents of the new trend. An official of the Central Committee, **A. N. Yakovlev**, launched an attack against *Molodaya Gvardiya* and "Chalmayevism" in late 1972 and early 1973. He had an article published against *Molodaya Gvardiya* in the monthly *Kommunist*, organ of the Central Committee; and he caused a special session of the Secretariat of the Central Committee to be held to discuss the fate of the *Molodaya Gvardiya's* editorial board. The Cultural Division of the Central Committee protected *Molodaya Gvardiya*, and its editorial board was not touched. Yakovlev was politely thrown out of the Central Committee and sent to Canada as ambassador.

Today, the ideology of the Holy Mother Rus is dominant in the U.S.S.R. It pervades every institution of the Social Sciences Division of the Soviet Academy of Sciences, providing the "scientific" justification for this dramatic abandonment of "Marxism-Leninism," "Proletarian Internationalism," "Socialist Realism," and "Dialectical Materialism." As we shall document below, this "scientific" justification is based on the introduction, on a large scale throughout the 1970s, of "systems analysis" as the officially accepted scientific methodology in Soviet scientific organizations. Subsequently, systems analysis was extensively employed to

rationalize the shift into chauvinism. However, rationalization or not, the massive outbreak of Holy Mother Rus chauvinism was proceeding by great strides. The inspirator was the Russian Orthodox Church, which today claims 60 million believers—a membership three times as great as that of the Communist Party. The secular brand of this chauvinism is organized by the **Rossiia Society**, whose official name is the All-Russian Society for the Preservation of Monuments of History and of Culture. In 1982 its membership stood at 14 million. From 1981 to 1982 that membership grew by two million. Its leading inspirator and second ranking official is **Academician D. Likhachev**, who, in his voluminous historical works, has been arguing for adoption of the ideal of the "Third and Final Rome" since 1947.

The rise of systems analysis

A review of Soviet published sources during the 1970s and up to 1983 leaves no doubt that systems analysis has now officially replaced "Marxism-Leninism" as the state doctrine of the U.S.S.R. In fact, numerous books and "scientific treatises" have been published throughout the U.S.S.R. which justify "Marxism-Leninism's" right to exist on grounds that it is a reasonable "subset" of systems analysis. All of these items have been authored by prominent leaders of the Soviet Academy of Sciences, most of whom are also members of the Central Committee of the CPSU. For example, the current editor in chief of *Pravda*, **V. Afanasyev**, a member of the Philosophy Department of the Academy of Sciences and prolific writer of books on systems analysis, summarizes his philosophical world outlook in the following sentence: "The advances of modern science and its practical application conclusively show that the surrounding world—both material and ideal—is comprised not of individual isolated objects, phenomena and processes, but by sets of interconnected and interacting objects—systemic, integral formations of a certain kind."

Among the three-hundred members of the Soviet Central Committee, the single largest identifiable bloc of leaders is the military leadership. And conversely, the Soviet Defense Ministry has more Central Committee members in it than any other ministry. The second largest group or well-defined bloc in the Central Committee is those members and associates of the Academy of Sciences who are proponents of the systems analysis approach. Their ranks in the Central Committee include **Leonid Zamyatin**, **Vadim Zagladin**, **Georgi Arbatov**, **Pyotr Fedoseyev** (vice president of the Academy under Anatoly Alexandrov and chief of the Social Sciences Division of the Academy), **V. Afanasyev** of *Pravda*, and others close to the Central Committee and the Politburo by family and other relation: **Julian Bromley** (president of the Academy's Ethnology Institute), **Boris Lomov** (president of the Psychology Institute of the Academy), **Ivan Frolov** (chief of the Philosophy Department's Scientific and Technological Revolution section), **Dzhermen Gvishiani**, **Anatolii Gromyko** (Africa Institute), **Yuri Kosygin**, **Igor Andropov**,

Ye. Primakov (Geidar Aliyev's right-hand man), **D. Likhachev** (Mr. Third Rome himself), **Vitalii Kobysh** (a regular on the Soviet "peace" movement circuit), and Holy-Cowboy **Alexander Bovin**, China-card chief **M. Kapitsa**, chief of the Soviet Pugwash Committee **Academician M. Markov**, and others.

Systems analysis was introduced into the Soviet Union as an official state cult at the same time as **Yuri Andropov** was made chief of the KGB and member of the Politburo: 1967-68. It first appeared in the form of the Systems Analysis Research Institute run jointly by the Science and Technology Committee of Gvishiani and the Soviet Academy of Sciences, P. Fedoseyev's Social Sciences division. From there, it gradually became hegemonic in every policy institution starting from the State Planning Commission of **N. Baibakov**, to the Institute of Ethnography of Julian Bromley, to the Institute of Psychology of Boris Lomov, to *Pravda* itself under Afanasyev. Its application to so-called ethnology and psychology led, ultimately, to the adoption of the Third Rome paradigm shift.

In the end of 1981, Academician Julian Bromley was decorated by the Presidium of the Supreme Soviet with the Order of the October Revolution for his achievements in historical and ethnological science. He is director of the Institute of Ethnography of the U.S.S.R. Academy of Sciences, deputy chief academic secretary of the Presidium of the Academy of Sciences, chairman of the Scientific Council for Nationalities Problems, etc. Bromley's philosophy explains, in part, the root-causes of the "Third Rome" paradigm shift. In the beginning of 1983, he wrote in the magazine *Social Sciences*:

The human race today falls into a multitude of different historically formed communities, such as race, class, family, state, etc. Among these human communities a special place is occupied by units now customarily referred to as ethnic: tribe, nationality, nation, ethnic group, etc. According to very conservative estimates, the human race has inherited from the past at least two or three thousand of these units. They differ enormously—both in the level of development and in size—ranging from archaic by origin, nationalities, and even tribes which now have only thousands, if not hundreds of members, to nations of many millions. Characteristically, 11 peoples alone constitute almost 50 percent of mankind. The seven largest exceed 100 million each. They are: Chinese (938 million), Hindustanis (180.5 million), U.S. Americans (172.2 million), Bengalis (138.7 million), Russians (138.6 million), Japanese (115.7 million), and Brazilians (112 million). At the same time, the almost 1,500 small peoples numbering up to 100,000 each, account for less than one per cent of the world's population.

In a book published in 1981, entitled *Contemporary*

Problems of Ethnography. Essays on Theory and History, Bromley develops the following general theory: Ethnic units are of great variety ranging from tribes to nationalities to nations. Successful ethnic units are those which are carrying their "ethnic properties" in geographically compact locations; less successful are those which are scattered. The place of pride among "compact ethnic formations" is occupied by those nations which are capable of creating those types of "social organisms," (i.e., the state apparatus, economic apparatus, etc.) which ensure the successful reproduction of the nation. These "ethno-social organisms" which arise from within the successful nations "in many cases possess relative independence which ensures the most favorable conditions for the stability of the ethnos and its reproduction." (*Social Sciences*, 1982, 2 p. 240).

Thus, Soviet ethnography, as practiced by the scientific and political leaders who run the U.S.S.R.'s so-called nationalities policy, has provided a systematic rationalization for the revival of the Third Rome.

The context in which such ideas were formulated is the telltale: From the beginning of the 1970s, the Soviet leadership has been trying to come to grips with the two most pervasive and intractable problems of social and economic management: the so-called problem of *motivation*, which has pervaded every Party discussion including the June 14-16, 1983, Central Committee Plenum, and the problem of the so-called "technological bottlenecks" which prevents the Soviet economy from absorbing the kinds of advanced technological investments which Soviet science could supply on a scale sufficiently large to make any difference in the civilian economy. Every single solitary gimmick of incentives, motivation campaigns, etc. based on "Marxist-Leninist" appeals or "material incentives" has failed miserably. Neither Soviet workers, nor Soviet managers display the slightest interest in technological innovation and improvement of work in general. Hence, the systems analysis boys at the Academy of Sciences have been occupying themselves with the quest for a solution.

The psyche as belly-button

The slogan was presented by the Academy of Sciences that "anything goes" in the effort to supply "motivation" to the population. Revealing is an article by B. Lomov, director of the Institute of Psychology of the Academy of Sciences, published in the end of 1982, entitled: *The Study of the Laws of the Psyche*.

That article, which has to be read to be believed, essentially addresses the subject of "psychic phenomena" and "motivation" in the same context. Psychic phenomena, according to Lomov, do exist. The problem is that some people insist that "psychic phenomena" cannot be explained by "objective laws."

In the view of some scholars, man as a whole cannot be objectively cognized; there are essential

aspects of his inner experiences which by their very nature cannot be objectively grasped and are only accessible to the intuition that replaced causal explanation. Failure to understand that the psychical is included in the universal interconnections of the material world's phenomena and is subject to objective laws, also leads to declarations that it is a world in itself existing in space of its own.

After this introductory assertion that hesychastic omphaloscopy is grounded on "objective laws," the director of the Psychology Institute of the U.S.S.R. Academy of Sciences proceeds to the problem of "motivation." The essential question: What is really, the relationship between the "individual" and the "environment"? What is the interaction between "environment" and "soul"? Why do different "individual personalities," stimulated by the same external environment, produce different kinds of "behavior"? It is evident, says Lomov, that even if you control the environment, you still cannot control the behavior of the individual within the controlled environment. So, "The external conditions can only act through the mediacy of man's psychological characteristics and properties. It is the psyche that constitutes the link necessarily mediating the connections between external influences and behavioral acts. Thus, the psychical is included in the integral series of cause-and-effect con-

nections of the material world."

Then systems analysis is introduced in a grand way:

If the psyche did not play the functions of reflecting the environment and regulating behavior, it would simply be unnecessary; if behavior did not include these functions, it could not be an adequate response to the environment. Hence the need for considering the behavioral act and the psychical process involved in it as a single system. . . . Let us point out that this systems approach requires a somewhat different view from the frequently adopted one, of the events and external influences that are usually assessed as the causes of behavioral acts. Quite a few concepts and theoretical models have been worked out in modern psychology and contiguous sciences. Without going into the details of these models, let us note merely that all these concepts and models regard activity and behavior as a *system with a complex structure*. [emphasis in the original]. . . . An extremely difficult point about the analysis of determination of activity and behavior is the fact that this activity is a *self-regulating* system and, therefore, an extremely dynamic one. . . . The most comprehensive studies of the problem of self-regulation of activity have been made by **O. A. Konopkin**. He showed that the pos-

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sibility of psychical reflection of the object, instruments, and conditions of activity enables man to regulate the reception and processing of information, the speed of responses, the tempo of work and, more broadly, the expenditure of the operator's resources. According to Kovac, personality self-regulation permits to some extent the overcoming of the effect of external determination. That strongly interferes, of course, with the analysis of cause-and-effect connections in behavior and activity. . . . A complicating factor is that in psychological studies we often run into situations where *cause and effect are separated by a time interval*, which may be quite long. . . . Let us indicate one more important point bearing on the relation between cause and effect in time. In analyzing behavioral acts, we often tend to regard a single event preceding a certain act as the cause of the latter. In actual fact, however, a whole series of events preceding the behavioral act in question may prove to be the real cause. Each of them taken singly does not produce an effect—only their accumulation does, as well as retaining the information about these acts in memory. As Sechenov wrote: "Any spiritual movement, no matter how elementary, is the result of all the past and present development of man." That is to say, psychological studies often deal with cause-and-effect relations which might be called *cumulative*. It should be added that man's psychic development as well as the process of formation of his activity is heterochronous in character. For this reason, one and the same cause produces one set of results with regard to certain constituents and quite a different set of results with regard to other constituents. [cf.: *Third Rome for Great Russians, Islamic Marxism for Central Asians*, etc.]

Then, Lomov continues:

Generally speaking, correlation of causes and effects in time has an exceptionally great significance for psychological research and so requires special methodological investigation. In studying behavior, we come up against facts that bear evidence of pre-determination, simultaneous determination, and post-determination. It may be assumed that the specificity of temporal determination of the psyche is essentially connected with its reflective nature. . . . Still, the question remains: why does one and the same person act in different ways under similar conditions? It is hardly satisfactory to assume that different cases are explained by different laws. This explanation does not eliminate the question, Why? Why is one case explained by this law and a different case by another law? We believe that the concept of *system-forming factor* suggested by P. Anokhin, is extremely important for revealing the cause and effect connections

in the behavioral act. It is this factor that determines in each concrete case the specificity of the psychical reflection of the object, the instruments and conditions of activity, as well as the level of dynamics of its regulation. Depending on this factor, one and the same law may be manifested, and is inevitably manifested, in different ways. The *system-forming factor* sets the direction of the action of a law, as it were. The causes affecting the system may be similar or even identical, but the effects may be different and even contradictory, and vice versa. Their connections, however, may reveal one and the same law. *The effects systematically produced by the given cause depend on the system-forming factors.*

The system-forming factors of man's behavior and activity may be: motives, goals, tasks, attitudes, subjective personal relations, emotional states, etc. The question of what functions as a system forming factor in various kinds of behavioral acts and actions requires special analysis. The question naturally arises as to where the system-forming factor originates and how it is determined and formed? Briefly, it may be said to be formed and to develop in man's life in society. To understand the laws of formation of the system-forming factor, we have to go beyond the analysis of separate behavioral acts, turning to another level and another scale of consideration of man's vital activity. But that is a different task requiring special consideration.

Geidar Aliyev's 'new style of leadership'

General Secretary Andropov's and Secretary Konstantin Chernenko's speeches at the recent Central Committee meeting gave specific marching orders to 1) the "Social Sciences," and 2) the means of mass propaganda and education. These outfits are a finite, known quantity and so is their leadership. At the top, is the Social Sciences Division of the Academy of Sciences. Chief of Social Sciences at the Academy is Central Committee member Pyotr Fedoseyev, author of numerous works on the systems analysis nature of "Marxism-Leninism," recipient of many decorations, etc. Right under him are Julian Bromley's Institute of Ethnology, which runs the "nationalities policy"; B. Lomov's Institute of Psychology, which profiles both the labor force and various ethnic sectors of the population in search of "system-forming factors"; then comes Systems Analyst Academician V. Afanasyev's *Pravda*; Academician Boris Ponomaryov's International Section of the Central Committee; Geidar Aliyev's (and Ye. Primakov's) Oriental Institute; Georgi Arbatov's U.S.A.-Canada Institute; Anatolii Gromyko's Africa Institute; V. Volskii's Latin America Institute; the late Maj. Gen. Metropolitan Nikodim's Russian Orthodox Church; Djer-

men Gvishiani's Systems Analysis Research Institute; Academician M. Markov's Soviet Pugwash Committee; and Academician D. Likhachev's **All Russia Society for the Protection of Monuments of History and Culture.**

Institutions not listed in the above catalogue are of less than marginal significance (except, of course, the Armed Forces and the so-called Party, which in fact is not a political party but properly, the *Nomenklatura*, or Promotions List of the Imperial Bureaucracy).

The June 14-15, 1983, Central Committee Plenum of the CPSU will prove to be a watershed in Soviet postwar evolution of greater significance than the death of **Stalin** in March of 1953 for the following reasons: It was wholly dedicated to producing a series of marching orders to the "Social Sciences" and "spiritual mobilization" institutions of the Soviet Union. The objective set by the marching orders is to "solve the socio-political problems of 'mature socialist society' by means of spiritual mobilization of the Soviet people." The keynote call was given by Chernenko, the spokesman of all those who in the past had presented obstacles to the whole scheme of "spiritual mobilization" and other code words of the Soviet systems analysis establishment, thus signaling capitulation of the older, simpler souls of the *Nomenklatura* to the up and coming "new generation" of systems analysis.

Before presenting the rich background of political transformations in the U.S.S.R. during the 1970s, which shall give meaning to all this otherwise trite and boring mumbo-jumbo, let me begin by first presenting my conclusions:

During the 1967-68 period, i.e., Andropov's promotion to the KGB and Politburo, the Soviet Union's leading gamemasters were fully aware that the single biggest problem of statecraft for them to crack was the problem of motivating the population and the institutional problem of "technological bottlenecks." They then evolved the Aesopian doctrine of "mature socialist society," which runs as follows: "The period of material construction of the socialist economic base has been completed in the Soviet Union and we have thus entered the era of 'mature socialist society,' which is governed by different laws. The main task of this period is to increase the growth rates of labor productivity and to focus on the quality of production. For this, the government must primarily provide 'moral-cultural' and 'socio-political' motivations for the population."

Under the umbrella of these official abstractions, the systems analysis penetration was given enough elbow room to prove its case. In 1967-68 Dzhermen Gvishiani and P. Fedoseyev created the All-Union Institute of Systems Research. From there they proceeded to dominate virtually every policy-making institution of the Academy of Sciences, the Ministries and the Communist Party. Today, they have the **Central Council of Methodological Seminars**, which acts as the country's central clearing house which approves the methodologies employed by every branch of science, especially the social sciences. This Central Council, which exerts de facto epistemological dictatorship in the U.S.S.R., is run

by Gvishiani, **Y. Ovchinnikov**, P. Fedoseyev, **A. Alexandrov**, et al. Its work is to direct the methodological approach of all the research centers and higher education institutions of the U.S.S.R., but especially that of the social science outfits such as the **Institute of Sociology**, the **Institute of Psychology**, **Ethnography**, **History**, etc.

How to 'motivate' the soul

Once "Systems Analysis" became the official frame of reference in which any policy proposal found its justification, then the policy proposals themselves were dished out. The Institute of Psychology laid the claim that, according to systems analysis, we must reject Pavlov, environmental psychology, and stimulus-response psychology, and admit the existence of soul and proceed from there if we are to solve the "motivation" problem of the Soviet economy. It was accepted unanimously by the entire leadership of the Academy, including the ancient hacks who had been the leading lights since Stalin's time, including Academician Boris Ponomarev. The Sociology Institute claimed that according to systems analysis, the "moral-cultural" factors are more powerful than "material incentives" in trying to raise productivity. This was also fully accepted. The various historical and archeological institutes, basing themselves on the new demands of the findings in sociology and psychology, unleashed an orgy of chauvinistic revivals and engulfed the country in deafening paeans to Mother Russia's grandeur. The ethnographic institutes proclaimed that the nation is the basic social unit; and such things as classes, states, and economic systems are merely convenient epiphenomena of the nation, which justify their existence only if they secure the "stability and reproduction of the nation." Thus, "socialism," and the "dictatorship of the proletariat" are acceptable because they ensure the "stability and reproduction" of the Russian nation. Just as "Marxism" is acceptable because it is a valid "special application" of "systems analysis."

The gamemasters at the Central Committee and the Presidium of the Academy imposed their "systems analysis" coup d'état. Then the Sociology, Psychology, Ethnography, History, Pedagogy, etc. institutes presented their new findings. Everybody was ordered to identify the "moral-cultural" and "socio-political" factors. All the local party organizations were instructed to establish "opinion polling" centers or, as in majority of cases, to cooperate with their local Sociological Research Society on the subject of researching the "opinions and feelings" of their constituency. Then the orders came down that local party bosses are from now on expected to "take into account" and "respect" the "feelings and opinions" of their local constituencies, as these feelings and opinions had been interpreted by the local Sociological Research Society and Opinion Survey Center. The "New Style of Leadership" was for the party hack to go out of his way and share the "feelings and opinions" of the population, organize "moral-cultural factor" events around issues which would genuinely excite the local population. This "New Style



Khrushchev with General Malinovsky (left) in 1944. Twenty years later, it was the Red Army chiefs who dumped him.

of Leadership” was being pushed in a low-key way through most of the 1970s upon all the 50 or so Obkom Secretaries, while in the back woods of the Transcaucasus Republics, Geydar Aliyev’s “Pilot Project” was going ahead with spectacular success. By 1981-1982, when the Aliyev project had become the indisputable success story of the decade, the “New Style of Leadership” was pushed all the way with large-scale mass propaganda, purges, “anti-corruption” trials, etc., which stripped the dying Leonid Brezhnev of most of his friends. In September 1982, Leonid Brezhnev was taken to Canossa, as it were, to kneel before Geydar Aliyev. Two months later, Brezhnev was dead and Aliyev was in the Politburo. The “New Style of Leadership” had broken through. In June 14-15, 1983, Chernenko paid homage to the “New Style” by delivering the Central Committee keynote of “spiritual mobilization” and the central responsibility of “social sciences.”

What was the Aliyev ‘Pilot Project’?

Upon becoming a full Politburo member, Geydar Aliyev gave his celebrated farewell speech to the Azerbaijan Communist Party in which he described his “Pilot Project”:

Azerbaijan’s economy, which in the fifties and sixties lagged sharply behind in terms of all indicators, for more than two 5-year plans now has been developing dynamically, at a consistently high, mounting rate that exceeds the all-union average. Not only the state plans but also the socialist pledges for all the main sectors of industrial and agricultural production and social development are fulfilled and overfulfilled each of the last 10 years. Fundamental changes have

taken place in the structure of industry, where a trend toward its faster development via the sectors determining scientific and technological progress has clearly emerged. Labor productivity, output quality and other extremely important indicators of social production are growing steadily. The results of the path we have traveled are eloquently shown by the statistics. I will quote just a few of them. Our national income increased by a factor of 2.5 during the ninth and tenth 5-Year Plans and the first two years of the eleventh. The increase alone in national income over the 13 years was R5.37 billion. Per capita national income almost doubled over this period. Per capita social product increased just as much. Industrial production in the republic increased 170 percent during this period. Consumer goods production trebled. Over the course of the 13 years labor productivity in industry doubled. . . . Gross agricultural output increased 170 percent in the 13 years. The yields of grain, cotton, grapes, fruits, vegetables and tobacco increased 80-160 percent and dairy livestock productivity increased 160 percent. During the 13 years, R21.3 billion of capital investments have been channeled into the development of the national economy—40 percent more than in the preceding 50 years. Fixed capital increased by R18.6 billion. That is 1.6 times the amount commissioned over the previous 25 years. The return on capital increased 30 percent.

Then, explaining how this whole success story started, Aliyev referred to the day when he was called from his KGB post to launch the “Pilot Project”:

In the seventies the republic traveled a long and glorious path that was initiated by the Plenum of the Central Committee of the Azerbaijan Communist Party which has gone down in the history of our party organization as the **“August 1969 Central Committee Plenum.”** . . . The enduring significance of the Azerbaijan Communist Party Central Committee August 1969 Plenum lies primarily in the fact that the principled decisions that it adopted and its critical, creative spirit inspired the communists and all the working people of Azerbaijan with *faith*, rallied all the healthy forces and mobilized the whole people in the struggle for **purity in our ranks and for the Republic’s sharp upsurge.** . . .

Then, explaining how it all was a special little experiment of the Moscow Politburo:

Our achievements have been possible thanks to the constant attention and concern for Soviet Azerbaijan shown by the CPSU Central Committee, the Central Committee’s Politburo and the Soviet Government and their tremendous everyday and multifaceted assistance to the republic. . . .

Then the clincher, how systems analysis made all this possible:

One of the decisive factors that predetermined our achievements was coordinated, **scientifically substantiated** party organizational work [i.e., the “New Style of Leadership”]. . . . The constant and profound study of **public opinion**, consideration of it in the practical activity of the party and Soviet organs and reliance on the masses’ initiative and creativity occupy a leading place in all the Azerbaijan Communist Party Central Committee’s organizational, political, and ideological activity.

Aliyev, one month before the above-quoted speech had given more details of this **public opinion** operation:

In this connection it should be noted that a large amount of work has been performed and considerable experience accumulated in Azerbaijan. As you know, we have a **special Center for the Study of Public Opinion and Sociological Research** attached to the Azerbaijan Communist Party Central Committee. **Over one hundred organizations in the Republic have sociological services carrying out special research.** In all raykoms, gorkoms, obkoms, and primary party organizations a large amount of work is underway on the **in-depth study of public opinion by carrying out special sociological measures.** . . . The practice of the Azerbaijan party organization’s work shows that here it is essential to skillfully combine various means,

that is, **sociological research and polls** of individual strata of the population on particular problems and to publicize extensively the measures which are carried out and in particular their results. . . . **The implementation of profound sociological studies and opinion polls is of exceptionally important significance.** . . . Another aspect of this problem is the effective use of the results of the study of public opinion. **I want to stress that merely knowing public opinion is not an end in itself.** Having subjected it to a good and genuine study, it is necessary to adjust measures which are being carried out and to implement additional measures. That is, it is necessary to build all one’s subsequent work with a consideration for public opinion and a good knowledge of people’s feelings and aspirations. . . .

Back to the farewell speech:

It is precisely via means of ideological influence that the Azerbaijan Communist Party has secured the widespread development of the population’s initiative and production and socio-political activeness. . . . One of the main elements of our activity is moral education. . . . We mounted systematic, purposeful, comprehensive work to strengthen moral foundations and ideological and moral principles in the republic’s life. . . . **A harmonious system of moral education including all the organizations and services called upon to shape people’s ideological and moral character has been formed in Azerbaijan.** [This is the allusion to the integration of the entire Shi’ite clergy into the “Pilot Project”]. . . . Our wonderful culture possesses a tremendous force for people’s ideological and moral and spiritual elevation. . . . The period of sharp upsurge of the Azerbaijani Republic has also been marked by major successes for Azerbaijani culture. Writers, poets and composers, painters and sculptors, theater and cinema figures, and representatives of all genres of art have made a fitting contribution to the republic’s wonderful achievements, have created a considerable number of significant works and have enriched our people’s spiritual treasure store with new achievements. . . . Azerbaijan’s social scientists are called upon to improve the topicality and theoretical standard of their works. They must study more profoundly the history of our people and their successes and gains during the years. . . .

This is what the Psychology and Sociology institutes have been arguing: To improve productivity and the quality of work, the government must primarily focus on the underlying psychological needs of the population. Forget **Pavlov**, forget “stimulus-response” psychology and forget “material incentives.” Admit people have souls which are shaped by great historical influences. Discover their deep-running

moral aspirations and adopt a paradigm shift in the administration of the country. The Aliyev case proved the point. From then on, it was all “paradigm shift” for the *Nomenklatura*. We have quoted above extensively from B. Lomov, the president of the Institute of Psychology, in which he argued in detail, basing himself on “systems analysis,” that the way to motivate people is by discovering those types of “system-forming factors” to which people respond, and make government policy ally with such “system-forming factors.” The term “system-forming factor” is the Russian equivalent of Stanford’s “paradigm” and “paradigm shift.”

In concluding the discussion of the Aliyev “Pilot Project,” the following quotation deserves special note:

We have accumulated rich experience of the masses’ patriotic education, of the propaganda of the combat traditions of the Soviet people and the republic’s working people and of the collaboration between labor collectives and troop units of the Red Banner Transcaucasus Military District, the Red Banner Caspian Flotilla and the Red Banner Transcaucasus Border Military District. It is necessary to further develop this important direction of ideological work, to strengthen and deepen working people’s ties with Army and Navy servicemen, to display constant concern for young people’s pre-draft training and to educate them in a spirit of selfless devotion to the Soviet socialist motherland.

The Soviet marshals and the ‘Third Rome’

Dzhermen Gvishiani is the indisputable and undisputed father of systems analysis in the Soviet Union. He is much more than merely the son-in-law of Alexei Kosygin. He is the son of a Georgian KGB general who was a close friend of Stalin. But he is more than that. He was the key player of the **Oleg Penkovskii gambit**, which the great Marshals of the Second World War played to get rid of Khrushchev. The Oleg Penkovskii gambit, when stripped from its popular romanticization, boils down to the following bare facts:

Oleg Penkovskii was a GRU (Soviet military intelligence) colonel who, from April 1961 to Oct. 22, 1962, provided vital information to President Kennedy with which to smash **Nikita Khrushchev** during the Cuba Missile Crisis of 1962. Penkovskii was an intimate of **Marshal Malinovski**, and closely acquainted with **Marshals Sokolovskii, Rokossovskii, Konev, and Zhukov**. His father-in-law was a general in charge of the Main Political Directorate of the Moscow Military District; his adopted father, **Gen. Sergei Sergeyevich Varentsov**, was the commander in chief of the Soviet Union’s Rocket Units and Artillery of the Land Forces in the 1961-63 period (the period of both the Cuba Missile Crisis and the Penkovskii Gambit); and his uncle, **General of the Army Valentin Antonovich Penkovskii**, was the com-

mander of the Byelorussian Military district at the time of the events.

Starting in April 1961, Col. Oleg Penkovskii established contact with British and American intelligence and started supplying them with a tremendous amount of military-political information in which were outlined the basic facts of the Soviet military leadership’s disagreements with Khrushchev and, more importantly, the reasons for those disagreements. Those reasons, according to Penkovskii (and later substantiated by events) were as follows:

During 1955-57, Marshal of the Soviet Union **Georgi Zhukov** tried to purge the Soviet Armed Forces of all Communist Party meddling; and in this he had the support of both the rank-and-file of the Armed Forces and the other victorious marshals of World War II—**Sokolovskii, Rokossovskii, Konev, Malinovskii**, et al. In 1957, he lost his fight to Khrushchev, and he, along with the other marshals, retreated to a series of special activities at the Military Academy of the General Staff, the single most important institution of the Soviet marshals from that date to the present. The Military Academy was then and is today an adjunct of the office of the chief of staff of the Armed Forces (**Sokolovskii** then, **Ogarkov** now). One of the unique powers of this Academy and its military faculty is their selection of every single officer of the Soviet Armed Forces who will be assigned to general staff functions in any military post—from the Defense Ministry to any divisional (and occasionally regimental) command. During 1957 and 1958, Zhukov and Sokolovskii gathered within this Academy an impressive group of military leaders. The Group included Marshals **Rokossovskii** and **Konev**, **Gen. Maj. I.G. Zavyalov**, **Gen. Lt. M.I. Cherednichenko**, **Gen. Maj. V.V. Larionov**, **Gen. Col. Gastilovich** (the commandant of the Academy), plus nine others not identified at this time. In addition, the following individuals were at the Academy during that time, as junior protégés of the above group: **Nikolai Ogarkov** (now Marshal Ogarkov, chief of staff), and **Viktor Kulikov** (now Marshal Kulikov of the Warsaw Pact Forces). Col. Oleg Penkovskii was also deployed at the general staff during that time and was close to its Academy.

From the Academy of the General Staff, the marshals launched a special project which had been taboo since 1936: to work out a military doctrine for the Soviet Armed Forces for the era of nuclear weapons. The above primary group of marshals, under the guidance of Zhukov and Sokolovskii, assigned themselves the task of working out a **strategic doctrine for the era of nuclear weapons**. The effort was signalled by the circulation of a private paper written by the commandant of the Academy, **Gen. Col. A.I. Gastilovich**. Entitled “The Theory of Military Art Needs Review.” The paper outlined the tasks involved and, in a general way, distributed assignments to the remaining 14 members of the group. Over a period of 20 months, numerous papers were presented by the members of the group—initially circulating privately and known as the “Special Collection,” and finally published in the Academy’s magazine, *Military Thought* dur-

ing 1959.

The doctrine which took shape is known to us today as the **Sokolovskii Doctrine**. At the time, before January 1960, the doctrine boiled down to the following: "In the era of nuclear weapons, the Soviet Armed Forces must develop a nuclear missile force capable of crippling its adversary with one salvo, but, because nuclear war does not end but only begins with the first nuclear salvo, the Soviet Armed Forces must be organized in such a way as to be able to fight a prolonged war under nuclear conditions."

Khrushchev completely disagreed with this doctrine. In January 1960 he proclaimed his own strategic doctrine, the first time since **Tukhachevskii** that a Soviet spokesman had publicly addressed the subject of military doctrine. Khrushchev's idea was that in the nuclear age, the only thing which counts militarily is the nuclear missile force and nothing else. Therefore, according to Khrushchev, the Soviet Union should concentrate all its resources in developing a nuclear first strike capability against the United States and scrap its conventional forces to the level needed for domestic purposes. The Khrushchev announcement was accompanied by a demobilization order which drove approximately 30,000 officers of the Soviet Armed Forces, including hundreds of generals to retirement, penury, humiliation, and in, many instances, suicide.

This fed into an upsurge of massive discontent throughout the Soviet Armed Forces. The **marshals** tried to rescue what they could. One year later, in 1961, Marshal Sokolovskii himself lost his post as chief of staff. However, the Khrushchev appointees to military posts were all backers of the Zhukov-Sokolovskii initiative, including Marshal Malinovskii, the new defense minister, wrongly reputed to be a tool of Khrushchev. (Every known pronouncement of Malinovskii's on strategic doctrine was the opposite of the **Khrushchev Doctrine** and, in general outline, coherent with the Sokolovskii Doctrine). The military opposition to Khrushchev was so enormous that every day it threatened Khrushchev's stability as secretary general, thus forcing him to engage in two military adventures, the Berlin Wall and the Cuba Missile Crisis, for no other reason than to prove in practice to the marshals that his doctrine did in fact work.

This, at least, is what the marshals communicated to President Kennedy between April 1961 and Oct. 22, 1962 via the channel established by Colonel of the General Staff Oleg Penkovskii. Colonel Penkovskii, in coordination with Dzhermen Gvishiani, supplied the United States with copies of the secret "Special Collection" of the Sokolovskii study group at the Academy, along with other information making it clear that Khrushchev was preparing the confrontations over Berlin and Cuba for the purpose of imposing his doctrine of "first nuclear strike" over the Sokolovskii Doctrine. The Marshals, via Penkovskii, made it clear to Kennedy that Khrushchev's crisis-provocations were going to be based not on any realistic military strength, but on bluff. Penkovskii (a deputy chief of the predecessor of the State Committee on

Science and Technology) supplied the appropriate military-technical information to convince the West that Khrushchev's moves were indeed a bluff.

About a year after Penkovskii gave the "Special Collection" of the general staff Academy's strategic doctrine papers to the West, these very same documents, with only slight modifications were published in the Soviet Union in the summer of 1962, as a book with the title *Military Strategy*. Its preface explained that it was the collective work of 15 general officers under the editorial supervision of the (now sacked) Marshal Sokolovskii.

Dzhermen Gvishiani is the indisputable and undisputed father of systems analysis in the Soviet Union. He is much more than merely the son-in-law of Alexei Kosygin. He is the son of a Georgian KGB general who was a close friend of Stalin. But he is more than that. He was the key player of the Oleg Penkovskii gambit, which the great Marshals of the Second World War played to get rid of Khrushchev.

Despite Khrushchev, the Soviet marshals had proclaimed their **Sokolovskii Doctrine** to the world. Back in the United States, the appropriate agencies studying Penkovskii's materials, must have viewed the publication of *Military Strategy* as substantiation of the colonel's information. Under the circumstances, Khrushchev decided to go ahead with the Cuba Missile Crisis during the first week of October 1962. On Oct. 16, 1962 the White House had ascertained that the Cuba Missile Crisis was on. On Oct. 22, Colonel Penkovskii was arrested in Moscow.

After the Cuba Missile Crisis, the following events were of note: In the second week of May, a brief trial of Colonel Penkovskii was held in Moscow on charges of treason. The sentence was death but no information on the execution of that sentence was ever verified. The week following the Penkovskii trial, the Sokolovskii "Study Group" held a crucial conference—"The Essence and Content of Soviet Military Doctrine"—which was important for the future establishment of both IMEMO, and the U.S.A.-Canada Institute. The con-

ference was led by Gen. V. V. Larionov, **Col. V.M. Kulish, Col. V.V. Glazov, Col. V.I. Vaneyev, Gen. Maj. N.S. Solodovnik, Col. A.M. Dudin, and Col. M. Shmelev.** (Many of whom were later deployed to IMEMO and the U.S.A.-Canada Institute). During this conference, the Sokolovskii Study Group made the following argument:

“It is incorrect to see war merely as an armed struggle. The armed struggle only constitutes a specific and decisive sign of war. In an armed struggle all means are subordinated to the interests of victory: political and economic, ideological, diplomatic, and other means.”

Right after the Penkovskii trial and the conference on the “Essence and Content of Soviet Military Doctrine,” the second edition of Sokolovskii’s book *Military Strategy* was made available to the public, this time with a preface that its contents had been studied and discussed by all the Officers Clubs of the Soviet Armed Forces and that those discussions had indicated that no editorial revisions were required. Khrushchev was already crumbling.

The next year saw the expulsion of Khrushchev in the month of October. **Marshal Dmitrii Ustinov**, then as now the czar of Soviet Military Industries, played the key role in keeping Khrushchev out of Moscow, and then in bringing him in for the Central Committee meeting which axed him.

Right after Khrushchev’s collapse, Oleg Penkovskii’s uncle, **General of the Army Valentin Antonovich Penkovskii**, was appointed deputy minister of defense for preparedness. General Penkovskii is important because, in addition to being Colonel Penkovskii’s uncle, he was also a superior officer and promoter of the younger **Nikolai Ogarkov** who served under General Penkovskii when the latter was commander of the Far East Military District from 1956 to 1961 and commander of the Byelorussian Military District from 1961 to 1964.

Now what about Dzhermen Gvishiani, the son of Stalin’s KGB general?

Dzhermen Gvishiani was Colonel Penkovskii’s immediate superior during the time in which Penkovskii was passing his vital information to the United States. The outfit on which Penkovskii worked at the time was called the **State Committee for Coordination of Scientific Research Work**. This State Committee had a Directorate of Foreign Affairs whose chief was Dzhermen Mikhailovich Gvishiani. Colonel of the GRU Oleg Penkovskii was his deputy. In Penkovskii’s accounts, Gvishiani is described as an implacable enemy of Khrushchev, as was his father-in-law Alexei Kosygin, occasionally encouraging Penkovskii: “Don’t worry, Oleg Vladimirovich, our time will come.” After Khrushchev was disposed of, the State Committee for Coordination of Scientific Research Work was renamed the **State Committee for Science and Technology**, and Gvishiani was made its chief. From there, the offensive of Systems Analysis was launched, at approximately the same time as Yuri Andropov was made chief of the KGB and was inserted in the Politburo. Andropov, of course had his old connection to Otto Kuusinen of

the Comintern but, equally important, he made his mark as a modern administrator as a result of his exceptional role in suppression the Hungarian uprising of 1956. During his tenure in Budapest, Andropov was working under the command of the commander in chief of the Warsaw Pact Forces, Marshal of the Soviet Union Ivan Stepanovich Kovev.

Military strategy as ‘social science’

From Khrushchev’s demise onward, Marshal Sokolovskii took matters into his own hands. As member of the Central Committee and inspector general of the Soviet Armed Forces, he was a dominant influence of the 23rd Party Congress of 1966. One week before the opening of the Party Congress. Sokolovskii and his Marshals struck again with another seminal article, this time entitled **“On Contemporary Military Strategy,”** published in the *Communist Of The Armed Forces*. This article established two things:

- 1. The preponderance of the Soviet military in determining national economic policy and;**
- 2. The establishment of “Social Sciences” as a branch of the Academy of the General Staff.**

The article stated: “The range of problems of military strategy includes the determination of the bases of the building of the Armed Forces, its structure, the equipping of it with combat equipment and armaments and with materiel, the principles of using the Armed Forces as a whole and each service of the Armed Forces separately. . . . the determination of the composition of the Armed Forces for peacetime and especially for time of war, the making of a reserve of arms, military equipment and, primarily, nuclear rocket weapons as the main means of war, as well as material reserves, deploying strategic groups and organizing the all round security of the Armed Forces in time of war—this is the crucial task of military strategy.”

The article further observed that the RAND Corporation and the Hudson Institute in the United States, and IISS in Great Britain, “are at work solving many military problems,” together with a “technical center under the NATO Supreme Command,” involving strategic planning. This work is being accomplished, the article emphasized, “by bringing together a huge army of scientific, military, and political figures who are formulating plans for an openly aggressive strategy.” The article was written by Marshal Sokolovskii and Gen. Maj. M.I. Cherednichenko, his intimate collaborator from the 1958-59 days of the “Special Collection” at the Academy of the General Staff.

On the same day as this April 1966 issue of the *Communist of the Armed Forces* appeared in the bookstores, Leonid Brezhnev, now firmly in power, echoed Sokolovskii’s argument in his keynote speech to the 23rd Party Congress. Brezhnev said:

“We have deficiencies in our studies of social sciences. Military science and its theory are component parts of military science. The working out of the theory of military strategy, in essence, represents specific social research. As in

other social sciences, the theory of military strategy is called on to expose pressing problems and tasks and to indicate the valid path to their solution, to serve as a scientific basis of Party policy in questions of protecting the country. It is fully understood that the deficiencies of social sciences, being published in our periodical press, are inherent in military strategy as well."

Subsequently, the Central Committee, on Brezhnev's instructions, adopted a resolution "**On Measures for Further Developing The Social Sciences and Heightening Their Role in Communist Construction.**" The Social Sciences Division of the Academy of Sciences of the U.S.S.R. was mobilized to implement the Sokolovskii-inspired Central Committee Resolution. Later, Vadim Zagladin popped up with an article in *Communist*, explaining the importance of this mobilization of the Social Sciences Division of the Academy, asserting: "That these problems need to be elaborated not only for purely scientific purposes but also for Party practical activity and for determining the most effective ways and means to ensure socialism's victory over capitalism."

The Academy's initial response to the Sokolovskii article and to the Central Committee Resolution was to establish, in 1967, the U.S.A.-Canada Institute and IMEMO. Marshal Sokolovskii sent the following personnel to the U.S.A.-Canada Institute: Col. V.V. Larionov, member of the original 1958-58 "Study Group" at the Academy of the General Staff which produced the "Special Collection," and co-editor of all three editions of Sokolovskii's *Military Strategy* book; **Col. Lev Semeyko**, author of *Foresight of a Commander in Battle*; **Navy Capt. Georgii I. Svyatov**, the submarine warfare specialist; Gen. Col. N.A. Lomov, author of the book *Scientific-Technological Progress and the Revolution in Military Affairs*; and **Gen. Lt. M.A. Milshtein**, the chief of the Faculty at the Academy of the General Staff. From its inception, Arbatov's U.S.A.-Canada Institute has been controlled by and reports to the chief of staff of the Soviet Armed Forces who, from 1977 onward, has been Marshal Nikolai Ogarkov.

Marshal Sokolovskii sent the following officers into IMEMO, the largest of the Soviet Academy's foreign policy thinktanks: **Gen. Maj. M.F. Goryainov**; Col. V.M. Kulish; **Col. D.M. Proektor**; Gen. Maj. N.S. Solokovnik, Col. A.M. Dudin, Col. M. Shmelev, Col. V.V. Glazov, Col. V.I. Vaneyev, and Gen. V.V. Larionov—most of them original participants in the 1958-59 Study Group which authored Marshal Sokolovskii's *Military Strategy*.

During the same period, on the basis of the "Sokolovskii Resolution" of the Central Committee, the following additional Institutes were established: Institute of the Far East, Institute of Oriental Studies (headed by **Primakov**), Institute of Africa (headed by Anatolii Gromyko), Institute of Latin America, and Institute of Sociological Research (headed by **Rubyashkin**). Later, the Center for Methodological Control (title approximate) was established, to enforce uniform application of systems analysis methods.

The promotion of systems analysis through the vehicle of

the Soviet military, including Marshal Sokolovskii and the other marshals of the Soviet Union, occurred in the following way:

From Stalin's death in 1953 onward, and while Marshal Sokolovskii was chief of staff of the Soviet Armed Forces, the general staff under him was obsessively interested in the use of cybernetics and computerized systems for the purpose of establishing instantaneous command-and-control for the general staff. The father of Soviet computer-cybernetics, **Adm. Aksel Ivanovich Berg**, was simultaneously deputy minister of defense for radio electronics and chairman of the Radio Physics and Radiotechnology Council of the Academy of Sciences during Sokolovskii's tenure as chief of staff, and overlapping Marshal Zhukov's term as defense minister. He subsequently moved on to become chairman of the Academy's Scientific Council On Programmed Learning and chief editor of the magazine *Methodological Problems of Cybernetics*. His successor as minister of defense for radio electronics was **Gen. Col. A.V. Gerasimov**, and his successor was **Gen. Col. V.V. Druzhinin**. This Druzhinin co-authored a book with **Dr. D.S. Kontorov** of the Radiotechnical Institute of the Academy of Sciences entitled "Concept, Algorithm, Decision," published by the Defense Ministry's Publishing House, with an introduction by **General of the Army S.M. Shtemenko**, who noted in the introduction, "The time has arrived for extensive adoption of automation in the entire chain of command." The entire book is a detailed "systems-analytical" treatment of the subject of using computers in decision making and control of troops. The "systems-analysis" orientation of the Soviet General Staff is summarily presented in an entry in the Soviet Military Encyclopedia, probably contributed by Marshal Ogarkov himself:

Increasing centralization of leadership combined with due regard for the initiative of subordinate direction agencies, a high degree of readiness, if necessary, rapidly to switch over to carrying out wartime functions, and scientific substantiation of proposals and decisions being prepared are characteristic of the work of the general staff. The broad introduction into the work of the General Staff of *scientific organization work, mathematical methods and the creation of automatic systems of direction of weapons and troops permits the more operational solution of the complicated tasks of directing the Armed Forces in peacetime and in war.*

Marshal Ogarkov was a known proponent of this systems analytical approach to integrated general staff command since the time of his service in the general staff of the Byelorussian Military District under General Penkovskii in the early 1960s, when systems analysis had not yet become the approved methodology of either the Social Sciences institutes of the Academy of Sciences, or the Communist Party, as is the case at the present time.

Shultz's State Department backs new Hitler-Stalin pact

by Michele Steinberg and Rainer Apel

In a repeat performance of Stalin's August 1939 agreement with Adolf Hitler to turn Germany against the West, Soviet President Yuri Andropov has won a "Hitler/Stalin Pact" with a new fascist movement, the West German Green Party. This time, however, the shocktroops to be used against the NATO allies and the United States in Europe are not the German government, but a highly organized and heavily financed "peace movement," whose slogan is "Make War Against War," and which attacks West German government officials and industries as well as American targets.

The purpose of that alliance, as the Greens themselves freely admit, is to force the United States out of Central Europe and create a "hot autumn" of civil disruptions and terrorism against the installation of Euromissiles in Germany, now scheduled for December.

The Green-KGB alliance is the major European manifestation of the Kremlin's current partnership with the Swiss-centered Nazi International; in the Mediterranean area, the "Hitler-Stalin" partnership backs Muammar Qaddafi, the outlaw butcher of Libya, who not accidentally maintains close ties to the Greens and has repeatedly met with their leadership.

The fact that the Green Party is riddled with old Nazis has not fazed Andropov in his financial support for the party. The senior member of the Green Party slate, Werner Vogel, was forced to give up his newly-won seat in the West German Bundestag three months ago when it was discovered that he had been a leading official of the Nazi Party. Early in July, the Green Party executive made its Nazi International connections all but official by outrageously rescinding the expulsion of a party leader who had leapt to Vogel's defense

with the cry that "Hitler inspired us!"

State Department's treacherous role

It was to this new Hitler-Stalin pact that the U.S. State Department under George Shultz gave its blessing this July, when it hosted a round of meetings in Washington with the Green Party.

Arriving in the nation's capital July 3, under the auspices of U.S. Ambassador to West Germany Arthur Burns, the Greens were treated to two days of individual meetings and "disarmament roundtables" with Pentagon officials and State Department advisers. According to State Department adviser Helmut Sonnenfeldt, sidekick of Henry Kissinger, "There was nothing sensational about this meeting" with the Greens, because he had "discussed many times with them before, and some of their most prominent spokesmen I do know quite well."

Then on July 10, Petra Kelly, former chairman of the Green Party, and a member of the West German parliament, appeared on "Meet the Press" to denounce President Reagan as a "criminal." Kelly insisted that her Green Party is "non-violent," but that she maintains an ongoing "dialogue" with the violent sections of the "peace movement"—since both factions oppose "the organized violence" of the United States "putting missiles in Europe." Kelly admitted that the Green Party and the "peace movement" in West Germany are "closer" to Andropov, because Germany is "closer" to the Soviet Union.

What is the State Department's role in all this? According to Mr. Kornblum of the State Department, "This is not the first contact we had with the Greenies. . . . I have talked

many times to them before, and the U.S. Embassy in Bonn has been in some kind of more regular contact with them.”

There are also indications that the State Department is releasing leaks to the Green Party. Party spokesman Marie-Louise Beck-Oberdorf said in the Green press conference in Washington, D.C. that “contrary to all previously given information” from the German and U.S. governments, the U.S. State Department had “officially informed” the Greens that the Pershing II deployment was not designed to “outweigh” the Soviet SS-20 deployment, but was “part of a new strategic concept of U.S. dominance over the Soviets.”

The ‘hot autumn’ begins in Krefeld

As the Greens were meeting with the State Department in Washington, *EIR*’s bureau in West Germany obtained an exclusive report that the Soviet-supported peace movement is mobilized to set off a “hot autumn” of terrorism and riots against U.S. military installations, NATO bases, ammunition dumps and transports. Moreover, with the attack on the motorcade of Vice-President George Bush during his visit to Krefeld, West Germany, June 25, the offensive has already begun.

Bush was confronted at his speech in Krefeld by more than 25,000 demonstrators, including some 1,000 supporters of the terrorist “Revolutionary Cells.” Substantial evidence had emerged in the month before Bush’s visit, that the “peace movement” was in training to break through police lines in Krefeld. The objective, according to sources in the peace groups, was to test the security at Krefeld in preparation for demonstrations throughout this fall against the stationing of Pershing missiles.

Right after Bush’s address in Krefeld, his motorcade and that of West German Defense Minister Carstens were driven to a region of the city where demonstrators had attacked police lines several times during the day. According to police sources, the window of one of Carstens’s escort vehicles was smashed by concrete blocks thrown by demonstrators. Vice-President Bush’s vehicle was also attacked at close range.

Informed U.S. intelligence sources report that this security failure was made possible when U.S. military networks in West Germany were ordered by the State Department that they should play *no* role in providing security for the vice-president, despite their knowledge of the terrorist networks that have bombed U.S. military bases there over the last two years. These sources also say that the FBI, which has covered up the Soviet KGB control of the “peace movement” in the United States, played a significant role in planning Bush’s security.

Within the West German chain of command, informed sources say that security for Bush was left in the hands of Northrhine-Westphalia Interior Minister Herbert Schnoor, a member of the left wing of the Social Democratic Party, which officially participated in the anti-Bush demonstrations. Despite the warning signs that terrorists would be in Krefeld in some force, Schnoor deployed half the number of police used at similar demonstrations in 1980.

Faced with the unprecedented security breach suffered by the U.S. Vice-President, U.S. Embassy officials in Bonn have sabotaged efforts by federal Interior Minister Zimmerman to hold a parliamentary investigation of the Krefeld incident. The embassy claimed that the seriousness of the incident had been exaggerated. Mr. Radday, U.S. Embassy press spokesman, told reporters: “I’m sure you know they didn’t get at Bush. I don’t like it when people talk of a ‘hot autumn.’ One talks about it, and then one gets one.”

Battle plan discovered

While the Green delegation was getting State Department red carpet treatment in Washington, its comrades were busy preparing that violence in a meeting of the various coordinating committees of the “peace movement” during the weekend of July 2-3, when a national meeting was convened at the Evangelische Studentengemeinde (ESG—the Protestant Church Student Organization) in Mainz, West Germany, to plan actions for blocking and sabotaging NATO ammunition transports. In attendance were 250 leaders of the proviolence wing of the West German peace movement, including Margit Schiller, a member of the terrorist Red Army Fraction (RAF), who has served time in prison for repeated involvement in terrorist actions.

A discussion paper entitled, “On the Resistance Against the NATO Infrastructure in the BRD,” prepared for the meeting by the Frankfurt/Wiesbaden group, makes it clear that the so-called peace movement is going to war: “The interruption of supply lines in military strategy is the classical aim to induce the political and military defeat of the enemy [i.e., U.S. military forces]. . . . We have to look for weak points to develop a continuous and self-determined attack. . . . We think that it is possible to develop a practical resistance with the ammo-transports, because we don’t run up against militarily secure areas and installations. . . . It must be clear for us what confrontation this kind of campaign means, and what it means for our own approach.”

Efforts by *EIR* in West Germany to present to the Security Office of the U.S. Embassy in Bonn documentation of these plans for “war” against U.S. military installations have been rebuffed, and U.S. military personnel in West Germany have told *EIR* to “give the information to West Germany authorities,” because “we are not involved in this area.”

But simultaneously a meeting of the Evangelische (Lutheran) Church is taking place in East Germany, where West German ESG representatives are among some 100,000 participants discussing Andropov’s “peace movement” against the West. The ESG’s activities closely overlap with the work done by the so-called “Action Reconciliation” organization, which also maintains an office in Washington, D.C., and which is said to have been among the “unofficial sponsors” of the Washington trip by the Green Party delegation.

In Washington, and in delegates’ tours throughout the United States, the Greens will be soliciting recruitment for their “hot autumn” from the American nuclear freeze movement, and allied forces.

The bee in Mr. Burlatskii's bonnet

by Rachel Douglas

It was with the innocent-sounding title of correspondent for *Literaturnaya Gazeta*, the weekly of the U.S.S.R. Union of Writers, that Fyodor Burlatskii came to Minnesota this spring, along with Russian Orthodox Bishops, Azerbaijani poets, and itinerant opinion-peddlers from several Moscow think tanks, to further a movement against the President of the United States. Behind the reporter's notepad of his disguise, Burlatskii has been an associate of Yuri Andropov for over two decades, a senior international affairs consultant to the Soviet Central Committee, was the first Russian journalist to endorse limiting anti-ballistic missile defenses in the 1960s and was the first to declare, in 1970, that politics in general is nothing but "systems analysis."

How Burlatskii got here, what he did and whom he conspired with is related in the recent *EIR* Special Report, "Will Moscow Become the Third and Final Rome?"

What is to be reported on this occasion, is a flurry of activity from *Literaturnaya Gazeta* (Literary Gazette) itself, Burlatskii's some-time employer and mouthpiece. That newspaper's correspondents have closely watched the activities of *EIR* and its founder Lyndon LaRouche for years without public comment. But since release of the explosive intelligence keyed by LaRouche's "Yuri Andropov: 'New Czar of Holy Russia'?", the entity quaintly known as *Literaturka* has blown some fuses in public.

Its circuits were already frazzled from absorbing the news of America's new strategic defense doctrine, outlined by LaRouche in February 1982, vigorously promoted by Dr. Edward Teller later that year, and declared for the nation by President Reagan on March 23, 1983. *Literaturka* blacked out the substance of Dr. Teller's remarks on strategic defense and on using technology to solve "the common tasks of mankind," and threw mud instead. In a January diatribe, it called the physicist a "cannibal."

Then came Vitalii Kobysch, a *Literaturka* regular who doubles as Sector Chief in the Central Committee's International Information Department. A self-professed environmentalist and frequent collocutor of oligarchical circles he meets under the aegis of such organizations as the Scottish-Soviet Friendship Society, Kobysch was at the Minneapolis conference with Burlatskii. On June 16, he complained in print that those proceedings had been wrecked by "extremely

aggressive" people opposed to the purposes of the Soviet delegation. Kobysch meant the strong presence of political supporters of LaRouche and of Reagan's beam weapons program, who exposed the participants' plot against Reagan.

Twice after that, *Literaturnaya Gazeta* has gone after LaRouche-linked publications, on precisely those issues where they broke new ground in investigating the connivance, for common and conflicting goals, of Eastern networks, including Russian Orthodox and Soviet Islamic ones, with Western perpetrators of a new dark age, including old Nazis. The issues: Iran and the "Bulgarian Connection."

On June 22, writing about which "spiritual" values are and which are not "progressive," the paper featured the 1980 book *Hostage to Khomeini*, published by Benjamin Franklin House. The book was put out "in connection with the presidential election campaign," *Literaturka* said, not revealing that the associated candidate was LaRouche. The article stressed the book's exposé of Carter administration and British Intelligence complicity in overthrowing the Shah, attacked its charges about a Soviet role in Iran, and defended Ayatollah Khomeini against its description of him as "profound moral evil."

The author of *Literaturka*'s review of spirituality in Iran was another senior Central Committee staffer, Rostislav Ulyanovskii, long-time International Department Deputy Chief with responsibility for Third World affairs—and operations. His line on June 22 was that the role of the Shi'ite clergy in bringing down the Shah "deserves a positive evaluation," as preferable to the "unspiritual ideals" of American "bourgeois ethics," but that Khomeini has since sold out the positive values. There is a foreshadowing in this of Soviet contingency plans to shape Iran by means of ethnic and "spiritual" operations, known to be the specialty of Politburo member Geidar Aliyev, when Khomeini is gone.

Iona Andronov's July 6 attack on the LaRouche publications as "an American subversive institution" was more devious. Andronov, *Literaturnaya Gazeta*'s specialist in drugs, terror and guns, picked up and distorted material from *EIR*'s early 1983 seminars on the "Bulgarian Connection" in the plot to assassinate Pope John Paul II, and from an interview with the *EIR* counterintelligence director for Europe, Paul Goldstein. Those seminars exposed both the East and the West sides of the plot, thereby surfacing in preliminary fashion the particulars of the Soviet collusion with old Nazis, which LaRouche subsequently exposed as a revival of "Moscow—The Third Rome" ideology.

Extracting one true fact from Goldstein's summary, the profile of a Turkish ex-Nazi with links to Carter Administration figures, Andronov used it to paint a picture of "a fascist clique in the CIA" behind terrorism, his own desired conclusion. And Andronov spun a wildly racist tale that Goldstein differs with "his New York bosses" because he is Jewish.

The *Literaturka* boys are clever liars. Unanticipated wrinkles in their international strategic outlook evidently have them working overtime.

How the 'peace movement' plans to blow up West Germany

by Charlotte Vollrads

The "peace and disarmament" movement's mobilization to make this the hottest autumn in the brief history of the Federal Republic of Germany is already in full swing. Throughout the country, groups are training for and carrying out trial runs of actions aimed at stopping the stationing of the new medium-range missiles in the Federal Republic. But those who actually control the movement admit quite openly that their real goal is not just to stop the missiles; it is to make the republic ungovernable, and to take control of and transform its institutions. Such threats to the republic are extremely dangerous, and the greatest danger is how rapidly the situation could go beyond all control.

Events following the "test occupation" of the Boehn barracks in Hamburg in mid-June showed how readily the autumn demonstrations could become riots. After the blockade of the barracks began peacefully—the army had given 1,000 troops an extended weekend on short notice, so that they would not come into contact with the blockade—four youths climbed over the fence at two different entrances to the barracks and entered military property, carrying banners which read, "This barracks is occupied." All four were immediately taken into custody, and will now stand trial. But it was just such an incident that first set off the "Ohnesorg Effect," when Benno Ohnesorg, a West Berlin student, was shot dead by a policeman during a demonstration on June 7, 1967. Ohnesorg was immediately made a martyr by sections of the student movement wanting to justify their own shift toward greater violence. Any "small, spontaneous" action such as occurred at the Boehn barracks, if it happens during the supercharged atmosphere of the coming October and at an American rather than a German barracks, could well set off killings and escalating violence.

'Non-violent peace movement'?

Representatives of a total of 26 organizations are currently meeting as a coordinating committee of the so-called collective peace movement in Bonn, to prepare the organization for the actions of the expanded movement in the fall. The biggest actions, planned for Oct. 15-22, are intended to paralyze much of the Federal Republic.

"Decentralized preliminary actions" in every city and

community will begin Oct. 15. "Ordinary resistance" is to be given free play, including painting of signs on walls, spray-painting of traffic signs, blockades of train lines by pulling emergency brakes or sit-downs on the tracks, blockage of traffic at key intersections, occupation of city halls and government offices, all aimed at crippling West German infrastructure through decentralized actions. Each day will be devoted to a specific "focal point of resistance."

"Resistance Day of the Churches" will happen first. Pastor Albertz of Berlin, the elder statesman of the recent Lutheran Convention in Hannover who is noted for his close connections with first-generation terrorists, announced at the Hannover meeting that he will participate in the blockades this fall, to ensure that the youth movement gets sufficient support. The fact that 90,000 violet handkerchiefs—which have become cult objects symbolizing their wearers' penitence and opposition to "worldliness"—were sold at the convention gives an indication of the Lutheran Church's commitment to confrontation.

More than 50,000 signatures against the stationing of the Euromissiles were collected by the Krefeld Appeal at the convention. The Krefeld Appeal, sponsored by the German Communist Party (DKP), Green Party leaders Petra Kelly and Gerd Bastian, and "former" Nazi Oberst Wede, has collected more than 4 million signatures nationally. The Lutheran Student Groups (ESG) have served for years as a nationwide infrastructure for pro-terrorist groups. In Hannover, the ESG organized an "Open Air Festival" in the Welfengarten (Guelf Garden) of the university, an event which impressed even hardened observers of the scene because of the huge assembly of pro-terrorist counterculture individuals. Representatives from the Communist League, Maoist groups, the DKP, various Third World and anti-imperialist groups, "former" terrorists like Peter Paul Zahl and their controllers such as Erich Fried of London, and even black-clad Nazi punks were all present.

The president of the Lutheran Convention, Erhard Epler, had declared before the conference that opposing nuclear armaments was a Christian duty and recommended "non-violent civil disobedience" through "refusal of cooperation with all military forces."

Witches and pig's blood

October 17 has been declared "Women's Resistance Day," and, from past demonstrations, will undoubtedly be distinguished by imaginative actions. At the 1981 Lutheran Convention in Hamburg, women demonstrators doused themselves with pig's blood, and at the Military Fair IDEE in Hannover they lay in the street naked, again dousing themselves with pig's blood.

The next day is the "Day of Anti-Militarism and of International Solidarity," which will emphasize international politics—Nicaragua, El Salvador, peace movements in the Third World, i.e., for Indians, and so forth. The Revolutionary Cells (RZ) at the Social Science Institute of the Konrad Adenauer Institute in Bonn recently announced that the institute will play a critical role in the "encirclement of the underdeveloped countries, especially Latin America."

"Workers' Resistance Day" follows, which, given the commitments of the printing and paper union leaders, the metalworkers' (IGM) leaders, and the national labor federation (DGB) to participate, may even involve strikes. Detlef Henschel, an official of the IG Printing and Paper union, and Social Democratic Party member Oskar Lafontaine both consider a general strike justified by the present situation. Franz Steinkühler, a regional leader of the IGM in Baden-Württemberg, recently declared that appropriate forms of resistance for the autumn must be found in order to help stop rearmament. The GEW, the teachers' union, has already declared Oct. 20 as "Resistance Day of the Schools," and forms of "civil disobedience"—sit-ins on school grounds and brief strikes against learning—are planned.

Then comes the "Resistance Day of Parliament," during which legislatures, ministries, and state offices will be blockaded, very likely followed by the Green Party again opening the parliament building to squatters. This time, they will probably not stop at throwing bags of paint at the Federal eagle, the state symbol of West Germany, in the plenary hall of the National Parliament in Bonn, as they did last month.

The week will climax in three simultaneous major actions, large marches called "Public Meetings for Peace," in which a total of 1 million individuals will participate in Bonn, Hamburg, and Stuttgart.

Despite verbal disagreements, the merger of the "traditional" and the "militant" peace movements is well advanced. At the last press conference of the Coordinating Committee in Bonn, assurances were given that the "passive deployment of bodies" would be carried out in non-violent blockades and sit-ins, "in the practice of Gandhi and Martin Luther King." Yet invading U.S. military bases is considered "non-violent," although demonstration coordinators such as Andreas Zumach and Jo Leinen know well that U.S. soldiers have orders to shoot if unauthorized demonstrators are found on U.S. military property. Such tactics as "Operation Atonement," cited by Andreas Zumach, are modelled on operations in England, when old women and young girls scaled barbed wire security fences with ladders and sheets. Zumach claims

not to recommend such actions.

Exactly such actions by "defenseless" young or old women will introduce the Ohnesorg Effect into the debate. The organizers of "Operation Atonement" are reported to have close connections with the East bloc as well as to the Interdenominational Peace Council (IKF) in Holland, which serves as a central coordinating committee for the European peace movement and also has connections to the East bloc. *Stationing and Transportation of Nuclear Weapons*, a book put out by the IKF to give an exact description of all relevant details for demonstrators, such as identification of cars on munitions trains, was published by the Alfred Mechttersheimers Institute in Starnberg in the Federal Republic.

Green Party treason

The Green Party has announced they will publish a military base map for the state of Hesse during the state elections, which will occur in the midst of the September "hot phase." None other than Hessian parliament member Gertrud Schilling, who has met with international terrorist controller Muammar Qaddafi in Libya, announced that all groups of Greens should be mobilized for that election. The *Green Newsletter* says that "all military installations, munition depots, and whatever else there is," including federal border protective installations, should be identified. "Take a walk and look more closely at the concrete bunkers!"

Green Party leader Petra Kelly said, following her election to the federal parliament March 6, that she would pass on all relevant information she received in Bonn to the peace movement; Roland Vogt, another Green parliamentarian and friend of Qaddafi, stated that he only sees a chance for stopping the NATO rearmament "in a widespread campaign of civil disobedience." Vogt's definition of civil disobedience includes disruption of leading West German government institutions.

The plans of the "autonomous" factions, who operate on the periphery of the Revolutionary Cells and the RAF terrorist groups, are well developed. In the north of Germany, blockades of NATO installations in Bremerhaven by "autonomous" groups are set for Oct. 13-15. Harbor traffic is to be crippled. The Carl Schurz barracks, the seat of the U.S. military sealift command, the Midgard area in the port of Nordham, which is the concentration point for U.S. armaments in Europe, and the U.S. barracks in the Garstedt fields are to be blockaded.

Earlier, on Aug. 19-21, peace groups will meet in north Germany at a peace and environmentalist camp to "become acquainted with the region." "Alternative city tours" through Bremerhaven and Nordenham will be used to familiarize demonstrators with the targets. The Wesermarsch Workers' Circle, which over a period of months has put together a network of spies to observe munitions transportation in the Federal Republic, accompanied with "appropriate actions," will work out plans by August in order to meet the next deliveries with demonstrations.

The Workers' Circle, based in Bremen, is certainly one of the most dangerous of the groups. A few months ago they proposed that "on the very long railway lines, operations could make their weight felt. Forming carpets of humans in front of trains, citizens chained to railway cars, sabotaging of railway signals, gasoline bombs and burning auto tires on the tracks, stones, balloons filled with paint, emergency brake operations, demonstrations . . . should take place along the entire line."

The movement will come to Hamburg for a giant demonstration on Oct. 10, and will "make their presence felt with the occupation of the Military Academy of the Federal Republic." The coordinating committee's demonstration will "carry the stamp of the forms of action of the independent peace movement," for which everything is justified by the constantly repeated slogan: "What is all this in comparison with the horror of war!"

In the south, the militants are planning to form a human chain from Ulm to Stuttgart, and hold a demonstration in front of the NATO European Command headquarters in Stuttgart as the high point of the actions there. At the planning sessions of the southern German peace movement, Alexander Schubart, a veteran of the often violent demonstrations against building a new runway at the Frankfurt international airport, said that traditional demonstrations must be transcended: actions must express the non-violent movement's commitment to political confrontation in a "diamond-hard" manner.

Those are the marching orders for the demonstrations planned to blockade the Pershing II installation barrack in south Germany, in Mutlangen near Schwäbisch Gmünd, which are set for Sept. 3-9. Schubart also wants to see the NATO blockade in Stuttgart thoroughly prepared. The summer is being devoted to this purpose and to spying by the various "peace camps" on military installations and cruise missile sites. In the western part of the country, the NATO Air Force headquarters as well as cruise missile sites in Bitburg-Eifel will "be shut down, as long as there is breath in our bodies," at least on Oct. 18-22.

Escalating violence and terror

Potentially dangerous actions, not always reported in the press, have already taken place in recent months at military bases and major traffic arteries. Security forces confirm that there is "considerable motion" in the left and that violent confrontations between demonstrators and the military this summer and fall cannot be ruled out. The Revolutionary Cells and Baader-Meinhof RAF could take part in the militants' actions or commit spectacular terrorist acts themselves in the ensuing chaos.

At the beginning of June, the office of Midgard AE in Bremen, which handles a great part of the business of munitions transportation, was briefly occupied. On June 4, the munitions ship Bernania in Dorsten in the northern Ruhr, was splattered with paint and met by demonstrators carrying signs

which read "Destroy NATO—Drive Out the Yankees," and "Stop U.S. Military Transports." These operations were carried out to show that the movement already possesses complete information on transport; the ship had taken a route not normally used, because there had already been disturbances on the usual route. Clearly, the change of route had been immediately detected and the information immediately passed along.

Still more crucial are operations against railway munitions shipments. In the last week of April, 11 Molotov cocktails were found along the Heidelberg-Karlsruhe railway line, to be used in an attack planned for May. These bombs, thrown against a munition-bearing railway car, could have caused a catastrophe. In the beginning of May, unknown individuals set off a small explosion on the Cologne-Euskirchen line at the railway relay station. In December 1982, a signal wire on the Bremen-Hamburg line was cut.

Some militant groups possess maps showing all the important supply points for U.S. munitions transports from Nordenham in central Germany. Such groups have also discussed the fact that if the railway bridge in Huntebrück at Elsfleth were to be destroyed, it would be impossible to maintain supplies by railway. Such actions against the railways could also occur in Hesse.

"A Plea for a Confrontation in Autumn," published anonymously by the *Atomexpress* of the Göttingen Workers against Nuclear Power, proposes a nationwide operation at the Frankfurt U.S. Air Base, to draw in "one of the most advanced resistance movements in the Federal Republic, the movement against West Runway [at the Frankfurt airport], which was also the runway for air base bombers and transport planes." The *Atomexpress*, recently the subject of an official investigation for having published declarations of the Revolutionary Cells, says further that "the infrastructure of the air base and the entire surrounding area [freeway points] is extremely vulnerable. A large action will completely block transportation and maybe even the air traffic in the region. . . . The air base is better suited than almost any other place for all kinds of actions."

This operation will draw in decentralized actions in the region. A member of "The Registered Association of Tank Killers," one of the approximately 300 active anti-runway terrorists, who every Sunday for months have destroyed wall supports, set fire to trucks, and conducted other actions, wrote in the same paper that "the runway movement has perhaps grown smaller, but it is therefore even more durable and sure of its goal. . . . That 'night shift' actions with extraordinary coordination (including some hundred attempts in the last two months) were carried out is extremely encouraging. . . . When the times comes, we'll assassinate! . . . Because of arrests, certain singled out individuals must take precautions: resolute small groups, timely retreats to the large group, and disguises will allow some to escape.

"Against concrete we can do little, so sabotage should be restricted to security installations .. [These] cause huge ex-

penses, and makes large expenditures by the police necessary. . . . We can learn from one another that future operations will not be simple."

Support networks

The peace movement could not exist without the various congresses and proclamations for solidarity made by persons who would never dirty their own hands with Molotov cocktails. The belief structure and evaluation of the situation, as well as some of the logistical structure, are created by entirely different persons and agencies.

This May, 450 judges and lawyers met "for peace" in Bonn. Martin Hirsch, a former federal judge, told the participants that "there is no resistance without risk," and Professor Däubler of the University of Bremen developed in detail how the peace movement has a right, based on fundamental law, to resist the installation of the missiles. A congress of scientists opposed to rearmament and nuclear weapons will take place in early July, undoubtedly to create "scientific" support for the movement.

The network of sympathizers is now much more extensive than the one which supported the first generation of terrorists in the middle 1970s, but that logistical structure still exists. Leading terrorist defense lawyers of the 1970s such as Otto Schily today are members of parliament, and Berlin journalists Benny Härlin and Michael Klöckner, who are on

the editorial staff of the alternative newspaper *Radical* and in the early 1970s published the terrorist paper *883*, were recently detained for two weeks for publishing material for a terrorist organization.

Härlin is also a founder of the Self-Help Network, an alternative bank which finances the counterculture and the squatters' movement, and he works for the Berlin pro-terrorist *Tageszeitung*, which recently contributed to the disturbances during the visit of U.S. Vice-President George Bush in Krefeld, by distributing an anonymous appeal for the violent actions which took place.

The detention of Härlin and Klöckner has activated the entire old and new networks of sympathizers: Ingeborg Drewitz, Manfred Bissinger of *Konkret* magazine, Sebastian Cobler, Günter Grass, Helmut Gollwitzer, the Greens, the Action/Reconciliation groups, and parts of the Social Democratic Party. Although these alternative papers provide an essential communication network for the terrorists and pro-terrorist movement, they have not been outlawed. The *Atom-express*, known for its distribution of Revolutionary Cell writings, put it this way: "If declarations from militant groups were withheld from the public through official action, their actions would be more difficult to carry out or would remain anonymous. Only if the self-conception of a group and its goals are known, can its concepts be discussed and can it have an influence on resistance strategy."

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Muammar Qaddafi's KGB controllers direct Libya in Africa conquests

by Thierry Lalevée

By the time this article is published, Libyan troops and the military forces of Libyan puppet Goukouni-Weddei may be already in control of the capital of the Central African state of Chad, N'djamena. Or they may be 20 kilometers away, shelling N'djamena with their special East German and Soviet artillery to transform it into a Beirut-style war-torn city, as occurred during prior interventions by Muammar Qaddafi or Qaddafi-backed forces into Chad. Whether a Libyan-sponsored government is established in N'djamena, or the country is partitioned, this will be a major victory for Qaddafi and his Soviet and Nazi International controllers.

The Soviet game

Though Libya has been the most visible factor in support of the Goukouni rebellion, the prime mover has been the Soviet Union and its satellites. Qaddafi is rampaging on the southern and eastern flanks of Egypt, in Sudan as well as Chad. This offensive could presently leave Egypt, the most significant nation in the region, with no option but to play ball with the Russian empire-builders who control Qaddafi, along with the Swiss-based Nazi International.

Qaddafi is overtly calling for the end of nations, for "united pan-Arab action . . . so that the single homeland may revert to being united once again and the single Arab people return to being one people." He charges that Egypt "must be banished from the ranks of the Arab nation."

Egypt drew up an integration charter with Sudan late last year in an attempt to strengthen Sudan and aid its desperately needed economic development. Egypt is focusing a lot of its attention on the troubled southern Sudan, which is the most undeveloped area in Africa, in hopes of preempting the kind of trouble that Qaddafi and his allies are now stirring up. Libya is reportedly arming these rebels, as well as providing training in camps in Ethiopia. Refugees from Chad will now increase as a result of Qaddafi's attack, flooding an already unstable western Sudan with more people. In their efforts to

stem the growing trouble in the South, Sudan authorities have also discovered Israeli arms there.

The Chad offensive

Sources close to President Habré assert that not only were the "Islamic legions" of Qaddafi, on the order of 5,000 to 10,000 troops, fully involved on the side of Goukouni, but East Germans and other East bloc advisers could be spotted too. Confirmation of this Soviet backing appears in recent articles in the TASS agency's *New Times* as well as Radio Moscow commentaries. All these articles denounced the United States and France for their support to the legitimate government of Hissène Habré; TASS came out openly supporting Goukouni. On previous occasions, they had waited until the last minute to support Goukouni. The decision to do so now underlines the fact that for the U.S.S.R. and Libya, Chad as such is not the issue: the issue is to give the United States and its allies defeat after defeat throughout the developing sector over the next few months. The Russians (along with Qaddafi's Swiss-based Nazi International supervisors: see *EIR*, July 19) expect that as they eliminate sovereign nation-states in the Middle East, and prevent their emergence in Africa, the region can be broken up into small ethnic and religious entities dominated in the manner that the Byzantine and other Oriental empires have historically controlled their subjects.

As the French press put it on July 11, once Chad has fallen, the next targets will be Mali and Niger; then will come Upper Volta, where a Libyan cold coup was recently defused when the pro-Libyan prime minister, Captain Sankara, was arrested and the military agreements he signed with Tripoli repudiated. The same kind of situation had developed earlier in the Central African Republic, which a year ago accepted Libyan military advisers as a tactic to put pressure on the French for additional financial support. In a few weeks, the advisers and the Libyan ambassador were ousted.

Libya's answer to these two setbacks was to fully arm Goukouni and launch him against the government of Chad. An added incentive for Qaddafi was his defeat at the OAU meeting in May when he was unable to use the issue of the Sahara Polisario to create a crisis and split the organization as he expected to.

The Soviets and East Germans may also have given the advice to Qaddafi to act now, taking into account an increasing wave of unrest inside the Libyan army. At the beginning of June, *Green March*, the weekly mouthpiece of the regime, had begun a wave of denunciations of career officers as being "corrupt, drunken, pornographers, and drug addicts." Qaddafi was out to give control of the army to his "revolutionary committees"; there have reportedly been no less than three attempted army rebellions since the beginning of the year. How they were organized remains a mystery, though it is known that an extreme fundamentalist organization based in Teheran, "Al Tahrir al Islamiyya," has a strong following in the army. A secular grouping, the "7th of April," named after a 1976 wave of executions ordered by Qaddafi against his opponents, is also reported to be active.

Qaddafi and the bomb

Qaddafi has a specific preoccupation in attacking Chad, Mali, and Niger, and it is called uranium.

For the past 10 years Libya has been occupying the northern part of Chad, the Tibesti region, which is rich in uranium deposits. There are reportedly more of such minerals nearby; Niger is a net exporter of uranium. Libya's search for uranium stems from Qaddafi's longstanding project to acquire an "Islamic" nuclear bomb. According to intelligence sources, Libya, to which the Soviets have given a nuclear research reactor reportedly staffed in part by East Germans, is working on at least two projects for a nuclear reactor in the Syrte and Seta region. A Soviet-Finnish consortium would be ready to do the job.

Meanwhile, Libya has been cooperating in this area with Iran and Pakistan: Pakistan's nuclear program has been in large part financed by the Libyans, who pay for Swiss and Italian nuclear firms' exports there. It is widely admitted that Libya doesn't merely pay the bill but gets the material as well, or at least controls it in a joint venture with the Pakistanis. They receive the financial help of Saudi princes such as Prince Nawwaf, who helped create the "Space Research Corporation" of the Pakistani-connected Saad Gabr in Canada, and is also a main shareholder of the West German missiles firm Otrag, which is said to be using Baluchistan as a testing ground.

Libyan control over uranium-producing African countries could open the way for quicker realization of the Islamic bomb project. This coincides with Iran's development of new missiles, including nuclear missiles, according to Spanish engineer José Luis Torres, who spent eight months in Iran. Torres, as the newspaper *El País* described it, headed Iran's missile program, which includes the development of "bac-

teriological" and nuclear" missiles; Torres predicted confidently that the Gulf war between Iran and Iraq would be ended by December at the latest.

Torres is a self-avowed admirer of Adolf Hitler. Investigations have suggested that his work in Iran may have been done on behalf of some international neo-Nazi network around the old Otto Skorzeny networks. That the Soviets find themselves in bed with Nazis for developing such weapons in Iran and Libya is after all not really surprising.

The Geneva-based high-energy physics laboratory CERN, a center contaminated by Soviet KGB operations, is reportedly training some 80 Libyan physicists. A relevant operation is the Trieste Center for Theoretical Physics, led by Club of Rome member Prof. Abdus Salam. Salam—one of the top "theorists" associated with CERN—has been linked to Muslim Brotherhood fundamentalist operations throughout the Arab world. He has been personally engaged in indoctrination of Third World scientists into "anti-technology" and "anti-Western" ideologies such as the "Islamic Science" cult.

Who can overthrow Qaddafi?

These developments around Chad are a major test of the ability or, at this point, inability of the Western allies to check Libya. France and the United States verbally support Hissène Habré, yet have sent only enough military material to allow him to resist, not to win. As military reports indicated, a few Jaguar jet fighters sent by the French would have been enough to defuse the danger represented by Goukouni, but this was not done.

Zaire sent troops and materiel, as did other African countries, but France stuck to a policy of "non-interference" which, as the conservative daily *Le Figaro* put it, will ensure that "tomorrow Paris will have to send weapons to Mali and Niger . . . and the next day to another African country."

With a pro-Libyan faction in control on this question, Paris made the calculation that once Goukouni becomes president, they will be able to "buy him"—a plan challenged by *Le Figaro*, which asserted that Goukouni, once in power, would be assassinated and immediately replaced by another Libyan puppet.

Since the beginning of the crisis, along with African leaders, *EIR* and its associates launched an international appeal to all governments to contain Libya, boycott its oil exports, and pave the way for the final overthrow of the madman. Reactions to that appeal have been a most interesting litmus test, as certain so-called moderate countries in the Arabian peninsula answered by denouncing *EIR* as "paid by the Zionists," while various Israelis were boasting that Qaddafi "is more of a problem for the Arab countries."

Efforts to pull together some kind of pan-African military force to hold back Qaddafi in Chad will be complicated by the current head of the Organization of African Unity, Ethiopian strongman Mengistu Meriam. The Soviet-dominated Mengistu is opposing any outside intervention in aid of Habré, claiming that the fighting in Chad is an internal conflict.

Pakistani resistance targetted by cultists

by Mary Lalevée

It is now six years since Pakistani dictator Gen. Zia Ul-Haq's military coup in Pakistan, on July 5, 1977. Prime Minister Zulfikar Ali Bhutto, the only democratically elected prime minister of Pakistan, was overthrown, and hanged for a trumped-up murder charge. Martial law was declared, and opponents summarily imprisoned. Hundreds of thousands of Pakistanis fled abroad to escape persecution.

In many European countries and in the United States, Bhutto's political party, the Pakistan People's Party (PPP), is organizing opposition to Zia's dictatorship. The PPP is being targeted by harassment, persecution, deportation, and more insidious operations.

One of the latter is being conducted by a pseudo-Islamic cult called the Ahmadiyya sect. The Ahmadiyya activities against the PPP vary from country to country—from collaborating with Zia against the PPP, to trying to infiltrate the PPP, hoping to confuse the strategy of the party and render it impotent. The cult's stance is reflected in its *Wathan* newspaper, which praises Zia, attacks the PPP, slanders Murtaza Bhutto as a "terrorist," and runs ads from the government-owned, narcotics-linked Pakistan International Airlines.

In Germany, where Foreign Minister Hans-Dietrich Genscher collaborates with Zia, an Ahmadiyya member reportedly officially advises the German authorities on which Pakistanis to grant asylum. He aided the German foreign ministry's recent spate of deportations of leading PPP members back to Zia's jails and hangings. This man travels regularly to Pakistan.

In New York, Ahmadiyya members meet with the Pakistani consul and cooperate with the consulate in anti-PPP activities through the Pakistan Federation, set up by Zia during his December 1982 trip to New York.

In some countries of Europe, the Ahmadiyya cultists are trying the opposite tactic—working their way into the PPP. They claim to be opposed to Zia because of the history of violence between the Ahmadiyya and Zia's main backer, the fundamentalist Jamaat-i-Islami (Muslim Brotherhood). Yet, at least one PPP member has been told that if he tried to stop the Ahmadiyya, he would "have problems with [his] family in Pakistan." Some Ahmadiyya members in Sweden, Yugoslav members not involved directly in the anti-PPP activities, have been arrested for drugs and arms smuggling.

One source said that while the Pakistani regime was using

the Ahmadiyya to disrupt the PPP, the cult is "actively preparing for the post-Zia era."

Whatever the rivalry between the Ahmadiyya and Zia's Jamaati backers, they have become united against the PPP by their common creator, British intelligence, against their common enemy, the modernization and independence of Pakistan begun by Bhutto.

Ostensibly, the Ahmadiyya sect was created in 1889 by Hazrat Ghulam Ahmad Sahib, who claimed to have discovered the tomb of Jesus in Kashmir and the "fact" that Christ did not die on the cross, but went to Kashmir and lived to be more than 100 years old. The sect has members worldwide, but, not surprisingly, was officially declared non-Islamic in 1974 by the Islamic Conference in Saudi Arabia and by Prime Minister Bhutto in Pakistan.

The cult's origins are more secular than its mystical trappings might have one believe. It was created by the British, the colonizers of India, to manipulate the Indian Muslim community against the independence struggle. The founder was treated as a virtual "adopted son"—some say adopted pet—of Queen Victoria. The current head is a knight of the British realm. The sect opposed the independence struggle against Britain, rejecting both the creation of a united, independent India and the partition into separate states of India and Pakistan.

Following the 1947 partition, the cult—which concentrates on recruiting elite bureaucrats, businessmen and military officers—infiltrated the Pakistani government. The first foreign minister of Pakistan, "Sir" Muhammed Zafrulla Khan, another knight of the British realm, was a sect member. The cult was particularly influential in the military dictatorships before Z. A. Bhutto's election as prime minister, and ran a protected "state within a state" at Rabwah in the Punjab area of Pakistan.

The 1973 constitution established during Prime Minister Bhutto's administration declared the sect non-Islamic. Bhutto dissolved the protected status of the cult, and many of its leaders went into exile. The grandson of the founder now lives in Washington, D.C., where he served as an important World Bank official. The cult responded to Bhutto's moves with "prophecies" that Bhutto would be hanged, a "prophecy" borne out when Zia launched his coup in 1977 and hanged Bhutto two years later. It was not the first of such strangely accurate "prophecies."

Despite the Muslim Brotherhood's supposed antagonism to Ahmadiyya, Zia condemned Bhutto's moves against the Ahmadiyya and loosened many of Bhutto's restrictions. One leading member of the Ahmadiyya sect, Pakistani nuclear physicist Abdus Salam, a member of the Malthusian Club of Rome, and trainer of Israeli nuclear physicist Yuval Neeman ("father of the Israeli nuclear bomb") is widely suspected of aiding Zia's atom bomb efforts. In October 1981, the British magazine *New Scientist* quoted Abdus Salam wildly attacking *EIR* for its exposés of the Muslim Brotherhood and the Club of Rome in the Islamic world.

Italy: 'reformers' behind Craxi plot end of the First Republic

by Leonardo Servidio

Two days after the publication of the results of the June 26 elections, the walls of Italian cities were covered with posters of the MSI (Movimento Sociale Italiano—the neofascist party) which announced, “the first Republic is dead.” Not only from the MSI, whose program has always been to overturn the institutions of the first Republic, but from everywhere came demands for an “institutional” change.

The daily newspapers of June 9 announced a series of meetings taking place among Socialist (PSI) boss Bettino Craxi, Radical Party head Marco Pannella and Gianni Agnelli, Trilateral Commission member and leader of the industrialists' association Confindustria, to discuss the “institutional reform.” The radical-chic weekly, *L'Espresso*, announced that without institutional reform, it will no longer be possible to govern. The Liberal, Bozzi, who headed the Parliamentary commission for the reform of the institutions created at the end of the last legislature, announced that the present legislature will be that of institutional reform.

The most detailed of all in specifying what type of reform he wanted was the governor of the Bank of Italy, Carlo Ciampi, who in his annual report, given at the end of May at the height of the electoral campaign, called for abolishing the 1936 Banking Law in order to permit the banks to operate on the stock market and to place financial policy completely in the hands of the Bank of Italy, excluding Parliament. This would remove national sovereignty over economic issues.

Italy has always been the borderland between the western and eastern worlds, a terrain where opposing tendencies clash. It would not make sense to look at what is happening in Italy today without taking this into consideration.

It is not an accident that the investigation which brought to light the “Bulgarian connection” took off from the Italian magistrates' probe of the attempted assassination of Pope John Paul II. The “Bulgarian track,” as it is called in Italy, is an international mafia complex, linked, as *EIR* has documented, to powerful groups such as the Bulgarian and Soviet secret services, the Sicilian-American mafia, the Swiss financial apparatus, and the old “Mitteleuropa” Nazi networks. Some months ago, Lyndon H. LaRouche warned that these groups would do anything to silence the inquiries of the Italian magistrates, and would perhaps go so far as to bring about the equivalent of a civil war or coup d'état in Italy, in the context of a “repartition” of Europe: Germany with a

Nazi-type regime under the control of the eastern part of the “Bulgarian Track,” which is to say under Andropov, and Italy with a neofascist regime under the control of Andropov's opposite number in the West, the Trilateral Commission.

This is exactly what is happening today.

The Case of Emanuela Orlandi

It is not a coincidence that the case of Emanuela Orlandi exploded at the time of the June 26 elections. A 15 year-old citizen of Vatican City, the daughter of an employee of the Pope, was kidnapped June 22. The kidnapers, who have never identified themselves, were careful only to make known that they were foreigners, perhaps Croatians, and are demanding, in exchange for the life of the girl, the freeing of Mehmet Ali Agca, the man who tried to kill the Pope, whom they say they want to take to East Germany.

Agca reacted by declaring that the order to shoot the Pope was given him by the Soviet KGB and by the Bulgarian secret services and asking the Italian state not to accept the exchange. Agca is obviously concerned that someone wants him “freed” in order to silence him once and for all.

The case has the eerie quality of being stage managed, perhaps in preparation for a wave of destabilization like the “Moro case,” when the scenario set up was the conflict between the “party of negotiations” and the “party of firmness,” under conditions in which, as the Hon. Tina Anselmi, head of the Parliamentary Commission investigating the illegal P-2 lodge has declared, P-2 control of the investigating bodies guaranteed that law enforcement could never free Moro. Today, the scenario which the kidnapers of Emanuela Orlandi seem to be following is to force a split between the Vatican and the Italian state, possibly foreseeing that the Pope might call for the liberation of Agca.

The objective in the 1978 Moro kidnapping was to prevent Italy from realizing a policy independent from the Trilateral Commission mafia typified by Henry Kissinger. In the case of the kidnapping of Emanuela Orlandi, the objective is exactly the same: silencing the investigations of the “Bulgarian Track” and its mafia and Trilateral Commission connections in the West. Parallel to this, perhaps, is the aim of unleashing a national wave of emotionalism that would cause the institutional reforms and perhaps other special laws to be passed automatically and without opposition.

The reforms

Parliament has been increasingly paralyzed during the past years. Since 1972, when the first "early elections" took place, there have been no elections following the normal schedule, but always early elections. This is due to the constant political tensions among the parties, which is the result of the shrinkage of the "economic pie" since the end of the 1960s, when the effects of the policy of industrialization imposed by Enrico Mattei through the state sector industries came to an end. It is a bitter irony that the same Bank of Italy which, by usurping control of economic policy constitutionally belonging to parliament, caused capital flight and blocked the policy of industrialization, today proposes to totally take away control of the economy of the country from Parliament.

The Moro assassination ended the policy of construction of nuclear plants for energy independence and collaboration with the communist opposition with the aim of bringing the PCI totally into the western camp in the framework of East-West entente. Such a policy was sponsored by Pope Paul VI, who aimed to constitute a Europe economically independent from the International Monetary Fund and able, through the European Monetary Fund, to develop the economy of the Third World. Right after Moro's death, Bettino Craxi, the friend of Kissinger and the Trilateral and its policy of destabilization, got the upper hand, and announced a few months later that the Italian Socialist Party he heads was aiming at institutional reform.

The MSI specified and formalized this policy in a bill proposing "to give more power to the executive," as the Trilateraloid Fiat president Agnelli also began demanding at every opportunity. This would mean getting rid of parliamentary control over the executive through creation of a populist presidential republic. Executive powers would be concentrated in the hands of the prime minister or president of the republic. The MSI demands direct election of the President and, in order to totally exclude political forces, frequent popular referenda, and finally, election to parliament of spokesmen of the economic forces, according to the old corporatist tradition whereby those who have money prevail over the majority. The similarity with the demands of Ciampi is evident. The Socialist, Republican, and Liberal parties, even though they have not officially expressed themselves, have privately indicated their accord with these ideas of reform, which are those for which the freemasonry is also working.

Meanwhile, Craxi and De Mita have introduced the presidential system into their parties: the secretary of the party is elected directly by the Congress so as to be able to corrupt the leadership and the secretariat. Practically it is a matter of extending this party model to the Parliament. Christian Democratic secretary De Mita has signaled his personal agreement with the reform policy, declaring himself favorable to the direct election of mayors.

In the Christian Democracy, the going proposal is the election of deputies through the winner-takes-all principle, which would be in the main consistent with the presidential

proposal, and parallel to the French system. All these proposals aim at shrinking the power of the parties, and forcing the electoral process into two large opposing fronts—if the winner-takes-all principle replaced the present proportional election system—which would define a stable, unmovable executive for the full duration of the legislature.

As evidence of how these proposals are being pushed with the goal of destabilizing the government, it is enough to realize that the masonry, which in Italy is promoting this type of reform, is proposing in France exactly the opposite reform, i.e., to go from the presidential system to a proportional parliamentary system. The activity of parliament, after the death of Moro, has been increasingly tormented by internal struggles among the political currents and by the obstructionism of the Radical or MSI parties.

Added to all this, the "politics of scandal" has been imposed. The first, a short time after Moro's death, was the Lockheed scandal, whose most prominent victim was President Leone. It is significant that it was Kissinger who first created the conditions for the scandal through the lavish Lockheed bribes, allowing the indiscriminate elimination of various persons in the world in order to destabilize national institutions.

The politics of scandal has run a long road, passing through the petroleum scandal, the scandal of the P-2 lodge, reaching finally the last electoral campaign in which, in place of political debate, there were only scandals. In Turin and in Liguria, Craxi's Socialists and P-2ers have been charged with illegal activities, while in Naples 900 arrest warrants for members of the camorra (the Neapolitan mafia) have shed light on the links of the camorra to the Christian Democrats, Socialists, priests, nuns and various others.

If these scandals have brought to light situations emphasizing the mafia connections in the political world, they have also laid the basis for the total discrediting of political institutions. If it were not for the "politics of scandal," Craxi and his cronies—in the PSI or in jail or sought by the law for cases ranging from conspiracy against the State to swindle—would have already ceased to exist as a political phenomenon. But the PSI of Craxi has been held together, as the case of Calvi showed, even when it took the injections of billions of liras, because the PSI of Craxi is the party of destabilization.

Today the reform of the institutions is taken for granted by everyone. It is only a question of time, and that means the increased power of the executive wanted by Agnelli, which translates into economic dictatorship.

The fundamental question today is this: whether the reform will serve only to impose a new fascism in Italy, or if the political forces will wake up in time to adopt the reform of the heavy lira proposed by Lyndon LaRouche's collaborators in Italy. The crucial immediate test is that of the Bulgarian connection. The kidnapping of Emanuela Orlandi must not become a new national tragedy, but must rather strike out at those principally responsible for the Bulgarian track: from Andropov to Qaddafi to the Swiss financiers who are their allies in this destabilization project against Italy.

Separatists in the Punjab: the case of 'Sikh fundamentalism'

by Ramtanu Maitra

Northern India has been shaken over the past three months by a series of bloody incidents, including the cold-blooded murder of two high police officials and threats of terrorist disruption of both road and rail transport. The epicenter of the disturbances is the agricultural breadbasket of the country, Punjab state, involving the Sikh religious community.

While the Sikhs—who represent about 1.5 percent of the nation's population—are concentrated in Punjab and neighbouring states, they are famous as a talented industrial-minded group who have traveled and settled across the country. Their religion, which broke away from Hinduism at the turn of the 16th century, with its own temples and holy places, has thus far coexisted with India's many other faiths, integrated into the national tapestry.

This is now threatened by a phenomenon of religious fundamentalism, which still remains in its initial phase within the Sikh religion. But there is not a man on the street of any part of India who does not understand that the Punjab troubles are grave and have reached a turning point. Either the government and moderate leaders of the Sikh community assert their authority over the fundamentalists and extremists, or the next months will produce much bloodshed and tragedy.

On April 4, a *rasta roko* (block the traffic) demonstration broke up with a death toll of 11. A few days later, the Akali or Sikh opposition party eulogized the dead "martyrs" and on April 14, the Sikh New Year's Day, thousands of youths took an oath to be ready for new "sacrifice" in the event of a "Dharam Yudh" (religious war).

Later, Akali leaders called for a prolonged mass campaign, beginning June 17, including putting up barricades to stop the trains. The purpose of their *rail roko* (stop the trains) campaign, as the Akali leaders explained, is to prevent the newly harvested wheat crop from leaving the state.

On June 17 the government halted train traffic in Punjab in order to avoid a bloody confrontation. Barring a few scattered attempts at sabotage of the railroad by the extremists, the day passed relatively quietly. The authorities expressed their determination to reopen the railroads the next day, and the Akali leaders called off the campaign.

Even more than the demonstrations, the assassinations of two police officials by the extremists in broad daylight shocked the residents of Punjab. On April 25, a senior police official

was murdered outside the Sikh Golden Temple in Amritsar. The official was a Sikh who had entered the temple unarmed in civilian clothes to pray. His hit-and-run assassination—and the subsequent belief by many who saw the murder that the assailant had taken refuge in the temple—has created a situation where the police and government must intervene—and must do so without fueling a religious backlash.

On June 18, the day the "rail roko" campaign was called off, two unidentified gunmen walked into the office of the head of the criminal investigation agency in Kapurthala district of Punjab and shot him dead.

The deaths of these officials brought sharp reaction in Punjab, as elsewhere. Prime Minister Indira Gandhi indicated it was not possible for the government to take a new initiative to solve the problem until "we know what their [Akali leaders] attitude is to the spate of violence and murders taking place in the state."

Home Minister P. C. Sethi, who is responsible for maintaining law and order throughout the nation, bitterly condemned the assassinations, urging the moderate Sikh leaders to turn in those involved in terrorism and assassination and to remove all ammunition stockpiles from the Golden Temple in Amritsar. No official ultimatum has yet been issued, but there are precedents where state police have entered the Golden Temple premises to arrest criminals and miscreants.

As of this writing, a list of names of forty terrorists and assassins suspected of taking refuge in the Golden Temple at Amritsar has been put together and submitted to the moderate Akali leaders. But the list significantly omits the name of the arch-fanatic Sant Bhindranwale, who has used his religious preacher garb to foment violence, and is the link to the external "Khalistan" factor, i.e., to the small group of Henry Kissinger-aided extremists who want Punjab to secede from India to create a new independent "state" to be called "Khalistan." It is believed the government is still hoping to isolate Bhindranwale without confronting him directly.

Three basic elements

Three broadly distinct factions within the non-Congress-I Sikh population dominate the political scene in Punjab today. These are: *the Akali Dal*, a political party consisting only of Sikhs, which was established in 1920 and came to

power in Punjab for the first time in 1967 through the electoral process; a group of Sikh fundamentalists under the leadership of a fanatic Sikh, Sant Jarnail Singh Bhindranwale; and *Dal Khalsa*, a small band of Sikh terrorists controlled and financed by external sources, who want to secede from India, to create "Khalistan." The most important and surely the largest faction participating in the agitation in Punjab are the Akalis. The Akali Dal was formed almost three decades before India won independence from the British colonialists. Initially the Akalis were only involved in the reform movement *within* the Sikh religion. At that time, the Akali Dal was asked to play a key role in establishing the Shiromani Gurdwara Parbandhak Committee (SGPC). Run by elected committee members, the SGPC controls all Sikh gurdwaras (temples); it was formed a month before the Akali Dal was formed.

In spite of provocations by the British in the 1940s urging the Sikhs to form an independent Sikh nation, Akali leaders chose to be a part of India. During the Independence struggle, the Akali leaders also rejected a dubious offer made by the founder of Pakistan, Muhammad Ali Jinnah, asking the Sikhs to join the Federation of Pakistan. The murderous riots between Sikhs and Moslems that followed the 1947-partition of Punjab indicate that Jinnah's offer, had it been accepted by the Sikhs, would have ended in a catastrophe for the Sikh community.

However, within a decade after Independence, Akali leaders started an all-out agitation for carving out *within* India a new state of Punjab on the basis of the distinct Punjabi language and culture. This Akali movement came to be known as the campaign for "Punjabi Suba" or Punjabi homeland. Still, during this turbulent period, the movement was kept secular. In 1966 "Punjabi Suba" was won. A new reconstituted Punjab came into existence when a new state, Haryana, was carved out of the former state of Punjab.

Although this reconstitution met the essential Akali demand, many residual problems remained, some secular, others religious. The other two groups within the Sikh community tried to use these issues to stir up fanaticism.

The roots of extremism

In the mid-seventies when Sant Bhindranwale came into the limelight, he launched a vicious campaign against the Nirankaris—a Sikh sect which preaches co-existence of Sikhs with other religious groups. In April 1978, fundamentalists clashed with the Nirankaris, and thirteen were killed. Bhindranwale, boosted by the media, stepped up his blatant racial attacks and bigoted speeches.

When, in 1981, the leader of the Nirankaris was gunned down, there was no doubt who had instructed the killers to pull their triggers. Although a warrant was issued for the arrest of Bhindranwale by the Punjab government, Bhindranwale was frequently seen thereafter visiting various cities in India, his armed guards swarming around him.

Particularly during the past three years, Bhindranwale and his terrorist associates have capitalized on every Akali

move. They have infiltrated the moderate Sikh ranks and, in effect, taken over and turned what were planned as *morchas* (peaceful demonstrations) into violent riots. Their main goal has not been achievement of various demands, but the destruction of the secular forces who favor negotiation.

Behind his religious facade, Sant Bhindranwale, like Ayatollah Khomeini, is nothing more than a mad killer. The Sant's formal education terminated at the fifth grade. Surrounded by bodyguards, Bhindranwale is now hiding in the Golden Temple with a cache of arms and a pile of money. Although this mad Sant has not openly demanded "Khalistan," i.e., an independent Sikh nation, his seditious activities leave no doubt that he is supporting—with arms, hard cash and inspiration—the Dal Khalsa.

Since most of the religious demands used by Bhindranwale to establish his credibility over the years have been met, the fundamentalist faction he leads is now isolated. At this time Bhindranwale does not wield real political power among the population. Very few religious Sikhs consider him their religious mentor, or even want to associate with him. But, sitting in the Golden Temple, where he is beneficiary of the Sikh custom of giving donations for community betterment that brings an estimated \$7 million annually into the SPCG religious establishment, Bhindranwale continues to be a pivotal and dangerous force in the Punjab tangle. Unless he is removed from the scene, future negotiations between the Akalis and New Delhi will be difficult if not impossible.

More to the point, any delay in negotiations will increasingly tip the balance, helping the fundamentalists and extremists to gather new strength, menacing the entire Punjab population, Hindus and Sikhs alike.

The last group, led by the senile Jagjit Singh Chauhan, is presently headquartered in London, with close ties in Canada and the United States. Chauhan, a former Akali leader who had served in the 1967 Punjab cabinet, calls for establishing an independent Sikh nation, "Khalistan." "Khalistan" secretary Sandhu has also set up shop in the Golden Temple.

Chauhan and his ragtag group have been given wide publicity across the world, and has been portrayed by the Western press corps as enjoying strong support within Punjab. However, it is clear that only those forces who would like to see the Indian Union broken up into a number of manipulable small nations are financing this terrorist group. In fact, Dal Khalsa has virtually no support within Punjab state.

Unsettled issues and Akali politics

Soon after the new Punjab state was created, having shed the Hindu majority in Haryana, the Akalis took political power in the 1967 state elections. The Akalis formed a United Front Government, bringing in the Communist Party of India as well as the right-wing Jana Sangh. The government also enjoyed the support of the Communist Party (Marxist).

Political secularism, however, prevailed in Punjab throughout the sixties and early seventies.

In the 1977 national elections, moderate Sikh leader Prakash Singh Badal led the Akalis in forming an alliance with the Janata-led coalition that defeated Prime Minister Gandhi, but the alliance proved to be shortlived.

A turning point was the 1980 landslide elections that brought Mrs. Gandhi back to power. The Akalis, despite their claim to be the sole representative of the Sikh community, won only 37 of the 117 seats in the Punjab Assembly. The Akalis failed even to muster half the total Sikh strength of 80 within the Assembly.

Frustrated by the outcome of the 1980 elections, the Akali leaders dusted off the set of old unresolved issues involving the central government and the State, organizing agitations to pressure the ruling Congress-I Party for settlement in their favor. In the process, the Akali leaders produced the seven-year-old "Anandpur Sahib Resolution," which was asserted as a demand of the entire Sikh community and a kind of ultimatum to New Delhi to meet those demands or face the paralysis of Punjab. The resolution called for restricting the Union Government's jurisdiction to the areas of defense, foreign policy, currency, and communications, and also raised the bogey of discrimination against the Sikhs, declaring that "religion is not safe without sovereignty." The Sikh "nation" was called upon to make sacrifices in the religious crusades (*Dharam Yudhs*). It was in this document that the seed for a separatist movement was planted.

The document asserts that the Sikhs are a separate nation, that their political goal is "supremacy of Khalsa," and that the realization of it through a geographical entity and a political constitution is their "birthright." Only the term "Khalistan" was not spelled out in the document.

Along with putting the Anandpur Resolution forth as a political platform for the Sikh community, the Akali leaders asked the central government to act on the following issues:

- 1) Extending permission to relay Sikh religious songs from the government-owned All India Radio; placing a ban on tobacco around the Golden Temple in Amritsar; extending permission to travel with a kirpan (a small knife) of a specific size; and enactment of an All-India Gurdwara Act under which all the 800 Sikh shrines scattered across the country would be managed centrally.

- 2) Reopening of the 1981 water-sharing agreement between Punjab, Haryana, Rajasthan, and Jammu & Kashmir.

- 3) Awarding Chandigarh, the city built as the capital of an original undivided Punjab (before the split with Haryana) to Punjab; transfer of Fazilka and Abhor areas to Haryana; and determination of the status of several disputed villages along the Punjab-Haryana border.

The first issue, consisting of various religious demands, has been mostly met by the central government, although only after an undue delay. The only Akali religious demand that is yet to be met is enactment of an All-India Gurdwara Act. The government of India has accepted the concept in principle, and there are signs that an agreement can be reached.

Within the Sikh community itself this act has not, how-

ever, been universally accepted. Some Sikhs have expressed fears that such an act would mean domination by the religious class among the Sikhs. They have also expressed concern that *gurdwaras* as well as other religious places should not be used for political purposes or as a shelter for anti-social persons of any religion.

Difficult issues

The second and third demands are in no sense "Sikh" demands. They are endorsed by all Punjabis. The second demand, concerning the division of surplus waters of the Ravi and Beas rivers, is perhaps the most difficult issue to resolve. The Punjab farmers who depend heavily on irrigated water for agriculture hate to see the surplus water drain into some other territory. Because the Ravi and Beas rivers cross the territory of the old undivided Punjab, Akali leaders concede that Haryana has a right to share this surplus water—but not Rajasthan.

Some agitators forget that the Akali government which came to power in 1977 became a party to the implementation of a settlement which included Rajasthan when it issued land for digging the Sutlej-Yamuna Link Canal, which will carry the surplus water to Haryana. Today the same Akalis are busy setting up barricades to prevent digging of the Sutlej-Yamuna Link Canal. By all available accounts, the central government is ready to refer the issue to a high-level judicial panel, and the Akalis have tentatively agreed to abide by the panel's decision.

The third demand, concerning the award of Chandigarh, along with Fazilka and Abhor, was very close to settlement during the recent tripartite talks between the Congress-I, opposition leaders, and the Akali leaders. The talks broke off when the extremists escalated their terrorist activities.

A signal

Two developments indicate that a political settlement *can* be reached and that the moderate Akalis may be able to prevail. In a recent election of the Akal Takht, the highest spiritual-cum-temporal seat of the Sikhs, the Akalis elected Thakedar Kripal Singh, a moderate leader. Sant Bhindranwale had tried vainly to get himself elected; he failed to obtain the required votes.

Secondly, preceding the Akal Takht election, the Sikh leaders had assembled in the Golden Temple to pledge support to the Sikh leader San Harchand Singh Longowal, a longtime associate of former Chief Minister Prakash Singh Badal. The Sikh leaders reached a consensus that the Akalis will abide by whatever decision Longowal reaches with the Center on the unresolved issues. Bhindranwale, among others, was present at the ceremony.

The Akali leaders have also come to understand that the New Delhi authorities are not going to buckle down under the threat of violence and chaos preached by Bhindranwale and his men. Withdrawal of the *rail roko* campaign by Sant Longowal himself is an indication of such understanding.

Kissinger revives the British Empire's tactics

by Uma Zykovsky

Since 1980, and in recent months with persistence and frequency, Indian Prime Minister Indira Gandhi and several members of her cabinet in charge of domestic law and order, have been warning that there exists a documentable "external factor" stirring up troublespots in the country. As incidents of violence, terrorism, and calculated attempts to instigate fear increase in Punjab state—the country's breadbasket—the Indian government is increasingly faced with the necessity of surgically isolating the "external troublemakers" from genuine internal discontent.

To carry out this policy successfully, an evaluation is under way of two interconnected historical processes. The current troubles in Punjab, or for that matter in the northeastern state of Assam, can be traced back to the 1947 partition of the Indian subcontinent by the outgoing British colonial rulers, as a costly condition to independence. With partition as a precedent, Anglo-American postwar strategies for the Indian subcontinent have been predicated on the idea that partitions can be imposed again and again, destabilizing the attempts of the political leaders of the area to develop strong, independent nation-states.

In this Balkanization strategy, the 1970s have had a special place. With Henry Kissinger running U.S. foreign policy for most of this decade, new impetus was given to the Anglo-American geopolitical goals.

In December 1971, when Indian Prime Minister Indira Gandhi decided to send the Indian army into East Pakistan (Bangladesh) in support of the liberation forces battling a Kissinger-orchestrated genocide of the population, she became one of Kissinger's most hated enemies. In 1971 Kissinger told Peter Jay, then a London *Times* columnist and later ambassador to Washington, that "he [Kissinger] regarded India's invasion of East Bengal in the same light as Hitler's reoccupation of the Rhineland."

Apart from the wild comparison made by Kissinger—himself a conscious promoter of genocide—between Indira Gandhi and Adolf Hitler, one should note Kissinger's reference to East Pakistan (to become Bangladesh after the 1971 war) as East Bengal, the name that acknowledges no independence of the Indian subcontinent from British rule. Only

under the British Empire in pre-1947 days did this entity exist!

Consistent with this view, in the aftermath of the 1971 war a study was prepared by the U.S. State Department under Kissinger titled "U.S. Foreign Policy for the 1970s." The document asserted that "internal ethnic conflicts and separatist strains, are a phenomenon of the contemporary world. India, more than most, has a heavy stake in the principle that such instability should not be exploited by countries through subversion or resort to arms. The alternative is a formula for anarchy."

The Khalistan drive has taken new life since the Zia coup d'état in 1977. Zia personally met with Ganga Singh Dhillon, a wealthy Sikh American citizen promoting the Sikh nation idea. Dhillon established links between one of Zia's most trusted political lieutenants, the late Chowdhury Elahi, and the Sikh separatists. Sources in London indicate that the Pakistani embassy gives substantial financial and other support to the Khalistan movement. It is said to be instrumental in secretly getting Chauhan himself into Pakistan for further coordination from time to time. And a Khalistan Airlines has reportedly been set up in the same building as the Pakistan International Airlines, an international carrier notorious for drug-smuggling activities.

While Zia goes to great length to deny involvement with the Khalistanis, sources in India note wryly: "He can have his special-force people put on turbans and slip across the border. The timetable for trouble is how long it takes to grow the beards."

Recently the state unit chief of the Punjab Congress Party, Hansraj Sharma, told the press that he has come to know that the Pakistan government has set up a camp right across the Indian border to provide weapons training to Sikh extremists. The easily traversible border has also become a center of opium smuggling.

The 1970s has seen a large growth of Sikh businessmen, particularly small businessmen, in London and the United States. There is little doubt that Chauhan's concentration on the United States, where he makes several tours a year, is to attract some of this new affluence into the Khalistan movement. There are few ways of controlling overseas Indians repatriating their money into India, and fewer still of catching religious and social donations. Nearly \$40 million is known to have reached the agitators' pockets.

The British colonial scheme

British colonial officers—and modern sociologists—devoted considerable energy to cultivating Sikh feudal interests from the 1880s on in a bid to prevent the Sikh community from becoming part of India's national movement. The British attempts ultimately failed; Sikhs joined the independence struggle in great numbers; but a subterfuge "British current" survived.

As early as 1911, sociologist D. Petrie stated openly: "Sikhs in the Indian Army had been studiously nationalised

and encouraged to regard themselves as a totally distinct and separate nation. Their national pride has been fostered by every available means.”

In the British scheme of control of the Indian subcontinent there were three major religious entities—Hindus, Muslims, and Sikhs—and many minor groupings. When several decades into the 20th century it had become clear to British colonial rulers that India would one day no longer be theirs, careful preparations for partition were conducted. In 1942 a special emissary of the Crown, Sir Reginald Coupland, was sent on a mission to determine what boundaries—religious, ethnic, and racial—could be drawn to maintain the subcontinent independent in public view but in reality dependent.

Coupland did his homework and wrote: “India is a geographical unit; it is not divided by such physical barriers as separate nations in Europe. Its unification under British rule has not only saved India from the fate which political and economic nationalism brought on Europe. . . .” This “fate” was the successful industrialization of France, Italy, and Germany, which kept Britain off the continent. Instead, India remained the looting ground for the British oligarchy and became “the jewel of the Empire.”

The 1971 Bangladesh war was a sideshow to Kissinger’s “China Card” diplomacy. Millions of people died because Kissinger desired the geopolitical gain of the U.S.-Peking alliance, over and above political stability and economic growth in Asia. Mrs. Gandhi’s role in stabilizing the subcontinent was antithetical to the Anglo-American game, and Kissinger’s perverse reasoning was that since the creation of Bangladesh repartitioned the subcontinent, why not stir up other “separatist” conflicts? Mrs. Gandhi stood in the way of a pliable Indian subcontinent under Maoist “rule” in Asia, blessed by the Kissinger doctrine.

Birth of Khalistan

A product of this 1970s Kissinger policy was the emergence of Jagjit Singh Chauhan, a little-known former finance minister of the state of Punjab, as the leader in exile of the “Khalistan” independence campaign. “Khalistan” is a demand for redrawing the map of northern India to carve out a “homeland” for the Sikhs, “taking pieces of various neighbouring states—Rajasthan, Himachal Pradesh, Haryana, and all of Punjab in India including parts of it which are in Pakistan.” In December 1971, when the turmoil in Bangladesh was at its height, Chauhan, until then resident in London, took out a half-page advertisement in the *New York Times* calling for the creation of “Khalistan.” Last year, Chauhan admitted that his relationship to Kissinger started in 1971, when he was encouraged by certain elements in the U.S. administration to publish the *Times* advertisement, in order to call into question India’s nationhood.

Chauhan also indicated that Kissinger promised financial support for the movement and the establishment of various overseas base to organize the movement.

Over the last few years, Chauhan has made numerous visits to the United States to sell his “Khalistan” policy. He has established contact with the American Jewish Congress, as well as an apparently close relationship to Sen. Jesse Helms, Republican of North Carolina.

In Europe, Chauhan is activating support among the same political networks that have supplied the lifelines to the Islamic fundamentalist operations in the Middle East. This includes prominent European oligarchs, their Swiss bankers such as François Genoud, and many of the so-called human rights organizations based in London. Chauhan has set up a close working relationship to Phizo, the London-based Naga rebel against the Indian central government, and through him into the Anglican Church-controlled separatist movements.

The Pakistan connection

A related aspect to this London activity is the subcontract for the Khalistan activities held by Gen. Zia Ul-Haq of Pakistan. Zia came to power with the green light given by Henry Kissinger to have the late Pakistani Prime Minister Z. A. Bhutto overthrown and assassinated. An important reason for this murder of an elected prime minister was that Bhutto was committed from 1973 onward to normalizing relations with neighboring India and winning peace in the Indian subcontinent under the Simla pact. The Indira Gandhi-Z. A. Bhutto political equation went against Kissinger’s geopolitical design for weak, pliable puppet regimes south of the Himalayas.

Coupland developed his point further:

The Partition threatens to throw India back to the condition it was in after the breakup of the Moghul Empire, to make another Balkans. This would negate the development of democracy in India. Partition would also prevent a free India from taking its due place in the world as a great Asiatic power, for it would probably mean disruption into several states ranking from Egypt to Siam.

The British Government cannot impose, but it could if need propose a settlement. The drawbacks to Partition are the converse of the case of Union and apply to all Indians, not to Muslims only. It would rob India of the supreme, the unquestioned boon which British rule has given her. It would convert the whole subcontinent into a complex of rival quasi-national sovereignties, walled off from one another by political and economic frontiers. India in fact would be balkanized and instead of being a peaceful and stable element in the new international structure it might well become like the Balkans in the past, a breeding ground for world war.

The Coupland Plan has been praised by Khalistan leader-in-exile Dr. Jagjit Singh Chauhan. It reflects the aims of his movement.

Behind the ouster of Virgilio Levi

Was Levi fired for writing that the Pope ordered Lech Walesa out of politics—or was it merely the last straw?

When on June 26 we heard the news that Virgilio Levi had been fired from his post as deputy director of *L'Osservatore Romano*, we were delighted, both because we had looked forward to such a decision by the Vatican and because we hoped this may open a new chapter in the editorial life of the newspaper which is supposedly the voice of the Holy See.

All those who read *L'Osservatore Romano* for reasons of duty or faith know that its cultural pages are more decadent than those of the ultimate "liberal-socialist" newspaper in Italy, *La Repubblica*. Articles that comment favorably on Freud's ideas alternate with essays on the degenerate John Ruskin and the 19th century Pre-Raphaelite School he founded, which proposed to destroy the scientific and humanistic values introduced into art by Raphael and Leonardo da Vinci.

And through all emerges raving neo-Hegelianism as the overall worldview of the paper, mixed with a hearty dose of appreciation for Dostoevsky, Tolstoy, and their heavy Russian peasant fundamentalism.

If we pass on to the news, political information, and current events, the situation hardly improves. Imitating the lying editorial policy of the Soviets, *L'Osservatore Romano* was the only Western paper that never quoted a single word from the speech given by President Reagan last March 23, announcing the new strategic doctrine of defensive beam weapons.

So, in our view, the head of Virgilio Levi should not be the only one

to roll. The Pope must organize an actual control commission, not only to probe the newspaper (as was already done by the prefect of the Vatican Library, Mons. Adolf Stickler) but above all to reestablish an editorial line more consonant with the tradition of the Church Fathers and the protagonists of the mid-15th century Council of Florence, who strenuously defended the doctrine of the *Filioque*, the keystone of Western civilization.

The ousting of Father Levi, who recently spread rumors he was about to be named editor-in-chief of *L'Osservatore Romano*, may open the classic Pandora's box of the Pope's enemies in the Vatican and outside. Father Levi never hid his close links with neo-Malthusian organizations such as the Trilateral Commission, the Rockefeller Foundation, and the Club of Rome, nor his personal friendship with Henry Kissinger, notoriously implicated in the assassination of Christian Democratic Party leader Aldo Moro.

But perhaps less known to the general public is the "journalistic" collaboration Levi maintained with *Acciaio*, the magazine of the unsavory extra-parliamentary group Stella Rossa ("Red Star"). It is well known that Stella Rossa has long been foddered by the leader of the Socialist Party-linked UIL labor confederation, Giorgio Benvenuto, and by that union's international office, headed for years by Luigi Scricciolo, now jailed as a Red Brigades terrorist.

This begs the question: Why did Father Levi write for *Acciaio*? Could

he have not known that the Bulgarian network to which Scricciolo was linked was organizing the attempt on the life of Lech Walesa—the same Lech Walesa who was the classic "banana peel" on which Father Levi slipped?

One thing is certain. The gist of the "incriminating" article by Father Levi on the relations between the Vatican and Poland was certainly not an interpretation of the state of these relations in the light of the Holy Father's recent visit to Poland, but represented an overt torpedo against the moderate and realistic line of the Primate of Poland, Cardinal Glemp.

Appealing to a potential opposition to the Cardinal's policy in extremist fringes linked to the Solidarnosc union, Father Levi fanned the flames by maintaining that the agreement between the Polish Church and government would sacrifice Walesa.

Cui bono—who benefits? Certainly not the very difficult operation Cardinal Glemp was already working on before the Pope's second visit to Poland. Certainly not those Polish government spokesmen who recently requested, and implemented, an eight-year debt moratorium, incurring the wrath of the Swiss bankers allied to the new Czar of the Kremlin, Yuri Andropov.

The cooperation between Levi and Stella Rossa opens another query. The group's magazine's big financial angel is Libyan dictator Muammar Qaddafi, who is also totally involved in the "Bulgarian Connection" and the current Libyan oil scandal, in which many top figures in the Italian secret services and Church face charges. One of the three areas being scrutinized by magistrates in this latest scandal is Como, where the oil, weapons, and money to be recycled were exchanged.

It was from Como that Father Levi was catapulted to Rome.

The separatist plot

The election to Parliament of 'ethnic' parties that refuse to speak the Italian language heralds a coup.

The chairman of the Russell Tribunal, Yugoslav historian Vladimir Dedijer, wrote a letter July 6 to Italian President Sandro Pertini lamenting the "persecution of the Slovene minority in Trieste and other Italian cities," and asking if he could hold a world conference "on all the world cases of genocide, organized or spontaneous, such as that of the Irish in Great Britain, the Bretons, the Corsicans, and the Basques." Such a conference, to be held in Italy, would be an "homage to the commitment of Lelio Basso and his League for the Rights of Peoples."

Reality is a bit different. The Bertrand Russell Peace Tribunal wants to foment autonomism and separatism by presumed "minorities" in Italy to tear apart the Italian state and pave the way for a coup d'état. It is not an accident that the so-called oppressed minorities have succeeded for the first time in electing their own representatives to the Italian parliament. The "minorities" in question are the people of the Veneto region, who claim total autonomy from Italy—consistent with the imperial and commercial splendor of old Venice—and the Sardinians, whose separatism is financed by Libya's Qaddafi, as the judges in the island's capital of Cagliari have shown.

The Liga Veneta (Veneto League), led by the linguist Achille Tarmarin, whose program is based on a boycott of the Italian language and adoption of Venetian dialect, entered the June 26 national elections only in the Veneto region with the symbol of

the lion of St. Mark's. It gathered 100,000 votes, enough to elect one deputy and one senator; in past elections it had never received more than 10,000 votes. The leap was due to the full support of the Freemasonic-controlled media and possibly some helpful shifting of votes.

A deputy of the Sardinian Action Party was elected; and separatist leader Bainzu Piliu, in jail for subversive activity against the state, was nearly elected on the ballot of the grouplet "Proletarian Democracy" (DP). The DP is notoriously financed by Bulgarian intelligence. Sardinian judge Mario Marchetti proved that Piliu and his group had made contact with Libyan intelligence operatives who promised them weapons, explosives, and money. The mediation between Qaddafi and the Sardinian separatists was carried out by the leader of Sicilian separatism, Michele Papa, also known for his involvement in the Billygate scandal.

In Sardinia the Sardinian Armed Movement (MAS), which includes Red Brigades terrorists and bandits, also operates. The MAS recently killed the key witness in a trial against the gang and threatened the attorney general of Sardinia with death.

Other "oppressed" minorities active in Italy are the South Tyrolean separatist extremists. Fortified with a modest electoral success, they recently met to listen to one of their gauleiters, Alexander Langer, a leader of the pro-terrorist group Lotta Continua who

has met Qaddafi more than once, and Rudolf Bahro, the head of the Green movement in West Germany and suspected agent of the Stasi, the East German secret police.

The newly elected members of the Veneto League and the Sardinian Action Party have announced that in parliament they will speak only their respective dialects, since the Italian language is "oppressive."

It is also expected that Toni Negri, the head of Italian terrorism, will be seated. Accused of grave crimes in a dozen cases, he will enjoy impunity thanks to an unconstitutional interpretation of parliamentary immunity. In fact, the constitution provides that the parliamentary rules committee can authorize the magistracy to arrest deputies and senators when it is just and appropriate. However, the foolish slaves of the P-2 lodge have already let it be known that authorization for Negri's arrest will not be given because it is "not customary." In this way, the perfidious scheme of Socialist Baron Giacomo Mancini to ensure the freedom of his protégés—terrorists Negri, Francesco Piperno, and Oreste Scalzone, all charged in the masterminding of the kidnap-murder of Aldo Moro—will completely succeed: Negri in parliament; Piperno in Canada protected by authorities who refuse to extradite him; and Scalzone—who fled from prison with the aid of campaigns by Socialist journalist Giorgio Bocca—living in France.

Mancini himself, who has been charged with associating with an armed band against the state, continues his work in parliament without anyone objecting! The presence in parliament of representatives of subversive forces, paid and guided by the KGB and Qaddafi, signals that the activity of the separatist groups will increase in intensity.

The PAN's inroads in Chihuahua

Once again an American consul is caught conspiring with the PAN in the party's separatist thrust in the North of the country.

The National Action Party (PAN) won its largest victory ever in local elections in the northern states of Chihuahua and Durango July 3. The PAN got the mayoralties of nine cities in Chihuahua including the capital, Chihuahua city, and Ciudad Juárez on the U.S. border, as well as 9 of the 21 seats in the state assembly. It also won Durango city, capital of the same state.

Political circles here have reacted in shock. The elections are a major strategic victory for the PAN's long-cherished plan to overthrow the one-party "Mexican System" of government which stems from the 1910 Revolution and has guided this country's political stability and economic development for 60 years. More immediately, the elections are a dangerous gain for the PAN's separatist campaign for the northern states of Baja California Norte, Sonora, Chihuahua, and Nuevo Leon.

As in Sonora earlier this year, a U.S. consul was caught *in flagrante delicto* aiding the PAN's separatist ambitions. According to *Excelsior* columnist Manuel Buendia July 1, the U.S. consul in Ciudad Juárez, William Tinsley, aided the PAN's mayoral candidate, Javier Barrios Terrazas, with financial resources, and various American-style electoral paraphernalia never seen before in Mexican elections.

According to PRI spokesmen, a combination of local Catholic Church representatives—loyal to the Inquisitorial tendency of the Church which

plagued this country in past centuries—PAN leaders, the U.S. consulate, and oligarchical groups passing as "businessmen," were the main force behind the PAN victory in Chihuahua.

This grouping of forces closely follows the "Sonora model." As the reader may remember, there was a widely reported meeting of U.S. consular and embassy officials in Hermosillo, Sonora with PAN and Church leaders in late April.

Tinsley and Barrios Terrazas have managed to gain similar notoriety. During an interview July 7 with the daily *El Nacional*, Barrios Terrazas had a nervous collapse. The Panista was then reportedly rushed for medical treatment to the American side of the border by none other than Tinsley. The consul subsequently became the only source of information on the state of the candidate's health and whereabouts.

PRI senator for Chihuahua José Refugio Mar denounced Tinsley, Ciudad Juárez Bishop Manuel Talamas, and Chihuahua Archbishop Adalberto Almeida July 8 for their "blatant intervention" in the elections. The Mexican constitution of 1917 firmly prohibits involvement of the Church in political affairs.

A most prominent feature of this campaign which has the national press puzzled is the enormous amounts of money spent by the PAN. When the PRI-controlled union of water distributors went on strike in Ciudad Juárez, the PAN managed to contract private

tank-cars to distribute water in poor sectors lacking a water system. The PAN candidate in the city of Chihuahua, Luis Alvarez, bid for the vote of women enraged over price-hikes by campaigning in open-air markets and offering to pay for their purchases. The National Civic Women's Association, a PAN "pots and pans" front, played a key role here.

In the wake of the Chihuahua political shockwave, a growing number in the PRI are rethinking even the short-term viability of the International Monetary Fund economic program which is devastating the country. As the PRI candidate for mayor of Ciudad Juárez put it, "the economic situation defeated us."

This recognition has already unleashed a debate in the PRI with the press rumoring that some heads may soon roll. Labor boss Fidel Velázquez, the key anti-IMF figure in the PRI, told the press July 12 that what the party needs is more a change of policy orientation than a change of men—a clear hint at the need for mobilizing the PRI in an anti-IMF campaign.

Although the PRI candidate in Ciudad Juárez has not conceded defeat yet, PAN candidate Barrios Terrazas has already announced that one of his first government actions will be to bring in retired military to run a revamped local security apparatus. His statement has raised the highly-charged issue of potential PAN collusion in efforts to bring a Pinochetista element of the military to power.

Meanwhile, the U.S. publicity company which ran the Chihuahua campaign for the PAN has already moved to Baja California Norte, where, according to PAN president, Abel Vicencio Tovar, the PAN has a good chance of winning its first governorship in September elections.

International Intelligence

Syrian 'back channel' for Schultz to Moscow?

After weeks of a strident public line towards the United States, the Damascus regime of Hafez al Assad changed its tune in an unusually mild Radio Damascus commentary June 9. The broadcast affirmed Syria's readiness to "cooperate with the United States and with anyone else who seeks peace." Citing Washington sources, the *Boston Globe* says Assad is preparing to send a delegation from the Syrian Foreign Ministry to Washington to continue talks on the Lebanon crisis.

The new Syrian stance is being attributed to Assistant Secretary of State Veliotis, who remained in Damascus to establish a U.S.-Syria committee after George Shultz left. It follows by less than ten days a reported secret visit to Damascus by Shultz's primary controller, Henry Kissinger. Kissinger is known to be one of the few American diplomats to "have a way" with the intransigent Assad.

By talking to the United States (i.e. Shultz and Kissinger), Assad is expected to add pressure on the White House for the United States and the Soviets to begin talks on global crisis management. Since prior to Shultz's negotiation of the Israel-Lebanon accord, it has been known that the Secretary of State hoped to use the Middle East crisis in order to get a meeting with Gromyko. This would explain Syria's recent display of moderation.

Argentine Church defends dignity of human labor

"Unemployment, accentuated poverty, usury, low salaries, and unwanted emigration have mortgaged a once-prosperous nation which knew how to shelter millions of immigrants and offer them food and work." So the bishops of Argentina described the plight of their nation in a document published at the end of June. "God, Man, and Conscience" goes on to ask: "Do we love work and esteem it as an expression of human dignity? Or do we easily cede to vagrancy, to gambling, speculation and to economic bribery?"

The document reiterates earlier statements that a return to constitutional rule is required to insure social peace, and rejects the "coup spirit" that threatens to prevent national elections planned for October of this year.

The Church declaration adds that in Argentina "there has been an assault on human labor, placing the individual in a situation of having no access to employment or to a just salary. The notable deterioration of industrial employment, and the existence of underemployment in worrisome proportions, define a reality that should be urgently responded to."

In a related development, Monsignor Mario Revollo Bravo, President of the Colombian Council of Bishops declared that "the sects are working among the indigenous populations with the purpose of creating terrorists." He pointed out that the Colombian mass media is controlled by the most powerful financial groups, which caused an uproar among the large newspapers in Colombia.

CERN: Geneva Center for scientific espionage

EIR's Weisbaden bureau charged in a mid-July news release that the Geneva-based high energy physics laboratory CERN is presently functioning as a major center for Soviet KGB operations into Western Europe, in order to 1) to conduct high-level scientific espionage and sabotage, in particular against the development of anti-missile "beam weapons" by the United States and its European allies; 2) to manipulate peace movement activities in Western Europe to create conditions of virtual civil war; 3) to deploy hard terrorist capabilities, recruited from the peace movement milieu, against military and other targets.

Among the KGB-run operations based at CERN is the "European Network of Scientists for Nuclear Disarmament," whose purpose is to channel sensitive scientific and technical information into the Soviet Union. Given the massive penetration of CERN-trained and CERN-connected scientists in sensitive military R & D. in advanced industry, scientific think tanks and the scientific community in general, the cited "European Network" represents a clear threat to

Western security.

The "European Network" is a recent example decades-long pattern, typified by the systematic recruitment of scientists working at CERN into the KGB-controlled "Pugwash Movement" for a supposed East-West dialogue among scientists. Former CERN General Directors Prof. Eduardo Amaldi and Prof. Victor Weisskopf have both been deeply involved in the Pugwash conferences as well as the numerous Pugwash "satellites." These have been the main channel of Soviet influence for shaping American defense policy.

A further CERN-linked operation of immediate concern is the Trieste Center for Theoretical Physics, led by Club of Rome member Prof. Abdus Salam. The original Scientific Council of the Trieste Center included former CERN director Victor Weisskopf, Pugwash leader B.T. Feld, Leopold Infeld, Soviet scientists A. Matveev and V. Soloviev, and Robert Oppenheimer.

Against the background of this and related information, governments and security agencies would be well advised to regard CERN as in effect a high-level KGB "asset," and to take appropriate actions.

It would be extremely useful to investigate KGB contamination via CERN of other scientific institutions, including the possible case of the Pontifical Academy of Sciences, of which Abdul Salam is a member. The 1982 declaration of the Pontifical Academy in favor of the "nuclear freeze" movement, (which did not obtain Papal approval) should be investigated in this light, with particular emphasis on the roles of CERN scientist Dr. Zichichi and the Paris geneticist Prof. Jerome Lejeune.

Czar of Russia blesses the Magi of Persia

On the occasion of the conclusion of the Islamic holiday of Ramadan in early July, Soviet potentate Yuri Andropov sent a flowery telegram of praise to Iran's Ayatollah Khomeini and his Iranian Revolution. So ends the living-theater staged "falling out" between the two fanatics that occurred momentarily after the Iranian authorities executed several leaders of the Iranian Tudeh (Communist) Party.

As of July 14, Iran was in the first stages

of a major escalation in its human meatgrinder war with Iraq. A combined force of 400,000 Iranian army and revolutionary guard soldiers has reportedly launched an all-points offensive westward against Iraq; it is said that the next phase will include Iranian long-range rocket and missile attacks against Iraqi urban concentrations.

Switzerland is serving as the key transshipment point of necessary materials from Libya into Iran. Iran's missile capabilities are being built up with the advice of a Spanish admirer of Adolf Hitler, José Torres, who told the Spanish daily *El País* that thanks to his work, the war with Iraq will be decided by December of this year.

FAZ forecasts 'Gnostic' takeover of Middle East

An extraordinary feature in the July 6 *Frankfurter Allgemeine Zeitung* (FAZ) written from Limassol, Cyprus, forecasts that the Middle East is soon to be the scene of major "explosions" throughout the Arab world, out of which a "unity of the Arab nation and the Islamic community will emerge." The paper cites several sources to this effect, and declares that "behind such thoughts lies a good proportion of Gnostics," who believe that "the world is evil, it must be destroyed, out of which a new, good world can emerge." Journalist Thomas Ross claims that "the gnostic viewpoint is popular in intellectual milieux" throughout the Arab world.

The article's basic "factual" contention is that the drop in oil prices means "the end of the Arab Century," out of which "fact" irrationalist revolts will explode against existing regimes. This, Ross concludes, presents real threats to Israel and to security in the region.

Quoted to back up Ross's case is Carter administration National Security Council Middle East adviser William Quandt, who expedited the Khomeini takeover of Iran.

Dope barons challenge Ibero-American gov'ts

Roberto Suárez Gómez, nicknamed the "King of Cocaine," who is the most wanted

criminal in Bolivia, gave a press conference July 3 in which he asked for a meeting with the president of Bolivia, Hernán Siles Zuazo. Suárez said that could resolve the Bolivian economic crisis with his personal fortune, calculated to be at least \$400 million. Suárez also threatened the Bolivian government, stating that among his stockpile of war materials, he had a "fleet" of planes with the capacity to fire missiles.

At the same time, in Colombia, one of the world's leading drug traffickers not only acknowledged that he was a drug trafficker, on a radio show, but stated that he intended to use the money that he earned in his illicit activities to buy himself a position in the economically strapped government. Carlos Lehder admitted to all the charges against him, including having bought an island in the Caribbean which he used as an international drug haven.

The point of this, as played up by the press outlets controlled by former Colombian president Jaime López Michelsen, is to insist—as the IMF does more indirectly—that Colombia's economic woes would be solved by the earnings of drug traffic. In both Colombia and Bolivia, these drug traffickers are being portrayed as folk heroes, above the law, and capable of solving their countries problems.

Swiss forecast Lebanon partition

On Tuesday, Israeli Defense Minister Moshe Arens visited south Lebanon and Syrian Defense Minister Tlas visited the north. The Swiss newspaper, *Neue Zürcher Zeitung*, (NZZ), reported these visits as "symptomatic for the de facto partition" of Lebanon, writing that the Syrians would remain in the North, the Israelis in the South, and in the East, the two sides would "face each other, eye to eye. . . ."

The NZZ explained that the Syrians will have "problems" with the Palestinians and the Israelis will face opposition from the Muslim and left-wing Lebanese and pro-Syrian Palestinians. These groups will benefit from the "complicity" of the Lebanese secret services, "who are interested in making the Israeli occupation as costly as possible."

● **GIANNI AGNELLI** met a few days after the June 26-27 Italian election with Christian Democracy (DC) head Ciriaco De Mita and Socialist (PSI) boss Bettino Craxi. Despite the fact that the DC took heavy losses at the polls, and the PSI's gains were unimpressive, Agnelli proposed that Craxi sit in the prime minister's seat, with Guido Carli (De Mita's candidate) and Bruno Visentini heading up a government of technocrats to oversee "rigor and austerity."

● **SHLOMO ARGOV**, Israel's former ambassador to London, the shooting of whom gave Israeli Defense Minister Ariel Sharon the pretext for last year's invasion of Lebanon, has made his first public statement the attempt on his life: "Those who talked of war and those who led us to it should have thought more than twice about the price, especially in human lives," Argov told the Israeli daily *Ha'aretz*. "Did those who forecast this war also forecast the degree of adventurism in it? . . . The war in Lebanon was an unsuccessful war, and not only because the price paid. As for the Israeli nation, it has come out of this war weaker than it was when it started." Argov is still hospitalized in Jerusalem because of the severity of his wounds.

● **SENDERO** Lumonoso staged an armed attack July 11 in broad daylight against the national headquarters of Peru's governing party, Accion Popular. One person was killed and thirty more were wounded by the terrorist group. More than 100 of the party's leaders were present for a scheduled meeting at the time of the attack.

● **EIR WELTWIRTSCHAFT**, the German-language sister to this publication, made its debut as a monthly on July 15.

'Debategate': a threat to U.S. national security

by Richard Cohen

The *Executive Intelligence Review* is now in possession of evidence that the Soviet intelligence service, the KGB, under the direction of Soviet President Yuri Andropov and Geidar Aliyev, his former chief deputy at the KGB and now Politburo member, is playing a central role in the sudden wave of political scandals rocking the Reagan White House.

EIR has also learned that actively allied with Andropov in manipulating the destabilization of the Reagan presidency are prominent families such as the Schlumbergers of Houston, the Paris-based Rothschilds, and other key elements of the Swiss-centered Nazi International, including important portions of the illegal "Propaganda-2" Freemasonic lodge of Italy.

Two powerful Democrats with long-standing ties to both the Soviets and the Swiss—former New York Governor Averell Harriman and Democratic Party funder Armand Hammer—are playing pivotal roles in these operations.

According to an aide to Congressman Jim Leach (R-Iowa), who along with 19 other U.S. Congressmen has returned from a "roundtable discussion" in Moscow with the head of Moscow's U.S.A.-Canada Institute Georgii Arbatov, Leach believes that the Soviets are "itching for a fragmentation of the Reagan administration" via the Debategate scandal. On July 14 the Leach aide quoted the Congressman's answer given during a recent staff meeting to a question on the Soviet leadership's view of Debategate: "The Soviets are hoping to bring down any administration, especially one like the present one. They are hoping that 'Debategate' will mushroom into a Watergate-type scandal which would frag-

ment the government."

Leach was part of a 20-person U.S. congressional delegation that met with their Moscow counterparts, including top Soviet personnel masquerading under their "parliamentary" hats—Arbatov, Marshal Akromeyev, Zamyatin, and Velikhov. Ten of the 20 Americans are co-sponsors of the Moakley resolution, which proposes to ban testing of weapons in space—precisely the sabotage of President Reagan's new defensive doctrine which the Soviets have demanded repeatedly since last March 23.

Sources involved in the initial planning meetings which concocted the "Debategate" scandal have confessed that short of forcing President Reagan to reconsider his plans to run for a second term, the principal goal of their operation will be to topple a crucial network of intelligence and military officers inside and outside the administration, a network which has functioned in close coordination with Reagan intimate National Security Adviser William Clark. Through this network, Clark has been able to secure reliable intelligence information and estimates, bypassing compromised State Department and FBI-centered sources.

With the summer and fall spiraling into international crisis triggered by the collapse of world debt payments and the Euromissiles, Moscow and its Swiss allies would win a major advantage by blinding the President and his national security adviser by destruction of this network.

In short, Andropov, his Swiss collaborators, and their confederates in the nation's capital intend to either 1) force the collapse of the President's new strategic doctrine and the

President's facility for independent action through a foreign-policy humiliation, making Reagan a "lame duck" before his expected Labor Day re-election campaign announcement; or 2) compel presidential reliance on the Shultz-Kissinger controlled State Department and the Swiss-linked FBI headed by Carter appointee William Webster, after the trusted "watch-dog" group is neutralized.

The principal political instrument through which the KGB has mounted this assault is the network of Democratic National Committee (DNC) chairman Charles Manatt, the FBI, and intimates of defeated President Jimmy Carter.

The June 10 conspiracy

From the inception of the Carter administration, the KGB and certain Swiss agents mounted a multi-faceted four-year effort to penetrate and control the Carter trust, using money, deception, and finally the Iran hostage crisis. It is this secret relationship between the Carter trust, the KGB, and the Swiss which lies behind the 1980 scandal known as "Billygate."

On June 10, five days after Yuri Andropov's audience with Averell Harriman and his wife Pamela in Moscow, a secret meeting took place in the offices of Robert Strauss, former DNC chairman and Carter administration Special Trade Representative. Democratic Party sources have confirmed that the Harrimans, especially Pamela, are on intimate terms with Strauss and reportedly are in almost daily telephone contact with him. In addition to Strauss, those present at the meeting included key insiders from the Carter administration: press secretary Jody Powell, public relations man Gerald Rafshoon, pollster Pat Caddell, domestic adviser Stuart Eizenstat, and his chief assistant David Rubenstein.

According to these sources, the June 10 Strauss conclave marked the initiation of the scandal now known as "Debategate." These sources also report that the participants at the meeting agreed to a detailed plan of actions aimed at paralyzing the White House through a string of further corruption scandals.

Forty-eight hours after the Strauss office meeting of the Carter trust, Jody Powell wrote an op-ed in the June 12 *Washington Post*. There Powell first raised publicly the question of Reagan campaign violations of the Ethics in Government Act and other criminal codes, for the alleged use of the Carter briefing book prepared in preparation for the 1980 campaign debate.

Possession of the Carter briefing book by the Reagan campaign committee was conveniently placed on the public record by now-Office of Management and Budget Director David Stockman in a speech to a Michigan Optimists Club just before the Carter-Reagan debate. Stockman has conveniently repeated the story to *Time* magazine reporter Lawrence Barrett, who later printed it in his book *Gambling With History*. Stockman, who almost lost his White House job in 1981 following mammoth indiscretions published in the *Atlantic Monthly*, was godfathered to safety at that time by his mentor, White House Chief of Staff James Baker III.

It was Baker who, coming to the Reagan campaign from his position as director of the George Bush for President campaign, oversaw the debate preparation process, and it was later Baker who consistently sided against the national security recommendations of Clark and Defense Secretary Caspar Weinberger, allying with the Kissinger-Shultz faction in the administration.

Then came the June 10 conspiracy. At the time of the Powell op-ed, Manatt, joined by Powell and former Carter Chief of Staff Hamilton Jordan, went to the Department of Justice to demand that the FBI initiate a full-scale investigation of the President and of CIA Director William Casey. FBI Director Webster, a member of the secretive Masonic Bohemian Grove Mandalay Lodge—along with Shultz, Kissinger and Manatt—immediately complied. It is noteworthy that a report of the investigation surfaced in a Soviet television broadcast one day prior to the FBI's formal announcement of the fact.

The 'old boys' network

Within a month after Reagan's March 23 pronouncement, Webster went to National Security Adviser Clark to demand an investigation of what Webster termed an "old boys" network of military and intelligence officials who he claimed were "sabotaging" the FBI's ability to operate. It was known at the time that precisely this apparatus had played a leading role in convincing the President to adopt the new strategic doctrine. Clark refused to comply with Webster's demand.

The Bureau proceeded to use its press connections to weaken this apparatus. Less than a week after the initial FBI demand to Clark, the *Washington Post* in a full-page article exposed the existence of an intelligence unit known as the Intelligence Support Activities group (ISA). The author of the article was Jay Peterzell of the Center for National Security Studies, an offshoot of the Warburg-founded radical leftist Institute for Policy Studies. According to Peterzell, the ISA was an "old boys" unit set up during Carter's term without the knowledge of then-CIA Director Stansfield Turner, to run support operations for U.S. intelligence in Iran. Peterzell said the ISA unit continued to function under Reagan.

This FBI-targeted apparatus has become the immediate focus of the Debategate investigation, as discussions made available to this reporter with persons close to Powell and Caddell, have confirmed.

Asked where this operation is headed, one Democratic Party source stated, "Well—people who are aware say that there is a lot more coming, and it relates to the Casey 1980 pre-election intelligence operation." Another source commented, "Their [the Reagan campaign] paranoia about the 'October Surprise' led to the creation of an intelligence unit which then went beyond that and sucked in everything. There is definitely meat in this part of the thing."

The "meat" became public in a July 7 *New York Times* article by former Carter State Department official Leslie Gelb

in which Reagan administration officials are targeted for having put together an intelligence-gathering network during the 1980 campaign under the direction of current CIA Director William Casey. Gelb targets one Stefan Halper, the son-in-law of former CIA Deputy Director Ray Cline. According to the article, Halper, who worked directly under Adm. Bob Garrick, ran this operation for the campaign. Garrick, in published interviews, has openly acknowledged running such a network, utilizing friends and acquaintances in the military and intelligence communities.

Sources present at the June 10 Carter trust meeting report that public attack will soon be aimed at individuals in the national security apparatus, some of whom have maintained their positions since the Carter administration and supposedly leaked damaging information about Carter activities to the Casey group during the campaign. A related scandal—the attempt in a book by former *Washington Post* reporter Betty Metzger to smear William Clark with charges of unsavory activities when he served as a Reagan appointee on the California Supreme Court—coincides with the Debategate attacks.

In a July 11 column, *New York Post* Washington correspondent Niles Latham asserted that Jimmy Carter has been playing a direct role in the entire affair. Latham quotes an unnamed former Carter White House aide stating that “Carter is getting full briefings from his troops in Washington and is actively encouraging them to pursue the Debategate issue.”

The Carter trust got a major boost in early July from KGB asset Jim Baker, who publicly fingered CIA chief Casey as his source for the allegedly purloined briefing book. An incensed Casey went to the pages of the *New York Times* to exonerate himself, while leaving no doubt about his feelings toward Baker. Casey accurately pointed out that anyone with any experience in political campaigns would have immediately identified the Reagan committee’s possession of Carter materials as a “set-up.” It is also well known that Baker has long desired Casey’s position at CIA, and this intramural squabbling exacerbated what Washington intelligence sources describe as a situation in which the White House is bogged down and paralyzed. Then, on July 7, a foolish President—reportedly backed by Casey—went to his top staff and urged them to tell everything to the FBI under the coordination of White House Counselor Edwin Meese.

“Billygate” in the background

Intelligence sources also report that the President has decided against using his best offensive weapon—the Billygate scandal.

The “Billygate affair,” as it became publicly identified, involved an investigation by the Justice Department’s Office of Professional Responsibility of possible violations of law by U.S. government officials during a 1979 Justice investigation of Billy Carter’s relationship to Soviet asset and terrorist Muammar Qaddafi’s Libya under the Foreign Agents Registration Act. In addition to the executive branch investigation, Senate committees conducted at least six separate investigations into issues connected with the Billygate affair.

The 1979 investigations arose out of a fall 1978 column by investigative journalist Jack Anderson exposing an influence-peddling scheme on behalf of Libya involving the President’s brother Billy. When the Office of Professional Responsibility’s investigation was completed in 1981, it concluded in its final report that no government official had in fact violated any laws during the Billygate probe—thereby clearing, among others, President Carter, Attorney General Benjamin Civiletti, and Carter National Security Adviser Zbigniew Brzezinski.

Under the weight of this coverup are probably hidden the most extreme breaches of American national security in recent memory. The depth of the Carter administration sell-out to a four-year KGB-Swiss penetration operation occurred in mid-1980 when, in a last-ditch effort by the Carter administration to pull the President’s campaign out of the fire, a deal was struck with Iran’s Ayatollah Khomeini to free the U.S. hostages just before the 1980 elections. At the time, this journal exposed the fact that the so-called Billygate scandal, which only superficially involved influence-peddling by the President’s brother on behalf of Libya, was that the Carter administration had struck such a deal with both Libya and Iran. That this was the case was fully known to the Reagan campaign team at the time.

A key aspect of the deal was that the Carter administration agreed to look the other way in order to allow the Iranian secret service, the Savama, to conduct criminal operations against leading anti-Khomeini leaders in the United States. This led to the July 26, 1980, assassination of one such leader, Ali Akbar Tabatabai, the head of the Washington, D.C., based Iran Freedom Foundation. Attempts by this journal and local police organizations to secure FBI surveillance of Washington Savama chief Bahram Nahidian in expectation of an attempt on Tabatabai’s life were ruled out by Webster’s FBI and Civiletti’s Justice Department prior to the assassination, and the assassin somehow managed to escape the country, presumably to Iran.

Indeed, the Carter administration maintained grotesque back channels to Khomeini throughout the course of the hostage crisis. But the sordid details of Carter’s secret negotiations with Iran aimed at securing an “October Surprise” hostage release were but the tail end of a story scripted by KGB head Andropov which began at the very beginning of the Carter administration.

During the Carter transition period, Robert Vesco, a fugitive agent of Swiss-centered Rothschild and Schlumberger interests, contacted two Atlanta intimates of the President-elect, Charles Kirbo and Hamilton Jordan, in an attempt to bribe the Carter administration to withdraw extradition proceedings against him. Vesco would later become instrumental in bribing Strauss understudy and then-DNC chairman John White to help secure licenses for C-130 transport plane shipments to Libya.

Beyond the Swiss-connected Vesco, the Carter administration had another prompt Swiss-connected visitor, Licio Gelli, who attended Carter’s inauguration. Licio Gelli was

then head of the super-secret Propaganda-2 (P-2) Masonic lodge of Italy (which later saw its chief banker Roberto Calvi hanged from London's Blackfriar's Bridge). These early entrees bore fruit in March 1978 when P-2-connected Sicilian lawyer Michele Papa, a reputed leader of the Sicilian separatist movement and founder of the Sicilian-Libyan Friendship Society, contacted Atlanta mafia figure Mario Lianza for the purpose of setting up contact with the President's brother Billy. Papa was operating on behalf of joint Swiss-KGB asset Muammar Qaddafi.

Billy goes to Libya, and vice versa

In September 1978, Billy Carter was invited to Libya by Ahmed Shehata, the director of Libya's Foreign Liaison Office. Later, in January 1979, Billy invited Shehata and a host of other Libyan officials to tour Georgia. Beyond what later became public in terms of large-scale loans given to the Carter trust by Libya, the secret financial bonanzas for the Carter family lie in the detour that the Libyan delegation took during January 1979 to Jacksonville, Florida. There, the Libyans met with Raymond Mason, the chief operating officer of Charter Oil Company. Mason had already been in contact with the Carters and Vesco on a major deal, which would drastically increase the influence of the Libyan government and those behind the Libyan government in the Carter administration.

During the course of 1979, the deal was struck. With the compliance of the Libyan government and the National Iranian Oil Company, Charter Oil won rights to the giant Bahama refinery previously owned by Carey Oil and Socal. In effect, the deal was underwritten by the Libyan and Iranian governments in conjunction with the First National Bank of Florida, the primary funder of Charter Oil.

Sitting on the board of First National of Florida was none other than Democratic Party funder Armand Hammer (outside of Occidental Petroleum, this is the only board of directors on which Hammer sits). As importantly, Hammer, whose family has been a wholly-owned subsidiary of Soviet foreign intelligence operations from the inception of the Soviet Union in 1917, gets most of his Occidental Petroleum oil from Libya. The Carters' Qaddafi connection was signed, sealed and delivered by Hammer and those behind the Libyan regime—the Swiss and the KGB.

Carter's National Security Adviser Zbigniew Brzezinski was enticed by the illusory promise of destabilizations and uprisings in Muslim sections of the Soviet Union to play the "Islamic card." Ironically, the Islamic card was dealt to Brzezinski by none other than Gaidar Aliyev, Andropov's deputy in charge of Islamic operations. With the Libya connections made, Brzezinski was encouraged to pursue the even-more-destabilizing Khomeini connection.

Thus, in November 1979, Billy Carter was called to a special briefing by Brzezinski on Libya and Iran. It was clear that Carter and his friends were prepared to play the hostage deal game, and that was Billy's mission. Then, in June 1980, President Carter met privately for several hours with Libyan

Chargé d'Affaires Ali Houdari in order to secure the full help of the Libyan government. (The coverup of Billy's illegal activities as an agent of Libya implicated, among others, Attorney General Civiletti and FBI Director Webster.)

All those present at the June 10 meeting planning the orchestration of "Debategate" were intimate parties to the "Billygate" process of compromising U.S. national security to the KGB and the Swiss!

Charles Manatt's role

It is very significant that Charles Manatt's profile shows him to be also compromised by the KGB. He represents the wing of the Democratic Party that opened the doors to the "New Left," placing the California state party in the hands of Jerry Brown, Jane Fonda, and Tom Hayden. Manatt and his leftist minions rose to power in the California branch of the party, and then nationally, in large part through the generous subsidies of Armand Hammer, who, as already noted, is the top liaison for back-channel relations, as well as trade and cultural relations, between the Soviet Union and the West, and is the financial godfather of Soviet stooge Qaddafi. Hammer has had a "warm, personal relationship" to every Soviet leader since Lenin and Hammer's father set up the Communist Party U.S.A. But perhaps even more revealing is a close look at Manatt's business partners in his California law firm.

One is former Senator John Tunney. During the 1980 Olympics in Moscow, Tunney, who had set up a firm called Image Factory Sports, Inc., launched a joint venture with KGB official Dzhermen Gvishiani to market Olympic coins and other nostalgia merchandise internationally. Gvishiani is the son of a KGB general, the son-in-law of the late Soviet Premier Kosygin, and Soviet representative on the board of the anti-growth Club of Rome. With McGeorge Bundy, Gvishiani co-created the Vienna-based International Institute for Applied Systems Analysis. Last year, after the British press exposed the fact that the KGB was using this institution to tap into Western computer banks, the British government withdrew its financial contributions. The U.S. government has likewise cut off funding from this KGB front. When he started his joint enterprise with Tunney, Gvishiani was (and still is) the deputy chief of the Soviet State Committee on Science and Technology, the organization run by the KGB for the purpose of collecting technological information from the West. Gvishiani is also a close friend of Armand Hammer.

In short, Manatt's law firm was trafficking with a top Soviet spymaster.

The middleman for the deal between Tunney and Gvishiani was one David Karr (an intimate of both California Sen. Alan Cranston and the Kennedy family). Accused by the Israeli intelligence services of being a gun-smuggler to Idi Amin, Qaddafi, and the PLO, Karr served in the 1940s in the Office of War Information, despite the fact that he began his career as a writer for the Communist Party U.S.A.'s *Daily Worker*. This recognized KGB asset ended his career when he died from what his wife called "unnatural causes" just after returning to Paris from Moscow.

An encounter with evil, or: why the Jesuits are responsible for the murder of your grandmother

by Nancy Spannaus

If someone out to “save money” in a hospital pulls the plug on your grandmother or infant child, there is only one place to put the blame. Blame the Jesuits.

It has long been known to me that the Jesuit order has been the driving force behind the so-called right-to-die movement, from Karen Ann Quinlan to refusing treatment for Baby Doe. The very heart of the movement is at Jesuit-run Georgetown University, where the pseudo-discipline of bioethics was created as a justification for murder. And the two leading propagandists for putting people “out of their misery” in the United States are Jesuits John Paris and Richard McCormick, the latter an editor of the Jesuit *America* magazine.

But when I met with Father McCormick on June 17, I was not quite prepared for the experience. For Father McCormick is not just a propagandist for the Nazi evils of eliminating “useless eaters”; as an individual he epitomizes the Jesuit Aristotelian method of pure evil and corruption. As you listen to Father McCormick, you hear the justifications for genocide that have corrupted millions of Americans to the point where they will kill rather than take responsibility for economic and social policy.

Father McCormick, S.J., works at the Kennedy Institute for Bioethics at Georgetown University in Washington, D.C. He is also a member of the Concilium movement, an international grouping of schismatic Catholics who met recently in Tübingen, West Germany to plan a “new Reformation,” and to organize a campaign against the resurgence of a strong nation-state in the United States around President Reagan’s beam weapon policy.

Father McCormick’s habitat itself is notable. Located on the fringe of the Georgetown University campus, it is a fortress-type building, with a tower in the center. Entrance is easy, but from there you are left to wander through narrow halls without any assistance—the building being largely empty, and maze-like.

Then there was the appearance of the Father himself. When I found him, he was ensconced in a comfortable office behind his desk, but looking as unlike a priest as you could possibly imagine. He was wearing bermuda shorts and purple and white striped socks that went halfway up his calves. He showed them off by putting his feet up on his desk.

The first part of our discussion focused on the Concilium meeting, and its relationship to the world strategic lineup that now sees the rulers of the Soviet Union, expecting to become the final center of world empire (the “Third Rome” of unconsecrated cult prophecy), working hand in glove with the Jesuit order, the nuclear freeze movement, and the Swiss to try to destroy the United States and the President’s beam weapon program. Father McCormick was most unresponsive to such questions. He had not even heard anything about what had happened at the Concilium meeting, he said, and implied he had not been invited.

Equally dead-end were his answers to my questions about the overall threat of strategic confrontation in terms of the Third Rome-Jesuit complicity in the Central America affair, and with the nuclear freeze movement. He had never heard of the Third Rome prophecy, he claimed. He really was not very aware of the President’s beam weapon program and its implications. On Central America, why, he had never been there himself and does not follow it. I would have to ask Father Alfred Henle, who has “expertise” in this area.

I was not to discover until after the interview that the good Father was lying through his teeth on the question of the nuclear freeze and opposition to beam weapons—he has admitted to others being “actively involved” in that Third Rome-KGB project.

The method of this fellow had, however, begun to come clear. He could only speak on particular subjects, or areas, where he had personal experience or expertise. For him, the supposed philosophical ethicist, my approach was simply too broad for comment. Nor was there any interest from him in our ideas. It was sort of like talking to a Great Mother, one who sweetly smiles as though you are really quite out of your mind to be thinking such big thoughts, who nods, and says nothing.

Case by case murder

The Jesuit’s profile broke slightly as I moved into the population question, where I knew this guy had quite some murderous experience, first-hand practical experience.

He first denied that he, or the Institute, or the Jesuits had any overall philosophy on population reduction. “That’s not one of my concerns,” he said. I proceeded to explain how

this was being carried out by the Central America policy, the anti-technology drive, the IMF and the World Bank.

Although I pointed out that the philosophical assumptions of McCormick's field—the Aristotelian game of bioethics—were the same as those of the depopulators, Father McCormick continued to demur. Countries differ, he said. Of course, population is a problem. It varies according to the country. "If I were a population expert, which I'm not, I would say that economic growth is not *just* dependent on population, but on many other factors as well." Of course, there are some countries with major population problems—like Mexico.

Challenged on his premise about "too many people" and with the necessary Christian approach to technology in the service of man's mission on earth, Father McCormick waved the implications of his answer aside. "I am uncomfortable with your black and white arguments," he said. "What you are saying is utterly simplistic."

What did that remark mean? Simply that the good Father was determined not to admit any of the consequences of his beliefs. Ignore them, he insists, like the typical Aristotelian. Every situation must be taken case by case; no general principles of causality can be drawn from world history or even current history. Causality is "utterly simplistic"—because it reveals how morally culpable the Jesuits and their dupes and allies actually are.

No absolutes

I pursued the subject, from the standpoint of the cultural matrix of Malthusianism which has taken over the Soviet Union, and has made major headway here in the United States, as well as the West as a whole.

Father McCormick denied that he is a Malthusian in any sense. Nor does he work with the Club of Rome, which he is familiar with. What is the root of his philosophy, I asked. Here was the first strong positive statement from the Father. "Radical equality," he answered. I believe that human beings are radically equal, he said, and that this should be reflected in equal access to the world's wealth and resources.

This argument is a total fraud, as I pointed out to the Father. If there are not sufficient resources to take care of everyone by this radical equal distribution, is it not the moral responsibility of the individual to fight to expand the resources—especially when we are on the verge of breakthroughs in productivity that will allow us to do this easily?

But Father McCormick does not agree. In the here and now resources are limited, he asserts, and we must deal with that. And as far as the history of increases in population density through scientific revolutions are concerned, that's not universally true. Why, he could think of countries which had survived a long time without such revolutions in technology. Like China.

Father McCormick has been to China. What does he think of it? Well, he agreed that human beings there are subordinate to something else. One almost has to be there to get the idea

of how it is to live in a country with so many people. What does he think of their population policy? Ah, here came a classic Jesuitical dodge which amounts to an endorsement of the Chinese population policy.

"Well, coercion is the *last* thing you want, of course. But I would not say that there are *never* times you would use it. That would have to be in the case of a desperate situation. And some would say that the situation in China is desperate. . . . But of course the last thing you want is coercion."

Once more I tried to get him to admit the fundamental issue—the issue of responsibility for the consequences of one's actions. 'If there were a technology, like DDT, which was to be exported to the Third World, and if you knew that preventing its export would leave millions of people to die by disease, would you not consider the person who made that decision guilty of mass murder?' I asked. Father McCormick replied: 'Death is not an absolute evil.' . . . Death may not be, but Jesuits are.

Could this man be a Christian, guided by any respect for the divine spark within the individual? To him every moral judgment depends on the "circumstances" we find ourselves in, rather than what circumstances we can create. Nothing is a matter of principle to a Jesuit, and therefore, we must constantly adapt to the control of the world by the financial oligarchs on a case by case basis.

Yet he claims he is a Christian, guided by "the healthy and balanced Christian perspective toward life and death," as he put it in a 1981 *America* article. He claims the imprimatur of the Vatican in its statements against "extraordinary measures" to keep people alive. He is pleased by this position, because the Jesuits do not always have the cover of an official Vatican position. It provides his type an opening to "balance" life with death—to push for the mass acceptance and promotion of death.

Father McCormick actually moved into an argument—something he definitely did not want to do—in this area. He insisted that we must deal with the crisis of limited resources. His example of why this is necessary is that we cannot—or as he said once, society *will* not—provide adequate care to everyone. In defense of this outrageous statement, he remarks how desperate certain areas of the country are because they don't even have hospitals. Yet, in the next breath he is saying that we have to reduce our reliance on technology! His prime example is that everyone cannot have an artificial heart. When I countered that with the maximum use of NASA technologies, we could have massive use of the artificial heart cheaply in the immediate period ahead, he refused to argue.

Pressed on the question of why we should accept limited resources, Father McCormick leapt to another oh-so-typical amoral Jesuit argument:

"England does it. When a patient is over 55, and has kidney trouble, he cannot get access to a dialysis machine."

How many times have you heard that before? *Some* people do it. . .

Do you agree with that, I asked.

No direct answer, of course. But what the Father would say is that we have to deal with actually existing limited resources now, and that *technology cannot solve the problems*. Instead he raised the question of the *abusive* use of technology! He in particular referenced a case of someone who was kept alive who did not have a brain.

I refused to discuss case by case. This is a philosophical, moral question, I said. With a Judeo-Christian approach, you move to save sacred human life with the exercise of our divine powers in developing technologies. Any other approach, like that of Father Paris (also S.J.), is just like that of the Nazis, I argued. When Father Paris says that he bases his "moral" judgment that someone has to be denied life-saving technology on the basis of "society's limited resources," he is spewing out nothing different than the Nazi philosophy of the "useless eaters."

Father McCormick, who works very closely with Father Paris, neither objected, nor commented.

No, what Father McCormick was concerned about was the "depersonalization through excessive use of technologies." To me there is no greater depersonalization than death, and I argued to that effect. The Father couldn't disagree more.

Father McCormick unequivocally refused my offer to debate this issue publicly. In particular, I suggested debate with Rabbi David Bleich, a respected orthodox Jewish right-to-life spokesman. Bleich argues that mankind has the obligation to fight for every second of life with whatever technology is available.

McCormick insisted that Bleich's view is "fringe." Of course it is fringe in the bioethics field, I said. The field was set up to justify the killing of useless eaters. But there are many people among the population who object to this "living will" idea and the murder of people by denying them tech-

nology. Father McCormick is sure that most of the population is just as amoral as he. He said that his laws for living wills would not be passing all around the country if people didn't basically agree with him. So why debate?

No absolutes

Once more I tried to get him to admit the fundamental issue—the issue of responsibility for the consequences of one's actions. "If there were a technology, like DDT, which was to be exported to the Third World, and if you knew that preventing its export would leave millions of people to die by disease, would you not consider the person who made that decision guilty of mass murder?" I asked.

Father McCormick: "*Death is not an absolute evil.*"

In other words, there are conditions under which such actions *should* be taken, where he as a Jesuit condones mass murder because "death is not an absolute evil!"

Take careful note, dear reader. We are not dealing here with a Jesuit in El Salvador, joining the guerrillas with his M-16. Perhaps there are indeed only 200 of those running around directly instigating brutal violence in Central America. We are dealing instead with a far more evil phenomenon, a "theologian" who specializes in attacking the principle of life.

The reasons vary—they always do for an Aristotelian—but the method does not. The case by case approach, the denial of a ruling cultural matrix, the denial of the absolute value of *life* are systematically used to undermine the unique identity of the human soul. The goal? Wipe out the notion of causality—man's unique responsibility to learn the principles of the universe and to co-create with God according to those principles.

Death may not be an absolute evil, but Jesuits are.

Who are you speaking for?

There is one final piece of evidence of Father McCormick's style as a consummate Jesuit manipulator. Near the end of the interview he suddenly leaned over the desk and asked: "Why do you always say 'we'? Who do you mean by 'we'? I'm used to dealing with people who think as individuals, and speak for themselves. What kind of organization are you speaking for anyway? Is it one where you all think alike?"

My answer. *We* are an organization based on principled agreement, agreement on the principle of the *Filioque* that calls us to fight for the sanctity of human life and our increase in humanity's godlike powers over nature.

That is our strength, Father McCormick. That is the source of "we," the "we" of humankind and our posterity. It is the very quality of humanity which you spend every waking minute to try to destroy. Unfortunately, you will never succeed without destroying the entire world with you. I suppose you really don't care since "death is not an absolute evil." The only question is whether you will be able to drag the rest of the pragmatic Aristotelian population along with you.

The KGB and the Heritage Foundation

What does the Heritage Foundation have in common with Izvestia and Literaturnaya Gazeta?

An article in the Soviet journal *Literaturnaya Gazeta* of July 6, which fraudulently attempts to show that the *Executive Intelligence Review* agrees with the Soviet KGB in its attacks on President Reagan, has provided the prima facie evidence that the Heritage Foundation, the Western Goals organization led by John Birch Society leader and U.S. Congressman Larry McDonald, and General Daniel Graham, a former director of the Defense Intelligence Agency, are working in tandem with the KGB.

Written by Iona Andronov, the article targets *EIR* and its founder Lyndon H. LaRouche, Jr., by falsely quoting *EIR* counterterrorism expert Paul Goldstein as the source of information that the CIA and President Reagan were behind Ali Mehmet Agca, the terrorist who attempted to assassinate Pope John Paul II.

Not coincidentally, Andronov's article surfaced at the precise time that Agca was confessing to Italian officials that the KGB was directly involved in his 1981 assassination attempt on the Pope.

For counterintelligence analysts, Andronov's bit of black propaganda suggests a reliable litmus test: any official who says that LaRouche is KGB, should be investigated themselves for KGB links.

The Andronov article is part of a KGB campaign to target LaRouche and U.S. scientist Dr. Edward Teller, who are leading the international fight to implement President Reagan's March 23 policy of developing space-based laser anti-ballistic missile de-

fense systems.

Mr. LaRouche's aggressive unmasking of Yuri Andropov's expansionist policies to establish Moscow as the "Third and Final Rome" has made him a special target of the Russian Orthodox Church-controlled KGB. LaRouche has especially disturbed the Kremlin by exposing some of the KGB's valued operations in the West—the FBI's coverup of KGB control of the U.S. and Western European peace movement, and the role of KGB-linked Democratic Party figures in destabilizing the Reagan Administration through "Debategate."

Intelligence sources familiar with KGB black propaganda confirm that the Andronov article was designed precisely to feed to KGB assets and dupes within Western conservative circles. The KGB well knows that conservatives, not "peaceniks," are best used to slow down LaRouche's successful efforts to build international support for the beam policy.

Lest any doubts remain that "conservatives" like General Graham are some of the most valued assets of the Soviet Union, one need only review a series of recent articles on the subject of Edward Teller and the space-based ABM systems:

● On July 3, the Soviet daily, *Izvestia*, printed an article called "The Bad Mister Teller," which, in the form of a fictitious dialogue between Teller and "American youth," attacks the "bad and horrific Mr. Teller . . . father of the hydrogen bomb" for "militarizing space" with laser beams and anti-ballistic missile systems. The article

says Teller is a "man-eater and wants to bury us all under a heap of radioactive ash" with his "Star Wars game."

● On July 6, the East German military daily, *Volksarmee* (People's Army), printed a piece called "The Old Lion Roars for Space War." Teller, the article warns, is a "close friend" of President Reagan, and "belongs to the military industrial complex that designed the space warfare project. . . . This is sheer madness, going under the cover of scientific method: it shows what certain scientists are driven to."

● On July 10, the *Los Angeles Times* printed a 12-page special section attacking Teller, the "military industrial complex," and the beam weapons strategy. Under the headline, "Teller's Obsession Became Reality in Star Wars Plan," author Robert Scheer, a veteran of the Soviet-linked Institute for Policy Studies magazine, *Ramparts*, quotes Daniel Graham saying that Teller is "a man who walks around the country carrying a load on his shoulders, the father of the H-bomb . . . he wants the Western world to be safe with his technology . . . but the rest of [us] did not buy it."

With his attack on Teller, Graham proves he is part of a Soviet-backed campaign to stop the U.S.A. from developing beam weapons. Whether Graham understands his role must be a subject of investigation.

Evidence provided to the *EIR* shows that other military officials and adjuncts are knowingly spreading lies that "LaRouche is KGB." One subject under investigation is U.S. embassy military attaché Colonel Russell in Ottawa, Canada, who urged NATO representatives to stay away from an *EIR* seminar on the beam weapons question because the "information might go to the East."

National News

Project Democracy teams up with Eastern rite

A two-day Washington, D.C., conference entitled Religious Freedom East and West, which ended July 11, was sponsored by the Institute on Religion and Democracy of Michael Novak, assistant to U.N. Ambassador Jeane Kirkpatrick; the AFL-CIO's Penn Kemble; and the National Association of Evangelicals.

The conference included activists from Secretary of State George Shultz's Project Democracy, representatives of the Lutheran Church, and members of the Temple Mount Foundation project for religious warfare in Jerusalem.

A Swiss grouping included a half-dozen representatives of Nestlé, and Hans Stuckelberger, president of Christian Solidarity International, based in Zürich.

Project Democracy—a plan for foreign-policy “dirty tricks” outside the control of the White House—was represented by social democrats Novak, Kemble, and Tom Kahn, AFL-CIO president Lane Kirkland's chief aide, and by several representatives of the American Enterprise Institute—which had been commissioned to co-sponsor the State Department's second Project Democracy conference. Deputy Assistant Secretary of State Charles Fairbanks and Rep. Dante B. Fascell (D-Fla.), one of the leading congressional sponsors of the project, were also in attendance.

A featured speaker was Bishop Basil of the San Francisco Diocese of the Russian Orthodox Church, the grandson of the last pre-Bolshevik patriarch of the Russian church.

The bishop was a BBC commentator on Russia for 25 years before joining the Orthodox priesthood; recently he took monastic vows, while continuing his commentaries for the Voice of America and the BBC.

Basil began by intoning, “Perhaps you have guessed from my appearance, I belong to quite an exotic world.” Invoking a “cross of suffering,” he justified Russian Orthodox Church collaboration with the KGB by stating that religious freedom has two apparently conflicting elements: the action of the opponents of the Marxist state, and the activity

of “those who try to keep the Church together.” These actions to preserve the church should never be criticized from outside Russia, he declared.

St. Anselm's Abbey hosts KGB conference

One Soviet delegate jumped up bellowing, “I don't like being called a KGB agent.” An American delegate, trying to be a wag, said, “Everyone who's a KGB agent, raise your hand.” Twenty hands went up.

The scene was July 11's public session of the Forum for U.S./Soviet Dialogue at St. Anselm's Benedictine Abbey in Manchester, New Hampshire, the latest of some 30 conferences being held throughout the United States to build the KGB's nuclear freeze/anti-beam-weapons campaign.

The 40 Soviet and 40 American delegates, isolated for a week in Benedictine cells, are experiencing “people to people” communication.

Published topics of the conference were arms control and disarmament, trade and economics, education, the media, and religious and cultural life.

Heavily represented in the Soviet delegation is the Komsomol, or Soviet “youth” organization, since the object of the forum is to concentrate on under-35 “movers and shakers” who will be the policymakers in the next 20 years.

After a week in New Hampshire, the Soviets will go to Harvard to speak at the JFK School of Government Affairs; then, in Washington, D.C., they will meet with the Federal Reserve, the Supreme Court chief justice, congressmen, the American Enterprise Institute, and the Brookings Institution. The Communications Workers of America will hold a banquet for them.

A representative of the Federal Reserve System, Warren Trepeta, was a delegate to the St. Anselm's conference. The personal assistant to Fed Board of Governors member Henry Wallich, the number-two man at the Fed, is worried that his connections will be published.

At the outset of the public session, two National Democratic Policy Committee members dominated the gathering of the 80

delegates and about 45 residents of Manchester. For 15 minutes, the two explained the unstated purpose of the conference. Forum organizers tried to stop the two by meekly asking, “May we speak now?” One of the NDPC members replied, “No,” and continued to explain to the audience the purpose of the week-long private session.

When the NDPC members were finally forced to leave, the Forum leaders shut down the public session, kicking out all the visiting townspeople, to give the delegates time to recover.

Chicago archdiocese promotes witches' cults

An ongoing investigation of Joseph Cardinal Bernardin, the controversial Chicago figure who steered approval of the nuclear freeze letter through the National Conference of Catholic Bishops this year, has uncovered a nest of pagan cultists in theological seminaries in San Francisco and Chicago.

Prominent in this cult-creating activity is Father Matthew Fox, a Dominican priest from Chicago now teaching at the Holy Name College in Oakland, California. Fox specializes in studies of the “Matriarchal” or “Right Brain” nature religions at Catholic institutions and has hired a self-proclaimed witch as a lecturer on “Feminine and Creation Theology.”

This witch, “Starhawk” (Miriam Simos), is a national leader of the neo-pagan Wicca cult movement, which first came to *EIR*'s attention through the infamous 1979-81 Atlanta murders of young boys.

Simos currently recruits women into “covens” from which they deploy into the so-called peace movement, including groups organizing to shut U.S. national science laboratories.

Father Fox denies any connection with nuclear freeze leader Cardinal Bernardin, but Fox muses, “It's very interesting that around the issue of nuclear war, a witch and a cardinal can come together.” Some groups in Wicca are known to include members of the Muammar Qaddafi-funded American Indian Movement (AIM) and the Native American Treaty Council. Under guidance from the Jesuit order and others, these In-

dian groups are playing up their "native earth-centered religions."

One of Wicca's San Francisco leaders, Marion Zimmer Bradley, is the author of a novel currently on the *New York Times* best-seller list, *Mists of Avalon*. The book popularizes pagans who infiltrate Christianity and agree to worship Isis in the name of Mary.

Right-to-death bill alive in California

The California "Accelerated Inheritance" right-to-death bill, which grants friends or relatives de facto "power of attorney" over a person who has signed a living will and the right to terminate life support systems for their legal victims, has been sent out of the Assembly Judiciary Committee to the legislature.

Supporters of S.B. 762 include Assemblyman Alister McAlister, a "pro-life" Mormon, and the Jewish Life Issue, a "pro-life" Jewish group. The California Pro-Life Council, arm of the National Right to Life organization, has withdrawn its opposition to the bill.

Club of Life spokesman Evelyn Lantz told the committee before the vote, "This bill now has more than 50 amendments. All of them are trying to prove that this bill will not be used by greedy relatives to kill their grandmothers to get their inheritance early, or by insurance companies or hospitals to save money by killing patients. This simply makes its purpose obvious."

None of the committee members attempted to refute her testimony.

High Frontier director counters Danny Graham

The administration's moves to carry out the President's March 23 antiballistic missile defense policy, and French support for the policy, have helped to split the "High Frontier" group, isolating its founder Gen. Daniel Graham as a saboteur of the White House's commitment.

Graham contends that space-based de-

fense requires no directed energy-beam technologies; "aspirins and marshmallows" would be better than such weaponry, he recently sputtered.

An article by retired Air Force Gen. Bob Richardson, director of implementation of High Frontier, lays out a series of reforms of Department of Defense procedures to accelerate "a layered ICBM-defense concept, a laser/particle-beam deployment."

Richardson, one of the most experienced military-technical experts in High Frontier, focuses in his article on how to implement Reagan's program as rapidly as possible. The article nowhere mentions the "space-trucks and shot cans" scheme with which General Graham has caused High Frontier to be widely identified.

One source reports that in "classified" background discussions with the President's military and industrial supporters, Graham has been insisting that the Soviet Union's major program for ABM development is space deployment of "shot-cans," and that this is why the United States must concentrate on orbiting similar contraptions.

NRC commissioner tries to stop U.S.-India deal

Victor Gilinsky, the most anti-nuclear member of the Nuclear Regulatory Commission, has exposed himself as the source of a campaign by Reps. Richard Ottinger (D-N.Y.), Edward Markey (D-Mass.), and the *Washington Post* to halt the U.S.-India agreement for spare parts for the Tarapur nuclear plant. The Tarapur agreement has become the lever for improved relations between the U.S. and India being sought by President Reagan and Indira Gandhi.

In a July 6 *Wall Street Journal* article, "Why Keep Helping India Make the Bomb?", Gilinsky called the U.S.-India agreement "another American appeasement of India's appetite for nuclear-explosive plutonium." The man former Energy Secretary James Schlesinger designated to organize the NRC in 1975 repeated the falsehood which appeared in the *Washington Post* June 23—that the State Department has "gotten cold feet" and will not go through with the deal.

● **CYRUS HASHEMI'S \$100 million libel suit** against Campaigner Publications, *EIR*, and other La-Rouche-affiliated organizations has been dismissed by a federal court after Hashemi failed to comply with discovery orders. Hashemi sued Campaigner and other defendants in September 1980 after *EIR* had exposed Hashemi's role in financing the Ayatollah Khomeini's terrorism. While other defendants, including the *Washington Post* and *Boston Globe*, settled under reported pressure from the Justice Department, *EIR* pursued pre-trial discovery revealing Carter administration complicity in protection of Iranian assassins.

● **DEFENSE ELECTRONICS**, in its May issue, reported that "laser weapons capable of destroying Soviet satellites" are being installed at the Navy's China Lake facility in California and the White Sands Missile Range in New Mexico, where the Department of Defense recently opened its High Energy Laser Systems Test Facility.

● **PAUL FRALEIGH**, a National Caucus of Labor Committees member, was arrested on charges of "criminal trespass" on a public beach in York Beach, Maine on July 13, while distributing a leaflet exposing KGB involvement in efforts to undercut President Reagan's defensive beam weapon program. Soviet and American delegates of the U.S./Soviet Dialogue Forum were holding a clambake on the beach nearby. Fraleigh's arrest, suspected to have been ordered by the Forum organizers or their higher-ups, has already begun to backfire. After being released on bail, Fraleigh has been interviewed by several media in northern New Hampshire and Maine—home state of Samantha Smith, the schoolgirl now a guest of Yuri Andropov.

Swiss brinksmanship, Russian war-games

As the Banking Committee of the U.S. Senate rushes to reconfirm Paul Adolph Volcker as chairman of the Federal Reserve System, Brazil is being clobbered into submission to International Monetary Fund dictates, by a coalition headed by Fritz Leutwiler, the chairman of the central bankers' central bank, the Basel-based Bank for International Settlements.

In this world gone mad, it comes as no surprise to learn that the reappointment of a man whose high interest rate regime is committed to the killing of about 2 billion people world-wide—by eliminating the production of useful goods and services, such as food, on which human existence depends, and thereby causing the worst depression of recent centuries—is a necessary contribution to the maintenance of stability and confidence. And that the elimination of Brazil as a viable national economy through the destruction of its internal industrial base, and consequent labor unrest is an essential component of the solution to the Third World debt crisis.

Who benefits from the continuation of such criminal lunacy? Are we so blinded by the ideological fetishes impelling us, like lemmings, toward the edge of the cliff, that we are no longer capable of checking our disastrous forward motion?

Volcker now insists that the single largest obstacle to what he calls "stability" is the budget deficit of the U.S. government. Ignoring the cost and contribution of his policies to the swelling of the deficit, in terms of financing the debt, reducing the tax base available to support the debt, and increasing social service charges to government by swelling unemployment and welfare rolls, Volcker now wants to cut the federal budget by upwards of \$50 billion dollars. There is only one area of the budget where cuts of the size Volcker demanded could be made: in the defense budget. Given the fact that such approaches will make the problem worse, not better, whose interest is served by policies of disarmament dictated from within the Federal Reserve, and its international supporting agencies such as the BIS and the International Monetary Fund?

Apart from the genocidal crushing of the sovereign nation state—an objective of Volcker that is shared by Leutwil-

er in his capacity BIS chairman—Volcker and his lackeys are steadily forcing the refinancing of the bankrupt world monetary system, and associated instruments of debt, onto the back of the U.S. economy. To promote that, he also argues that the U.S. budget, i.e., defense spending, be cut. Could the Soviet Union have a better pair of allies within the Western world than Paul Volcker and Fritz Leutwiler in their deeds and in the consequences of those deeds?

Soviet policy, as developed in the recently concluded plenum of that country's Central Committee and announced by party chairman Yuri Andropov, is premised on the assumption that the Western world is heading into an irreversible economic crisis which will provide the opportunity for the Soviets to expand their world power. To that end the Soviets have committed themselves to opposing any tendency within the West that could reverse the slide into crisis, including President Reagan's new space-based, high-energy physics dependent, missile defense policy.

Leutwiler and Volcker now propose that the remainder of the industrial and technological base available to support the development of the weapon systems that could eliminate the threat of nuclear war and reverse this depression, be itself dismantled. And the ideologues in the Treasury Department, and on Wall Street, go right along with them. This way, we could rightly expect Russian to be the preferred language of the Federal Reserve Board before Paul Volcker comes before the Senate for another four year term.

But it's still worse. By attempting to eliminate the internal basis for economic recovery, by setting the United States on to the path of aggravated confrontation with Ibero-America over a bankrupt monetary system which serves nobody's real interests, and thereby attempting to eliminate nation state solutions to the crisis involving both the United States and Ibero-America, Volcker and Leutwiler are in fact accelerating the tendency to an early showdown with the Soviets. They are helping to push us into a thermonuclear war. Are we to be their fellow-travellers down that road? Perhaps we still have time to learn that the institutions of the sovereign nation state and the institutions that rule over the bankrupt shards of the old world monetary system are incompatible, if we want to avoid a nuclear war.

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