

EIR

Executive Intelligence Review

March 20, 1984 • Vol. 11, No. 11

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LaRouche: 'Kissinger intends to invade Mexico'
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Green Party platform: witchcraft and terrorism

**Will Hart be the Democratic
frontrunner by April?**



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EIR

From the Managing Editor

This week's Special Report shows that the policies assigned to Gary Hart and his fellow "Atari Democrats"—slashing U.S. strategic military capabilities, turning the economy into a post-industrial desert, and promoting mind-killing Aquarian cultism—add up to Henry Kissinger's recommendation for reducing the United States to a quarter of its post-World War II power.

As the Eastern Establishment faction conveniently known for short as Kissinger moves in for the final capture of a President elected to keep them out of Washington, the United States is confronted with the prospect of a Kissinger candidate on each side of the party line.

That brings us to the Democratic presidential effort of *EIR* founder Lyndon LaRouche, which, as our Special Report indicates, is countering the proposed Hart-Mondale Democratic ticket and the delinquencies of the White House in tolerating the Kissinger invasion by building a mass movement, a "pitchfork brigade," as campaign workers put it, to end the political career of the man who has become the epitome of the sell-out of the nation.

LaRouche's media advertisements ask voters to vote for LaRouche as the presidential candidate Henry Kissinger hates the most. Polls show that Kissinger is the most hated public figure of the United States. Among professional strata, 50% would vote against a candidate who supported Kissinger, with the rest divided about equally between those who profess to be Kissinger supporters or are indifferent. Ninety percent of blue-collar workers polled consider getting Kissinger out of government a major issue. One hundred percent of black voters polled consider getting Kissinger out of government a major issue.

So far, LaRouche is the only presidential candidate of the 1984 campaign to take on the Kissinger issue directly.

In our International and National leads, you will find intelligence on Kissinger's latest initiatives to destroy the best U.S. allies in Ibero-America, a continent he once said was "incapable of making history."

LaRouche has issued a document on the question of whether Kissinger is an agent of Soviet influence, whose conclusion is "Yes, and more." Next week, we plan a Special Report on the Kissinger threat to the military competence and political existence of the NATO alliance.

Susan Johnson

Executive Intelligence Review (ISSN 0273-6314) is published weekly (50 issues) except for the second week of July and first week of January by New Solidarity International Press Service 304 W. 58th Street, New York, N.Y. 10019 (212) 247-8820.

In Europe: Executive Intelligence Review Nachrichtenagentur GmbH, Postfach 2308, Dotzheimerstrasse 164, 62 Wiesbaden, Tel: (06121) 44-90-31. Executive Directors: Anno Hellenbroich, Michael Liebig

In Mexico: EIR, Francisco Días Covarrubias 54 A-3 Colonia San Rafael, Mexico DF. Tel: 592-0424.

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

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U.S. economy to go down with the dollar

by David Goldman

America's supposed economic recovery during 1983 was based on a \$134-billion subsidy extracted mainly from developing nations in the form of hard goods imports fed into the U.S. economy. The United States purchased raw materials, semi-manufactured goods, and capital goods from the rest of the world at bargain-basement prices, and paid for them with flight capital extracted from the developing world and Western Europe. Overvaluation of the dollar with respect to Third World and European currencies has allowed the situation to persist—but it won't last much longer.

This conclusion is exhaustively documented in *EIR's* newly prepared Quarterly Economic Report on the United States economy, previewed here.

The implications of this analysis for America's economic and strategic situation are grim. As the value of the dollar collapses, the elimination of this subsidy will collapse domestic production levels and force prices up across the board. There will no longer be any room for doubt—the U.S. economy will be in full-scale depression.

In fact, the U.S. economy has been in continuous depression since Federal Reserve chairman Paul Volcker sent interest rates into the double digits in 1979. The rate of decline merely slowed during 1983 due to a colonial looting operation reminiscent of the British Empire. Britain managed to sustain a trade deficit for half a century on the proceeds of the Far East opium traffic, but at least Great Britain produced its own capital goods. For the first time in this century, the United States imported more machinery than it exported during 1983.

Dollar continues to fall

The dollar, in fact, has already dropped by 10% against the West German mark since January, from DM 2.85 to 2.55 at the end of the first week in March, and by slightly less against other currencies. The dollar crisis has already hit Wall Street hard and produced a sharp rise in long-term interest rates. As it continues, it will create economic conditions worse than those of 1982, supposedly the depth of the "recession."

With an op-ed entitled "When the Dollar Loses its Shine," the London *Financial Times* of March 5 pointed out what insiders in the City of London told *EIR* a month ago: The dollar is being "talked down" for political reasons by the City and others who want to pull the rug from Ronald Reagan's reelection campaign. A huge crack in the U.S. economy would make even worse mincemeat of Reagan's promotional strategy.

Such a financial-economic crisis could "hand the presidency to a Democratic candidate," the *Financial Times* proclaims. One of Europe's leading financial "insiders," reached in Hamburg, West Germany, commented tersely "I see Gary Hart coming up because Wall Street and the dollar are going to collapse, inevitably. Reagan will find himself in the position of Herbert Hoover. Then Hart will go for an 'FDR effect.'"

"The dollar has been ambushed," the *Financial Times* states bluntly. "The real fear is that, instead of a gradual 'soft landing,' the dollar could all too easily suffer a rout, with possibly disastrous consequences for interest rates, inflation

and growth in the U.S., which could spill over the rest of the world as happened after the dollar's 21% fall against the D-Mark in 1978-79."

The *Neue Zürcher Zeitung*, speaking for the Swiss financial elite, is also projecting a further dollar decline. "In Zürich foreign-exchange-market circles, a retreat of the dollar to two Swiss francs is far from excluded," compared with the current dollar level of 2.14 francs, they wrote March 8.

"A fundamentally new evaluation of the entire circumstances of the American currency . . . now appears to persuade investors to conduct a portfolio shift into yen, deutschemarks, Swiss francs, and partly gold as well," the Swiss continue. Under the subhead "Possibility of a Chain Reaction," they note that unless the Federal Reserve tightens credit furiously, "a trend turn of the dollar could lead to a chain reaction and a rapid collapse."

The London *Financial Times* also points out what *EIR* readers knew weeks ago—that at this point, rising U.S. rates will simply signal investors that the United States is desperate for foreign capital and will frighten them out of the dollar. "Perhaps the single most unsettling development of the past few weeks has been that the dollar has fallen as U.S. interest rates have *risen* and fears about the deficit have *grown*. . . . The Fed and the markets will reach a moment of truth. If the Fed fails to tighten the monetary screws sufficiently, it will lose its credibility as the sole bulwark of the U.S. economy against inflation and the fall in the dollar could turn into a collapse."

6% of economy subsidized

Already, the modest pull-out of funds from the dollar has hit the stock market. If a dollar rout occurs, the very basis of the current U.S. economic structure will be pulled out: a massive foreign trade subsidy.

The trade subsidy to the United States rose from about 3% to about 5.5% of total industrial output of the U.S. economy between 1982 and 1983, or a margin of increase of 2.5%. The total amount of the subsidy was \$65 billion in 1982 and \$114 billion in 1983. Net imports were adjusted for the improvement in U.S. terms of trade since 1981, that is, converted into the equivalent price of goods produced in the United States.

The January 1984 trade deficit was \$9.2 billion, much larger than 1983's average monthly deficit. Considering only non-agricultural goods, that represents an annual deficit of \$157 billion—that is, the excess of goods imported into the United States over goods exported. Adjusted for the bargain-basement price of imports, this 1984 deficit will come to the equivalent of \$235 billion of U.S. goods, or about 11% of all industrial goods consumed in the American economy!

Third World pays most

Of the \$114 billion net subsidy for 1983, the following geographic areas contributed the most:

'Possible chain reaction'

From the Neue Zürcher Zeitung of March 8, under the title "Continuing Exchange-Rate Correction of the Dollar":

The dollar lost additional ground on the foreign exchange markets Tuesday. In monetary circles there is talk of a correction of the previous over-shooting and a turnabout which had been expected. . . .

In the judgment of private and official monetary circles, this correction is far from over. While American market observers, for example, speak of a dollar rate against the yen of 200 (against 223.15 on March 6) as entirely possible, Zürich foreign exchange market circles will not even exclude a retreat of the dollar to 2 Swiss francs.

The opinion underlying this judgment is that the present correction of the dollar is not a trader's bear market, but a fundamentally new evaluation of the entire circumstances of the American currency. . . . The dollar rose against the Swiss franc from the beginning of January 1983 from 1.85 to 2.85 despite the halving of American interest rates . . . in the context of the return of the U.S. to economic stability and a return to the United States to a decisive world political role.

Against these positive factors, the negative influences . . . are the marked increase of the American trade and current account deficits. These fundamental factors, paired with the grave American budget situation, now appear to have won the upper hand. . . .

There was always a certain worry that a trend turn of the dollar could lead to a chain reaction and a rapid collapse. . . .

Above all, it is not excluded that the dollar could continue to fall despite the rising interest rates. . . . A notable loss in the dollar exchange rate in the context of an outflow of foreign capital urgently needed for the financing of the current account deficit could exercise pressure on American interest rates. . . . Martin Feldstein, President Reagan's chief economist and a voice crying alone in Washington's budgetary desert, has recently signaled that a tightening of the monetary reins as a defense against an otherwise unavoidable dollar correction is unwanted. The pressure on the Federal Reserve to counter a rise in interest rates with a loosening of monetary policy should be considerable in an election year.

Region	Amount
Latin America	\$29.6 billion
Asia other than Japan	\$23.7 billion
Japan	\$22.3 billion
Canada	\$14.9 billion
Western Europe	\$10.2 billion
Africa	\$9.2 billion

The United States subsidized the East Bloc by \$1.1 billion, and the Mideast by \$5.3 billion.

The subsidies listed above are calculated by taking the reported imports of the United States from the relevant areas, adjusting them to the price that they would bring if produced in the United States, and deducting U.S. exports to each region.

The two largest areas of subsidy are Latin America, with a nearly \$30 billion subsidy to the United States economy last year, and the developing nations of Asia, with about \$24 billion. Considering that the currencies of Latin America collapsed to less than half of their worth (as measured by the price of equivalent baskets of agricultural and manufactured goods), this is not surprising, merely disgusting—the cost is measured in starvation and death.

Biggest swing in capital goods

The breakdown of the subsidy by industrial sector is as follows:

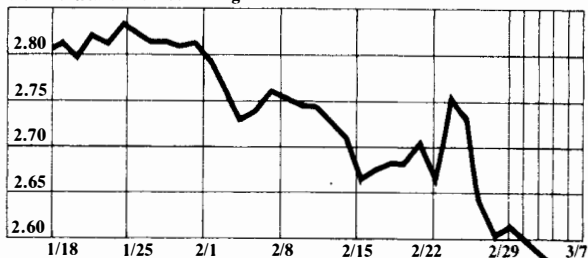
Semi-manufactures	\$27.6 billion
tires	\$1.3 billion
paper	\$2.5 billion
textiles	\$1.5 billion
cement etc.	\$0.2 billion
steel	\$6.6 billion
non-ferrous	\$7.6 billion
fabricated	\$2.0 billion
Machinery	\$2.5 billion
Transportation	\$18.9 billion
autos	\$19.7 billion
parts	\$4.4 billion
Miscellaneous manufactures	\$23.6 billion

The increase in the subsidy between 1982 and 1983 is most striking in the machinery sector. In 1982, the United States still showed an export surplus (including the terms-of-trade adjustment) of \$14.8 billion. As noted above, this turned into a deficit of \$2.5 billion by 1983, or a net swing into deficit of \$17.3 billion. That is roughly 9% of the total activity of the machinery sector!

Currency Rates

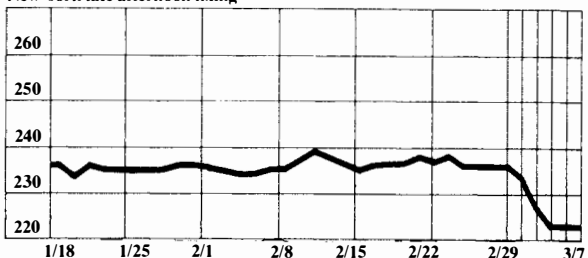
The dollar in deutschemarks

New York late afternoon fixing



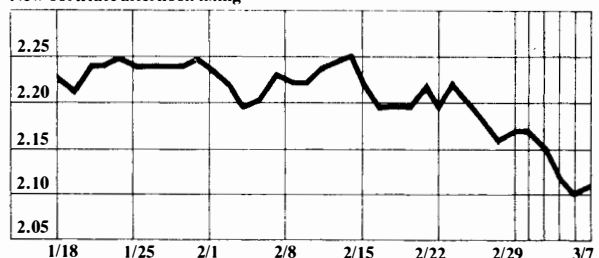
The dollar in yen

New York late afternoon fixing



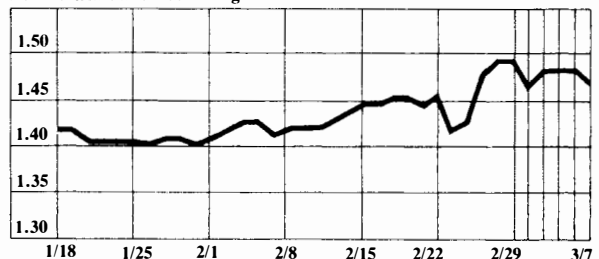
The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



Sudan: a key U.S. ally targeted by the IMF and Federal Reserve

by Cynthia Parsons

"Hundreds of million of dollars will be required during the next few years to establish the physical basis for renewed economic growth. However, such resources are very scarce in the Sudan," the International Monetary Fund (IMF) reported recently. The IMF and the U.S. State Department have agreed to pull the plug on Sudan, an important U.S. ally in Africa.

On March 14, Sudan is expected to be declared uncreditworthy by the IMF and the Paris Club of government creditors, IMF sources told *EIR*. After a review of Sudan's credit on that date, they said, the creditors will demand an extension of Sudan's already severe IMF austerity programs. When the devastated country cannot comply, the Paris creditors will refuse to extend further credit.

The IMF declares Sudan is too "politically unstable," citing the Sudanese government's inability to suppress Muslim fundamentalist uprisings. Chevron Oil had already suspended its \$800 million oil-drilling investment in the Upper Nile region after three workers were killed by Muslim guerrillas in February.

The hit list

In fact the pending bankruptcy of Sudan has no explanation in banking practice; it is part of a program for world population reduction by the IMF and the Club of Rome.

Sudan's name appeared on a hit list published in the *IMF Survey* Jan. 23, along with other "Fourth World" African and Central American nations, to be banned from world credit and trade markets (see *EIR*, Feb. 28). The countries listed will be cut off from U.S. banking credit under the Wallich Plan, written into U.S. bank law by Club of Rome supporter Henry Wallich, the senior U.S. Federal Reserve Board governor, last December.

It is apparent that countries on the Wallich "hit list" are to be thrown out of the international credit lifeboat as useless eaters.

The cutoff of Sudan is arbitrary, since for the past two years the country has undergone a quarterly "check-up" in Paris on its creditworthiness in order to receive IMF endorsement and maintain bank credit lines. Once the Paris Club refuses to extend Sudan's government credits, "it is highly unlikely that there will be sufficient foreign exchange available," as one IMF official put it, for Sudan to pay any debt.

At that point, Sudan will be cut off by its commercial bankers.

Without credit lines, Sudan will rapidly fall behind in its interest payments—to the minimum of seven months necessary to classify the country as a "protracted risk" under the Wallich program. Under Wallich's section 905(a) of the International Lending Supervision Act of 1983 (IMF bill), as *EIR* reported Jan. 17, U.S. banks will be penalized for lending to countries classified as having "protracted difficulty" paying debts. The Fed and Treasury now force U.S. banks to set aside penalty reserves on loans to such countries, forcing the banks to take direct losses in the amount of reserves set aside.

The fact is that the entire Horn of Africa, beginning with countries such as Sudan and Chad, and ending with pivotally strategic Egypt, is being undermined by the international associates of Henry Kissinger and NATO Secretary-elect Lord Peter Carrington, who have made a deal with Moscow to turn the entire region over to Soviet domination.

As Dr. Colin Williams, senior fellow of the Aspen Institute, put it in October 1981, shortly after the terrorist assassination of Egyptian President Anwar Sadat, it is "inevitable" that Egypt and the entire Horn will be engulfed by internal strife caused by "overpopulation." The area can no longer be supported by Western aid, he stated, relinquishing it to the Soviets.

Under Kissinger's influence, the State Department has now decided that Egypt is ripe for Muslim fundamentalist "revolution," angry Egyptian officials told *EIR* March 7. Pulling the plug on Sudan will create even greater pressure on Egypt, a highly populated nation now surviving only with U.S. aid.

Typical IMF victim

Sudan has no breathing room for import cuts or reductions in living standards. Its foreign exchange is earned from the sale of cotton and ground nuts. Lack of input and maintenance has caused production to decline, and the collapse of prices on the international commodity markets has cut into export earnings.

Sudan's case illustrates what happens to those debtor nations who cooperate with IMF "stabilization" programs. Since 1978 it has carried out the IMF's demands, but this has so devastated the country that it is now totally incapable of

paying its debts.

Everything in Sudan has been used up. Soils have gone without fertilizers and pesticides. The rain-fed areas of the western part of the country are vulnerable to the desertification overtaking most of Africa's Sahel. Roads and railways have collapsed. People in the south no longer trade in Sudanese currency; they use sesame seeds.

So far Sudan's creditors are "very pleased" with President Numayri's performance in carrying out IMF demands. "The Sudanese are pretty realistic," commented Tom Cornell, the chief Sudan officer of the U.S. State Department's Agency for International Development.

Since 1978, Sudan has devalued its currency by over 70%, increased consumer prices, established a parallel exchange rate for non-essential imports, cut imports, and removed virtually all budget subsidies for food and other vital consumer goods, despite riots in 1980 and 1981 when such cuts forced up the price of bread. In September 1979 a three-year "public investment" program was begun. Development projects were halted; funds were to go only to export-oriented production, to earn revenue for debt payment.

How the debt was created

Sudan has only 23 million people in a country a third the size of the United States. It is self-sufficient in food supplies, and has the potential to increase grain production by 70% immediately, yet its foreign debt now stands at \$8 billion and the ratio of debt service to exports has jumped from 14% in 1970 to 100% in 1984. How is this possible?

From 1972, when Sudan's civil war ended, up to 1978 when the International Monetary Fund and the World Bank took control over all investment, the country was pursuing an infrastructural development program. The first segment of the Jonglei Canal was to drain some of the Sudd swamps in the south of the country and thereby increase the Nile waters for irrigation and urban use in both Sudan and Egypt. Road and railways were planned to crisscross the country, reaching areas that were unexplored. The entire "black" south was to be transformed from a collection of tribes into a modern region integrated into a modern economy. In the north, new Gezira projects—Gezira is a British-built cotton farm, the largest mechanized farm in the world—were designed. Funds were promised from the Arab oil states, and Sudan borrowed heavily in anticipation of massive Arab investment along with U.S. and European loans.

Only a small portion of the Arab funds ever materialized—Saudi Arabia, for example, provided \$15 million of a promised \$6 billion.

With the 1973 oil hoax, the import bill quadrupled. Sudan had a trade surplus in 1972; by 1974, import expenditures were nearly twice as high as export earnings. Sudan's exports increased by only 10% in nominal terms during this period. Cotton production was halted in favor of grains. By 1978, Arab oil money was no longer forthcoming, and foreign exchange dried up. Rather than see the population starve, the

groundnuts were consumed domestically, forcing Sudan to borrow funds in a race against time to complete the development schemes.

The race ended in defeat. Sudan was impelled to go to the IMF in 1978 for funds, and the IMF forced Sudan to curb its "extravagant binge" in development. Only two projects were even started. One was a modified version of the Jonglei Canal; the other an international airport in the southern capital of Juba.

In February 1983, Egypt and Sudan made a formal agreement to integrate their economies and undertake joint development projects. But Sudan's economic problems worsened when commodity prices declined at that time. By March 1983, the Paris Club decided to squeeze whatever was left of the assets of the country in return for restructuring the debt which, of course, would put an end to any joint collaboration with Egypt.

To court Saudi funds, in June 1983 Numayri again split the country, turning the "black" south into three tribal regions. Commented one recent visitor to Sudan, "The Arabs are not very willing to develop the 'black-skinned people.'" Numayri, still courting Saudi funds, next turned the country over to "Islamic law," creating the potential for a return of the civil war that had consumed Sudan for 17 years until the 1972 Addis Ababa agreement which set up one autonomous regional government in the south. In October, the Qaddafi-funded guerrilla group Anyanya II murdered the Chevron workers and torched a riverboat, killing 300 people.

The threat of civil war has caused the French companies in Sudan to withdraw their personnel after guerrillas killed some of their workers in mid-February. Chevron is talking of an at least six-month delay in starting construction on a 900-mile pipeline to Port Sudan, until a "political settlement" can be worked out. Originally, an oil refinery and other industrial installations were to have been built in the south; investors decided that a pipeline would be faster and cheaper. "The Sudanese are a bit overoptimistic because of their oil," claimed AID's Cornell.

The magnitude of the debt

From 1979 to 1982, debt service equaled 20% of exports. In 1984-85, around 60% of the total \$871 million debt service payment due is on old commitments, 10% is on new commitments and charges to the IMF, and the remainder is due on the rescheduling arrangements. Around 60% of debt service on old commitments is due to bilateral donors; of that, some 52% is owed to various Arab countries.

The long-term "most optimistic" goal is to reduce the deficit on the balance of trade from 20% of the GDP to 7% by 1990. But, says the IMF, it will require "determined action from the government and massive external support. Without this, it is highly unlikely that there will be sufficient foreign exchange available to finance the foreign exchange component of the public investment program, which would have serious adverse effects for the nation."

Ditchley cartel's new war on Argentina

Advised by Henry Kissinger, some stupid U.S. banks believe that they can "absorb" an Argentine default.

Major money-center bank lenders to Argentina met in New York at Citibank headquarters March 7-8 to plan a new ratchet of credit cuts to Ibero-America. The end result could be an open default by Argentina on its \$45 billion foreign debt. "The fallout this could have on Mexico, Brazil, and Venezuela" might rock the system, as one banker phrased it to *EIR*.

Under the advice of leading British banks and Henry Kissinger, unofficial chairman of the Council of the America's Commission on Latin American Debt, the New York banks are apparently prepared to take the risk that no other country will side with Argentina.

The banks incited a crisis at a press briefing before the meeting by revealing how bad Argentina's debt is.

Manufacturers Hanover President Harry Taylor put the story in the spotlight March 6 when he told the *Washington Post* that Argentina must immediately pay up its \$3 billion in interest arrearages. Under a front-page headline, "Argentine Loans in Arrears by \$3 Billion," the *Post* quotes Taylor and others stating that Argentina "has enough dollars to make the required payments" of at least \$1.1 billion, which would bring the arrearages back under the 90-day limit under U.S. law.

Taylor was backed up by Lloyds and Britain's other major lenders to Argentina, who have no such legal deadline to meet but refuse to lend Argentina money to pay the interest.

Taylor, joined by Argentina's other large creditors—Morgan, Citibank,

and Chase Manhattan, told the press that if Argentina won't pay up, his bank and other majors will declare the country's loans non-performing at the end of the first quarter on March 31.

If they do this, Argentina's creditors will have to forego all first-quarter interest income from Argentina, and many will have to write off some income they declared last year.

Taylor told the press that the banks could handle the resultant losses on Argentine debt as "not a crisis, but an irritation."

The banks calculate that they can sustain a loss of \$1.1 billion in Argentine interest payments, spread among 110 banks at \$10 million each. Manufacturers Hanover, Argentina's biggest lender with \$1.5 billion in loans, would have to take a reduction in earnings of some \$25 million maximum; likewise Citibank, with \$1.3 billion to Argentina.

The Argentine government of Raul Alfonsín is also playing tough. On March 6, it formally cancelled its loan agreement with the International Monetary Fund because it won't meet IMF conditions. *EIR* previously reported that Argentina is accumulating dollars for use in a possible debt moratorium.

The major banks, however, are confident they can handle an Argentine moratorium, so long as it does not spread to other debtor countries. Their goal is a "controlled" banking crisis, centered again on Argentina. They have organized themselves into a creditor cartel, but are hysterical at the

prospect that the debtors might do the same thing.

In May 1982, the Ditchley Group creditors' cartel was formed by Morgan, Citibank, and their British and Swiss seniors in Ditchley Park, London. It proceeded to reduce lending to Ibero-America from an \$8 billion rate in the second quarter of the year to a \$2.7 billion rate.

Money center bankers interviewed by *EIR* were quite cocky about pushing Argentina to the wall. If Argentina doesn't pay, "the losses can be absorbed."

"Argentine hard line? That's no problem as far as we're concerned," one banker laughed. "They have two faces: one for the press, and one for the banks. For the press, domestically, Alfonsín is talking about fighting the IMF, but, in fact, he is moving to please the IMF."

Alfonsín, he bragged, will carry out the IMF's most important demand, "the democratization of the trade unions." This means purging the Peronist nationalists in the unions, the only real base of popular opposition to the IMF.

But one U.S. regional banker warned that the game is dangerous indeed. "Are they bluffing? I think the same thing I've thought for the last two years—Argentina could easily be planning to do the same thing they did in the Falklands," that is, go all the way.

A companion piece to the Taylor threat in the *Washington Post* made it clear that the faction of the U.S. military under Kissinger's influence is willing to back up the banks. Following a London *Economist* report this month that "the Falklands campaign could not have been mounted, let alone won, without American help," the *Post* confirmed the story with Pentagon officials in Washington on March 8.

Blocked accounts model: Nazi finance

Fed governor Henry Wallich reveals the prototype of the Fed's soft-currency debt-repayment scheme.

In an exclusive interview provided to *EIR* by a West German journalist, Federal Reserve Governor Henry Wallich stated on March 7 that the Fed's plan to use Ibero-American soft currencies to repay dollar debt is modeled on the "blocked accounts" policy of Hitler's economics minister, the man who did so much to bring Hitler in power, Hjalmar Schacht.

Wallich stated that "it bespeaks the German situation during the 1930s, when you had the *Konversionskasse*. . . for the Reichsmark." The *Konversionkasse* was the monetary stabilization program of Hjalmar Schacht, through which he earned his title of Nazi "financial wizard."

Under U.S. banking law, loans whose interest is not paid for more than 90 days are "non-performing." Ibero-American nations are well over 90 days in arrears on \$10 billion in such interest payments. To deal with this, as *EIR* has been the only source to report, Wallich and Federal Reserve chairman Paul Volcker have told the largest banks that they may take interest payments in Brazilian cruzeiros, Argentine pesos, and other debtors' currencies.

First, Wallich observed that the huge debt burden of Ibero-America is having the same economic and political effect as the World War I reparations levied against Germany.

"The underlying problem, which produces resistance, is that the debt mountain becomes a political symbol which worsens relations," Wallich stated. "It has a certain similarity, indeed, with the German reparations and the Allied war debt. That was also a

political problem."

The Fed, he said, expects the IMF to enforce its policies at all costs. "I would rather say that the fact that most of these countries have gone to the IMF is the most important, and it is not surprising that there is criticism and resistance there. . . . The programs are not devised to create political problems for these countries, or to make poor people suffer, but to pull out the maximum economic activity. If subsidies must be cut and prices raised—these things would never have been introduced in rational economies."

Given that the debtors have no dollars to repay debt, Wallich was asked about the use of debtor currencies. He responded by stating that the soft-currency scheme secures *no real payment* of interest (or principal).

"That really has very little significance [for the debt problem], since it is not really a transfer" of funds from debtors to creditors, he said, admitting that any bank loan paid in this fashion is a bad loan.

"Rather," Wallich continued, "it bespeaks the German situation during the 1930s, when you had the so-called conversion account (*Konversionskasse*). Then you paid in deutschemarks when you couldn't get foreign exchange; if you were a solvent firm, you paid in deutschemarks, or rather, Reichsmarks back then, and the conversion account made over paper to the creditors, I believe, so that the interest would be capitalized."

When Germany went bankrupt in 1931, it was in much the position of Brazil today. The Hoover moratorium

suspended Germany's massive World War I reparations debt—but trade credits and all other foreign loans were cut off by foreign banks. The German economy was bled dry.

When appointed Hitler's economics minister, Hjalmar Schacht set up a scam for buying key imports to build the Nazi war machine. Schacht agreed that German firms and banks would pay Germany's creditors and trading partners in Reichsmarks, which Schacht's Reichsbank (the central bank) would simply print and deposit into blocked accounts in the creditors' name.

Schacht's U.S. bankers, such as Chase National, stepmother of Chase Manhattan, were able to claim that their bad German debts were good—and finance the shipment of chemicals and other illegal goods to Nazi Germany. Schacht also created a trade bloc with Eastern European exporters of goods to fuel the Nazi war machine, which were paid for with the blocked accounts.

This "financed" the famous Nazi export of a lifetime supply of Bayer aspirin to Yugoslavia, in return for huge shipments of Yugoslav machinery.

Wallich concluded that no matter how much Ibero-American currencies may collapse, the debts must be reckoned at current exchange rates:

"I don't see much advantage in getting local currency if an additional guarantee does not stand behind it that it will be converted one day. For this reason the exchange rate must be fixed; there's no sense in sitting on Argentine pesos which devalue by 50 percent or whatever. You just fix the exchange rate by agreement, and then you have 100 pesos which are worth one dollar on day one, and three years later when you get them back, the peso has indeed fallen, but these pesos are still 100 to one."

***EIR* burns Volcker on loan scam**

Our exposé of Volcker's "soft currency" method of papering over the Ibero-American debt has had an effect.

A fight has begun in Washington over Federal Reserve Chairman Paul Volcker's plans to let the money-center banks take interest payments on their dollar debt, not in dollars, but in Brazilian cruzeiros, Mexican pesos, and other soft currencies.

Readers tell me that they have confronted senior Washington officials, including Volcker's number-two man, Fed governor Henry Wallich, and Comptroller of the Currency C. Todd Conover with *EIR's* exposé. The response was "inadequate at best," as one put it.

"I asked the comptroller of the currency point blank at a Washington meeting at the end of February whether he was allowing the big banks to take interest payments in soft currencies and still account the loans as if they were performing well," one regional banker told me March 7. "He didn't have a good answer; he just turned bright red and was very quiet."

As we note in this week's International Credit column, under U.S. bank law, loans whose interest is not paid in dollars for more than 90 days must be declared "non-performing," and the bank must write off that interest income. Brazil is already 120 days in arrears, or \$4 billion, on its interest bill. Argentina has over \$3 billion in arrears, and total arrears on the continent will approach \$10 billion March 31.

Some sort of decision will have to be made by the regulators by then, the date for their quarterly bank examination. The regulators will have to declare these loans performing or non-

performing.

To deal with this, as *EIR* has reported for the past few weeks, Volcker, Wallich, and Conover had agreed to let the largest banks take interest payments in debtors' domestic currencies, and yet account these as "performing" assets.

Comptroller Conover, in a private letter to lawyers for Citibank, told them that "private and public sector Brazil debt" could be paid by "obligees on the loans meeting their financial obligations on those credits by paying cruzeiros" to the creditors. Governor Wallich told New York bank executives at a private meeting at Citibank on Feb. 15 that interest payments "in soft currencies" would be counted as dollar payments.

Citibank official William Rhodes and Manufacturers Hanover official Douglas McCouch have also briefed some of my regional bank readers on the plan.

But *EIR* has also learned that the controversy fueled by our exposé may have caused some in Washington to have second thoughts.

Confronted with *EIR's* report by regional bankers at another Washington meeting the first week in March, Federal Reserve officials denied that they were accepting Brazilian and other soft currencies as valid interest payments. "Local currencies are being accepted for some Brazilian principal payments," one official from the Fed's Supervisory and Regulation section said, "but interest must be paid in full in U.S. dollars."

Policy will have to be clarified by

March 31. One possibility is a "double standard," in which only the largest banks (which would be hit with unsustainable losses if loans are declared non-performing) will be allowed to use the soft-currency accounting scam. Smaller regional banks would not be allowed to do so. Given the regulators' "full discretion" and secrecy, it will be hard to prove such discrimination.

For years the regulators have required regional banks, although they are better run than the money-center giants, to hold a higher ratio of capital to loans than the latter.

A second possibility: The large banks and International Monetary Fund will quickly give cash to the accounts of Brazil and Argentina in order to bring dollar arrearages more up to date. Major creditors had planned to cut off such dollar extensions and amass debtor currencies, to buy out debtors' industrial and mineral assets. But in the glare of publicity, such debtor-currency accounts may become a liability.

Argentine sources now believe that the banks will have to lend them at least \$1.1 billion by the end of March to reduce the country's \$3 billion in interest arrears, or a substantial part of Argentina's \$45 billion debt will have to be declared non-performing—i.e., they believe the regulators may back off from the Volcker plan to accept Argentine pesos.

After threatening to cancel its agreement with Brazil, the IMF is also suddenly now reported by Swiss sources to be about to grant Brazil over \$1 billion in emergency funds.

A third, most remote possibility is a confrontation in which no new dollar funds are lent, and the regulators also disallow payment in soft currencies. Then we have an international banking crisis which will pull the plug on Ronald Reagan.

Business Briefs

Energy

China-Japan accord on nuclear facilities

Japan and China are expected to sign a pact on the sale of Japanese nuclear power equipment to China, after talks in which the Japanese agreed to limit themselves to "visitation" rather than "inspection" rights of nuclear power facilities built with Japanese assistance in China.

The pact is scheduled to be signed during Prime Minister Yasuhiro Nakasone's visit to China in late March. China is continuing talks with the United States on nuclear cooperation, and a U.S.-China agreement may take precedence over a pact with Japan, according to Jiji press.

The agreement with Japan is meant to ensure that nuclear power equipment will be used for peaceful purposes only. "Visitation" would permit visual inspections by Japanese experts to verify the proper disposal of spent nuclear material.

The two nations had called for cooperation in the peaceful use of atomic energy in regular bilateral ministerial meetings last September. China entered the International Atomic Energy Agency (IAEA) in November, but called the IAEA's demands for on-site inspection of facilities a violation of national sovereignty.

Tokyo has apparently decided that it is not in its best interest to maintain the inspection policy. The Japanese government was particularly concerned that competitors such as the United States and West Germany would take over the Chinese market. France has already exchanged notes with Peking on nuclear power development.

Agriculture

Cattle production cycle collapsing

The U.S. Department of Agriculture's (USDA) 1984 cattle inventory report indicates that U.S. cattle producers are abandoning the seven-to-nine-year cycle of

building and culling their herds. Farmers are now selling cattle on the basis of immediate profits or losses, not long-term planning of production, according to agricultural economist Ed Uvacek.

This means, Uvacek says, that producers "will no longer be subsidizing consumers with cheap beef"—i.e., farmers can no longer sustain long-term investment to guarantee high productivity and the nation's future food supply.

The report shows what Uvacek calls a "slight" liquidation of the U.S. cattle herd. USDA figures claim that the beef breeding herd has decreased by 1% since a year ago, and beef replacement heifers decreased by 2%.

"These relatively minor adjustments imply that cattlemen are no longer following the typical cattle cycle," in which a producer builds up his herd over an extended period before sending any large number of cows to slaughter. Now, producers are selling off cattle on the basis of immediate financial needs, no matter what the size of their herds or their future reproductive capacity.

Trade

Italy expands relations with East bloc, Libya

Italian national oil company ENI signed a \$2 billion deal with Libya March 7 to drill for oil in the Mediterranean.

ENI president Reviglio and Libyan Oil Minister El Maghur arranged for Italy to buy 750 million barrels of Libyan gas per year at the same time that the Italians assist the Libyans in drilling for oil in the Bouri oilfield in the Mediterranean near Tripoli.

The drilling at Bouri, the most accessible oilfield in the Mediterranean, will be operative in 1987. ENI will build two huge floating platforms and develop 50 drilling sites.

The day before, the large-circulation leftist daily *Unità* reported that Italy has decided to expand its economic relations with the Soviet Union, and the first step will be to purchase natural gas supplied by the Siberian pipeline. The decision to expand re-

lations was made at a recent meeting between Italian Foreign Minister Giulio Andreotti and Soviet Foreign Minister Andrei Gromyko in Moscow, according to *Unità* reports.

Bank of Italy governor Carlo d'Azeglio Ciampi went to Budapest in late February to discuss improved financial and trade relations with Hungarian central bank head Timar.

Econometrics

Commerce Department admits fraud

A Commerce Department specialist who provides the White House and the general public with statistics on the U.S. economic "recovery," told a reporter March 3 that the figures the Commerce Department published for 1982 and 1983 industry and product shipments, in dollar terms, are not real; they are only "estimates."

Commerce's reports to the White House on any area of the economy are based on two-year-old figures. In 1981, the Bureau of the Census did its last Census of Manufacturing. On the basis of 1981, estimates were made for 1982 and 1983. In the 1981 *U.S. Industrial Outlook* published by Commerce, they only had firm figures for 1978. And so forth.

Explained the specialist, "I consult those at Commerce on farm equipment production, and also on machine tools, since whether the food industry buys machine tools is a sign of whether they are expanding production levels."

"Then," he continued, "I consult Data Resources, Inc.," the giant econometric forecasting service. "Finally, I throw a couple of dice in the air, and use that to pick out a number."

The reporter asked: "Did you ever compare actual figures with earlier estimates, to check your method of estimating?" "No," he replied, "I don't look back."

EIR did look back. On the basis of 1978 figures, Commerce estimated 1979 and 1980 shipments by the Food Processing and Packaging Machinery industry at slightly over \$2.5 billion and \$2.9 billion, respectively. But in

fact, the 1979 and 1980 figures, now in, show that shipments were only \$2.2 and \$2.3 billion, respectively. The Commerce Department's figures are wrong by between 11% and 20%.

Moreover, they always appear to be wrong on the side showing a "recovery." In 1982, it was estimated that 1981 shipments figures for the same industry were \$2.374 billion. The current *U.S. Industrial Outlook* puts the confirmed, real 1981 shipments figures at \$2.084 billion. The margin of error: 12.2%.

International Credit

Regan to visit Japan to demand 'Euro-yen'

Japan is under intense U.S. pressure to liberalize its money and capital markets, as well as its market for manufactured products, to resolve bilateral trade friction with the United States. U.S. Treasury Secretary Donald Regan will visit Japan in late March for talks with Finance Minister Noboru Takeshita to demand concrete action on internationalizing the yen.

The U.S. request for the decontrol of Japanese financial markets was renewed at the first meeting of the bilateral Joint Ad Hoc Group of Financial Authorities on Yen-Dollar Exchange Issues held at the Japanese Ministry of Finance Feb. 23-24.

The panel is one result of President Reagan's visit to Japan last November. Beryl Sprinkel, treasury secretary for monetary affairs, represented the United States at the talks with Japan's Deputy Finance Minister Tomomitsu Oba.

The United States and the governments of Western European nations are demanding that Japan internationalize the yen to the same degree as the dollar, making it the second key currency for payment reserves and settlement of trade accounts.

The role of the yen has risen with the growth of the Japanese economy, now the second largest in the advanced sector.

Until recently, the finance ministry and the Bank of Japan have protected the yen from the fate of the U.S. dollar by maintain-

ing tight control over Japanese markets and restricting foreign-exchange transactions. Under the current pressure, however, the finance ministry considers the internationalization of the Japanese financial markets "inevitable."

The United States is demanding "sweeping reform" and not "cosmetic changes," including the creation of a "Euro-yen" investment market in Japan, greater access of U.S. financial institutions to Japanese money markets, and liberalization of control of Japanese interest rates. The Bank of Japan has held interest rates for business investment several percentage points lower than U.S. rates.

Steel

Cuts will mean massive French layoffs

Between 25,000 and 35,000 French steelworkers will lose their jobs as the result of supplementary reductions in steel production demanded by the European Community (EC). French steelworkers unions met Feb. 28 in Lorraine to plan action on imminent layoffs.

France was scheduled to report its plan to enforce supplementary reduction in steel production of 630,000 tons to the EC headquarters in Brussels the first week of March.

The French machine-tool and shipbuilding industries are also being cut drastically. The loss of 20,000 jobs in the shipyards is projected.

The steel cuts are based on the collapse of markets over the past decade. Approximately a decade ago, France was producing more than 25 million tons of steel per year. In February, the government projected maximum production of 17 million tons and minimum production of 13.5 million tons. Previous projections of 24 million tons by 1986 were called "illusory" by French industry minister Laurent Fabius.

Current government policy is to focus economic activity away from heavy industry to avoid "surplus" production.

The two state-owned French steel companies, Usinor and Sacilor, are fighting for the remains of the market.

● **IN MOZAMBIQUE**, more than one third of the population is facing famine, or more than 4.7 million people. More than 100,000 have already died from starvation following drought, floods, and rebel activity supported by the South Africans. Reports say that 350,000 people are looking for food in camps set up by the government. The rebels have destroyed more than 500 agricultural centers. Mozambique is officially pro-Soviet, but received no help whatever from them, and has been forced to make a peace treaty with South Africa in exchange for some limited food aid.

● **YASUHIRO NAKASONE** will meet with Chinese leader Deng Xiaoping, Premier Zhao Aiyand and General Secretary Hu Yabona of the Chinese Communist Party during his state visit to China March 23-26. The Japanese prime minister's discussions are expected to focus on recent developments in Russo-Sino relations. Nakasone stated March 5 that he will cooperate to promote interchange between China and South Korea. He described stable bilateral relations between Japan and China as underpinning world stability.

● **THE JAPANESE** government has developed a plan for development of the large Sanjian plain in northeast China, to be submitted to the Chinese government in mid-March, through Japan's International Cooperation Agency. It calls for construction of a dam and other facilities to irrigate 46,000 hectares of land. Tokyo is prepared to give China a \$1.65 billion loan for the project.

● **ISRAELI** scientific experiments have raised winter rainfall by up to 20% in parts of the Middle East. The scientists are now transferring their knowledge to governments in other arid and drought-hit regions, including Egypt, Peru, and South Africa.

Will Hart be the frontrunner by April?

by Warren J. Hamerman

By the time of the April 10 Pennsylvania primary, there will only be four major Democratic presidential candidates left: There will be two liberal "slots" available (most probably Hart and Mondale, but if one completely falters, any among the other certified liberals will fill the slot), Qaddafi's Jesse Jackson, and Henry Kissinger's opponent, Lyndon H. LaRouche, Jr.

In the early New England primaries, voters massively rejected the "package" shoved at them by Lane Kirkland's AFL-CIO apparatus and by Charlie "the Banker" Manatt's Democratic National Committee (DNC) and party officialdom. Kirkland and Manatt's "package" Walter Mondale was unable to generate any enthusiasm; all of his votes were bought. One seasoned Democratic Party organizer commented that usually a frontrunner comes through a state inviting people to jump on his bandwagon, whereas Mondale tried to barrel through New Hampshire like an express train at full throttle. The express moved too fast for anyone to get on board.

As a result, Gary Hart, by cleverly hiding his policies heretofore and introducing himself as "Mr. Not Mondale," is now the "frontrunner underdog" and may in fact become the "certified frontrunner" by April. Ronald Reagan is being advised to madly rush into the outstretched arms of Henry Kissinger in the opposite direction of his own anti-Trilateral Commission political base with visions of an election landslide in his head. Even the clever old Moscow asset George McGovern is fond of pointing out on the campaign trail that he, and not Richard Nixon, fared better after the 1972 election.

At the same time, with everything to lose, Lane Kirkland and Chuck Manatt are never to be ruled out for brutally enforcing a Mondale "rebound." Lane Kirkland forced the unwilling AFL-CIO to cast an unprecedented early endorsement of Mondale; the AFL-CIO contains 96 trade unions with 13.5 million members. The union membership is totally restless with Kirkland's "linking" the credibility of the union institution to a "sure loser" candidate. Therefore, many traditional union leaders made a few token gestures while secretly hoping that Glenn would do well.



Gary Hart is a would-be heir to the synthetic Jimmy Carter's sudden burst onto the 1976 political scene, and to Carter's detestable policies.

The early collapse of the John Glenn campaign, which functioned as a political "way station" for anti-Mondale Democrats, now means that the vast traditional constituencies of the FDR coalition—labor, farmers, minorities, and patriotic urban political machines—have been politically disenfranchised by Lane Kirkland and Chuck Manatt. These Democrats will find it as impossible to rally around Gary Hart as it was for them to back Jerry Brown four years ago.

Why Moscow loves U.S. elections

From the standpoint of Moscow, as long as their "friend" Henry Kissinger is controlling U.S. foreign policy they can adapt to any U.S. President except Lyndon H. LaRouche, Jr. Moscow talks of Hart and Mondale in the same sweet terms.

After Hart's victory in the Maine Democratic Party caucuses, Radio Moscow reported about Hart: "The Senator is known to be a resolute opponent to American military interference in Lebanon. He is an ardent advocate of the nuclear freeze." TASS added some free promotion the same day about Hart's policy to "reverse the insane nuclear arms race." Less than one month before, the Soviet daily *Izvestia* lauded Mondale on Feb. 12 in the same terms: "Observers attribute the former Vice-President's growth in popularity to his recent political pronouncements condemning the militarist course of the present American administration." The article went on to praise Mondale's strong position in favor of the nuclear freeze.

Immediately after Hart beat Mondale in a couple of contests, Mondale responded by charging that he and not Hart was more "pro-freeze." *Moscow's generals are laughing*

uproariously as Mondale and Hart compete for their favor! The Swiss and other European "old money" oligarchs are chuckling out loud all the way to the U.S. central bank, and Henry Kissinger is increasingly running the show in Washington for the duration of the campaign.

There is only one candidate in the Democratic presidential primary whom Moscow and the Eastern liberal establishment abhor—Lyndon H. LaRouche, Jr. LaRouche, who as of early April will be facing the voters in primary elections coast to coast, and has been vilified in *Izvestia*, other Soviet journals, and the Libyan news service. He is currently under attack by Henry Kissinger's associates at NBC-TV. Moscow fears that a Democratic candidate who espouses patriotism and a revival of American System economics will upset their election-year strategic games.

An extremist in the White House?

The Soviet praise of Hart is based upon their recognition that his policy commitment is to facilitate the "take-down" of American military and economic strength. Hart is the quintessence of the post-industrial society candidate. He represents the "maximum program" for a slightly modernized version of Bertrand Russell's one-world-government scheme. Hart was the first to oppose U.S. military actions in Lebanon; he opposes all U.S. troop deployments to Latin America and elsewhere. Basically, he opposes the use of U.S. military defense for any national security objectives from the standpoint of an "extremist" post-industrial foreign, domestic and economic policy.

In a 1983 article in *The Futurist*, the magazine of the

World Futures Society, Senator Hart wrote:

"We are shifting from a heavy industrial economy to one based increasingly on information, high technology, communications and services. The face of America's job market is changing accordingly. Already more workers are engaged in generating, processing, analyzing, and distributing information than are engaged in agriculture, mining and manufacturing combined. We must find a way to shift from the economy of the past to the economy of the future with as little pain and as much excitement as possible."

Gary Hart, the former campaign manager for George McGovern, is the end result of the destruction of the Democratic Party led by George McGovern in 1968. The activist elements who were McGovern's shocktroops then are now 15 years older. As the U.S. economy and institutions have been shattering in the face of crisis during these intervening years, these activists have nurtured themselves in the environmentalist and post-industrial campaigns. Through these movements a new cadre force has been synthesized for the Hart campaign, and he now enjoys a multitude of young campaign volunteers who relish the image of being an insurgent force "assaulting" industrial capitalism.

Therefore, Hart promotes himself as a leader of the "post-industrial movement" who is neither liberal nor conservative in traditional terms. Hart recently confessed to Hedrick Smith of the *New York Times*: "To understand this election you have to get out of the linear, left-right spectrum. This is not a left-right race. This is a future-past race." Hart represents the type of political "futurism" that the American people first experienced in the far-out 1980 presidential campaign of Jerry Brown and in the formal election of Tom Hayden to the California State Assembly. These developments occurred through an overall political chemistry that began in the McGovern takeover of the Democratic Party in 1968, and continued through the demoralizing disaster known as the Carter administration, all the while facilitated through the connections of the New Money liberal Aspen ski crowd and the resources of the Harriman Eastern Liberal Establishment.

While the Henry Kissingers and the apparatus of the families known as "The Establishment" play their games to restructure American political institutions, outside their salons a real political process is occurring.

American voters will massively reject any political commodity that smells of McGovernism, Kissingerism, or Carterism. This is historical political fact. Therefore, as the strategic crisis deepens with increasingly more bold Soviet challenges to the United States, and the cruel realities of the economic depression intensify, neither Hart, Mondale, nor any of the liberal Democrats are sellable in an honest election. The only other major presidential candidate still in the ring is Lyndon H. LaRouche, Jr. equally Henry Kissinger's and Paul Volcker's biggest enemy.

The early election primaries and caucuses proved the Democratic presidential nomination is, as they say, "up for grabs."

Gary Hart: an all

by Warren J. Hamerman

Is Gary Hart something more than merely "not Mondale"? Why did Averell Harriman over a year ago on national television pronounce Gary Hart "the most attractive of the Democratic Party presidential candidates"? Why did the London *Economist*, the establishment journal for people with "old money" connections, promote the prospects of the Hart campaign well before the first Hart "upset" caucus and primary victories against Mondale?

Nearly 15 months ago, in early January of 1983, I attended a special breakfast with Gary Hart at the National Press Club in Washington, D.C., where the clues to why this otherwise uncourageous and policy non-entity senator from Colorado was one of the "specially selected." The Washington breakfast was a careful "presentation" of Gary Hart by the Establishment in the political equivalent of a debutante's coming-out party. The occasion was Hart's return from a Jan. 6-9, 1983 retreat entitled "1983/2003, *Transitions in Industrial Democracies: Leadership in the Next Twenty Years*" in Sea Pines Plantation, Hilton Head Island, South Carolina.

That retreat was attended by Hart and "the select" group of 35 young political leaders from the United States, Canada, West Germany, Italy, Japan, Spain, Sweden, and the United Kingdom who were anointed to become the heads of their governments in the next 20 years: a modernized version of Bertrand Russell's world federalist schemes. They were brought together by the international oligarchy at Sea Pines to establish their primary loyalties, not to their respective nation states, but to each other as a network of up-and-coming young politicians "selected" to create "new age institutions" under conditions of world crisis. The themes of the Sea Pines retreat were closely coordinated with Henry A. Kissinger's keynote address entitled "Threats to the Industrial Democracies" at the Quadrangular Conference of the Center for Strategic and International Studies (CSIS) in September 1982. Hart is also an advisory board member of CSIS, as well as the National Wildlife Foundation Senator of the Year.

Supranational government

The purpose of the "Transitions in Industrial Democracies" retreat at Sea Pines was unveiled at the Washington breakfast by Gary Hart himself, one of the five co-chairmen of the event, along with the Canadian **Mark MacGuigan**

too close encounter at breakfast

(Liberal Party, minister of justice and attorney general), the West German **Ulrich Steger** (Social Democratic parliamentarian), the Italian **Gianni de Michelis** (left-wing Socialist minister for State Holdings), and the Briton **Christopher Patten** (Tory member of Parliament for Bath).

The Jan. 9, 1983 statement of the five co-chairman was distributed by Hart at breakfast:

We have come to Sea Pines not as representatives of our governments, but by individual choice, as elected representatives of the citizens of our respective countries. We represent the normal range of political backgrounds, but these are not normal times.

Our societies are in transition, but they are also in crisis. We face a period of economic stagnation and social frustration. We have come of age at a time when the balance of power means the balance of nuclear terror.

If we are to successfully overcome the problems we face, our solutions must transcend a narrow ideological base. We cannot look merely to the right or to the left, but forward:

- We must reject protectionist tendencies which are not only unworkable but contrary to our national as well as international interests.
- We must stimulate new economic growth on an international scale as the best means of restoring domestic and economic tranquility in our countries.
- We must do everything in our power to change the international atmosphere of suspicion and distrust between the superpowers, in order to achieve real progress in arms control.
- We must develop new mechanisms of cooperation and communication—and perhaps new international institutions—in order to deal with the new problems we face. We leave Sea Pines with a spirit of hope and determination that the dialogue we have begun is but a first step.

At the National Press Club breakfast Hart described the Sea Pines Retreat as a “coming together” of young politicians in their 30s and 40s who spanned the spectrum from left to

right. “We all found that all of our industrial democracies faced the same set of principal problems. The post-World War II solutions are working with less and less efficiency.”

Hart reported that the participants agreed on two principal categories of problems: “Widening and deepening economic recession worldwide *and* divisiveness, fear, and anxiety produced by an unlimited arms race.” The group, he said, assembled to “emphasize generational bonds and de-emphasize ideology.” The policy outlook of the group was that economic problems would have to be solved *over and above* particular nations. They also called for supranational pressures on the superpowers, particularly the United States, for arms control. The group as a whole committed itself to reorganizing the collapsed institutions of the post-war period if necessary—the International Monetary Fund, GATT, and so forth.

Hart called for “a more experimental approach to international problems,” while decrying the meaningless generalities of current institution leaders. Asked to describe the specific new monetary institutions he would like to see, he called for an economic summit to “build a new exchange-rate system” and for “modernizing GATT.” He called for “labor, management, and capital” to develop specific post-industrial strategies as he endorsed the corporatist approach of Lazard Frères’ Felix Rohatyn by name.

The New Age

These “post-industrial society” policies are Hart’s consistent creed. His book, *A New Democracy*, states: “During the last several decades, our economy has been undergoing dramatic structural change, a transformation as significant as the Industrial Revolution of the 19th century. It is shifting from primary reliance on heavy industry and basic manufacturing to a new concentration on advanced technology, communications and services.”

At the Press Club breakfast, Hart was also asked about the Atlantic Alliance; he reported that there was discussion at Sea Pines on the need to transform the “relative roles that each of the nations should play” in NATO defense. Asked by NBC about a State Department program of Henry Kissinger’s for special parliamentary diplomatic training, Hart answered that he would absolutely want to revive it.

The "advising" institutions to the Sea Pines retreat included the notorious **Aspen Institute for Humanistic Studies**, the **Kettering Foundation** and **ENI**. The formal presentations were given by **Peter Jenkins** (policy editor of *The Guardian* of London); **Robert Hormats** (former U.S. assistant secretary of state for Economic and Business Affairs); **Naohiro Amaya** (Japanese Ministry of International Trade and Industry) and **Dr. Walter Stutzle** (former director for Policy and Planning, West German Ministry of Defense.) Who were the participants at the "Transitions" retreat?

Canada: **Mark MacGuigan**; **Yvon Pinard** (Liberal Party, President Privy Council); **Robert Rae** (New Democratic Party, member, Ontario Parliament); **Michael Wilson** (Progressive Conservative Party, member, House of Commons).

Federal Republic of Germany: **Dr. Peter Corterier** (Social Democratic Party, member, Bundestag); **Dr. Ulrich Steger**; **Karsten Voigt** (Social Democratic Party, member, Bundestag); **Werner Zweitz** (Free Democratic Party, member, Bundestag).

Italy: **Adolfo Battaglia** (Republican Party, member, Chamber of Deputies); **Andrea Borri** (Christian Democratic Party, member, Chamber of Deputies); **Gianni de Michelis**.

Japan: **Motoo Shiina** (Liberal Democratic Party, member, Diet).

Spain: **Marcelino Aguirre Oreja** (Union of the Democratic Center, former foreign minister).

Sweden: **Par Granstedt** (Center Party, member, Riksdag); **Ake Gustavsson** (Social Democratic Party, member, Riksdag); **Dr. Lars Tobisson** (Conservative Moderate Coalition Party, member, Riksdag).

United Kingdom: **Kenneth Harry Clarke** (Conservative Party, minister for health); **Denzil Davies** (Labor Party left wing, member of Parliament); **Christopher Patten** (Conservative Party, member of Parliament); **David Martin Steel** (Liberal Party leader).

United States: **Sen. Gary W. Hart** (D-Colo.); **Sen. Christopher Dodd** (D-Conn.); **Rep. Geraldine Ferraro** (D-N.Y.); **Richard Hatcher** (Democrat, Mayor of Gary, Indiana.); **Rep. James A. Leach** (R-Iowa); **Rep. Thomas Petri** (R-Wisc.); **Toby Roth** (R-Wisc.).

World Futurist

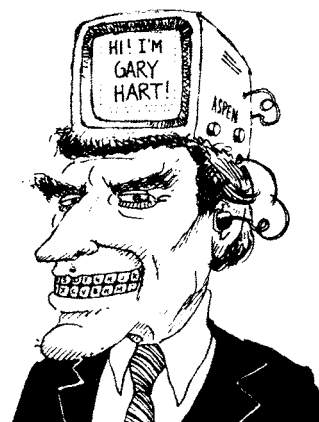
Gary Hart has a manner of letting his hair down in public when he is convinced that he is among the "select." For instance, on July 20, 1982 he addressed the **World Futures Society** General Assembly in Washington, D.C. The World Futures Society is the umbrella organization for the self-described Aquarian Conspiracy, various radical and cult movements committed to destroying industrial society and the institutions of Western Civilization as embodied in the *flioque* principle that each individual participates in God's continual creation in the universe. Hordes of Hart volunteers today were deployed out of radical youth umbrella institutions like the World Futures Society to "create the New Age."

Therefore, it is most useful to scrutinize Hart during the period when he was first passionately extolling the post-industrial society belief structure at the summer, 1982 World Futures Society event:

"It's not very often I have the opportunity to speak to a group of revolutionaries. And that is what you are, in the truest sense of the word. This conference is dedicated to a goal all of us should share: the knowledge and mastery of change.

"You in this room understand better than most the tremendous changes that are sweeping this country. You know that its products and technologies magnify the power of the human brain as surely as the Industrial Revolution magnified our physical capacities.

"There is no question we are entering a new era, one with



How a frontrunner is manufactured

The Rasputins and media specialists who are adept at overnight propulsion of political nonentities into public prominence are working day and night on the case of Gary Hart. Pollster Patrick Caddell and psychiatrist Peter Bourne, who created the commodity known as Jimmy Carter in their laboratory, are now performing plastic surgery on the Hart campaign. What is the script?

It is a presidential election year. A Republican sits in the White House. On the Democratic Party side, entries in the race for the nomination are mainly party warhorses well known to a bored electorate. Suddenly, a new face is catapulted into national political prominence by an unexpected victory in one of the primaries. The media seizes upon the newcomer and thrusts him into the public eye. His youthful vitality, new ideas, and anti-Establishment pose are enthu-

unlimited potential. But our future depends on embracing not only the new technologies and the opportunities they provide, but the responsibilities they bring as well. . . .”

In the speech Hart went on to call for a “radical restructuring of work, as current work skills are devalued and new ones created at an ever-increasing rate.” Hart dedicated himself to leading this “restructuring” with the minimum pain and maximum excitement. His projections? An inevitable job loss of between 5 and 7 million manufacturing jobs—a job loss 20 times higher than the auto industry was then experiencing. Therefore, he called for radical adjustments and “transformations” of the work force into futuristic industries and away from the basics of industrial and agricultural production—the fundamentals of the American System of economics.

In the final analysis, how dangerous is Gary Hart? Can he win an election? Shortly after Hart’s New Hampshire victory, columnist Joseph Kraft wrote that in the final analysis 1984 will be 1972 all over again for the Democrats—when George McGovern, campaign-managed by Gary Hart, was demolished in the general election—except under special circumstances. Kraft wrote: “It will take a severe national setback—a disaster abroad or a sudden plunge in the economy—to breathe new life into the Democratic campaign.”

It was precisely those circumstances for which the Sea Pines “Transitions in Industrial Democracies” network were prepared. Perhaps the early playing of the “Hart Card” by the Eastern Liberal Establishment and European oligarchy is the best reading available on their commitment to go beyond the brink in risking the institutions of the West.

siastically extolled to the voters by the *Washington Post* and *New York Times*. He is now poised to win the nomination, and from there, to run a campaign against his Republican opponent, in which he will contrast his freshness to the fuddy-duddy incumbent.

If this sounds familiar, it should. Hart is employing the same strategy which Jimmy Carter used in his bid for the White House. But the similarities between Carter and Hart do not end there:

- **Shapers:** Masterminding Hart’s campaign on a day-to-day basis is Patrick Caddell, the man who did the same for Carter. The Cambridge, Massachusetts-based political consultant signed on with Hart early this year and revitalized his flagging campaign by advising the candidate to use the same “anti-Establishment” “outsider” rhetoric which he had originally created for Carter.

Another Carter insider now playing a prominent role in the Colorado senator’s effort is Peter Bourne. A close ally of Caddell and a practicing psychiatrist, Bourne had maintained intimate relations with the Carter family since the late 1960s. He early encouraged Carter’s presidential bid and, according to his father, Dr. Geoffrey Bourne, saw the entire Carter gambit as “a marvelous scientific experiment in how you elect a President.” Bourne, who was dismissed in 1978 for illegally dispensing drugs to a White House subordinate, maintains multiple links to such KGB fronts as the Institute for Policy Studies and the Vietnam Veterans Against the War. Before joining the Carter administration as Drug Policy Adviser, he had been a national leader of the National Organization for the Reform of Marijuana Laws, the “pot lobby” which has pushed for legalization of all mind-altering “recreational” drugs. Bourne again turned up in the public eye last fall, when *EIR* discovered that he and another Carter holdover, Robert Pastor (presently a foreign policy adviser to the Mon-

dale campaign) had been advising the Soviet and Libyan-backed group that mounted the Oct. 12 Grenada coup.

Bourne, his wife Mary King, and his friend Sam Brown (both of whom served in the Carter administration) are key fundraisers for the Hart campaign.

- **Policies:** Like Carter, Hart maintains that his strong suit is “new ideas.” But Hart’s ideas are just a repackaged “information society” version of the neo-Malthusian policies that Carter pushed: limited resources, economic sacrifice, population control, “renewable” energy sources. In fact, one of Hart’s chief economics advisers, U.S. Club of Rome member Robert Hamrin, served as a “panel professional” to Carter’s Commission for a National Agenda for the Eighties. That commission urged, as Hart does now, that the “sunset” industries—basic industries like steel, which are essential to national security, be scrapped so that more resources could be put into the “sunrise” industries, i.e., computers, information processing, and so forth.

- **Controllers:** Hart’s campaign is being shaped by the same insiders who ran Carter’s. Averell Harriman personally tapped Jimmy Carter for the Democratic Presidency in the early 1970s, and together with Henry Kissinger’s piggybank, banker David Rockefeller, put Carter on the Trilateral Commission to “get an education.” Averell Harriman told a national TV audience last year that Hart was his favorite candidate; many of Hart’s advisers are drawn from the Kissinger stable.

- **Personality profile:** Hart belonged to a fundamentalist sect, the Nazarenes, and attended Bethany College and Yale Divinity School, where he came under the influence of networks committed to destroying the Judeo-Christian ethic in favor of a return to pagan religion. Jimmy Carter’s much-touted “born-again” religion had much more in common with paganism than with Christianity.

A 'new idea' for military reform: taking America back to the crossbow

by Susan Kokinda and Kathleen Klenetsky

Gary Hart has based his campaign on the contention that he is the candidate of "the future," the man armed with "new ideas." But one of Hart's most widely touted "new ideas"—his proposals for military reform—would actually turn the clock back on efforts to improve U.S. military capabilities. For all intents and purposes, Hart is proposing that the United States rely on the equivalent of semiconductor-driven crossbows—in the face of a massive Soviet military buildup.

An active member of the Armed Services Committee, Hart has emphasized defense matters since entering the Senate in 1974. But his main work in this area has been done through a little-known group called the Military Reform Caucus, which he co-founded with Sen. Sam Nunn (D.-Ga.)

Established in 1981 as a joint project of the Jesuit-run Georgetown Center for Strategic and International Studies (CSIS)—Henry Kissinger's base of operations—and the KGB-tainted "conservative" Heritage Foundation, the Military Reform Caucus has consistently advocated measures which, while clothed in pro-defense garb, would sabotage U.S. military capabilities. Hart has emerged as a key spokesman for the caucus, and many of its recommendations and proposals have found their way into his presidential platform.

Simple is beautiful

The Military Reform Caucus's basic premise is straightforward: Since the United States has no hope of contesting Soviet superiority in manpower and materiel, caucus members maintain, it should abandon any further attempts to develop sophisticated technology and instead opt for greater quantities of less complex weapons systems. Hart himself has written that "only simple weapons" are likely to work in combat situations, and therefore the United States should "buy simpler, more effective weapons in larger quantities."

Based on this absurd argument, the caucus has spun out a series of recommendations which include:

- Stressing U.S. and NATO reliance on conventional weaponry at the expense of strategic modernization—an approach favored by Henry Kissinger and incoming NATO Secretary-General Lord Peter Carrington as part of their broader "New Yalta" deal with the Soviet Union.

- Reforming the military procurement process through open competitive bidding and other means. This "anti-cor-

ruption" issue, which all the establishment-approved Democratic presidential candidates have avidly seized upon, is being used to watergate both the Pentagon and military contractors and bankrupt defense contractors essential to U.S. national security.

- "Downsizing" U.S. strategic deployments to "fit" dwindling U.S. resources.

- Substituting small, simple ships for the U.S. large-carrier-based naval fleet, on the spurious grounds that a larger fleet of smaller and less technologically advanced ships would give the United States "naval superiority."

- Eliminating a variety of weapons systems ranging from the B-1 bomber to the MX missile. Hart, in fact, appeared at a press conference last May with former CIA directors William Colby and Stansfield Turner—to announce a "national mobilization" to stop the MX missile.

Together with his colleagues, Hart has lined up against U.S. efforts to develop a beam-weapon defense system, in spite of massive evidence that the Soviets are on their way to deploying one. In the February 1984 issue of *Arms Control Today*, Hart blasted the Reagan administration's anti-missile proposals as "Star Wars . . . technically unworkable . . . strategically unsound" and "a cruel hoax" and has hit on this issue consistently during his campaign.

Reducing U.S. power

Hart's defense reforms are simply the military component of his overall foreign policy, one which proposes to slash the United States's global power and influence. Hart was the first senator to introduce a resolution calling for a U.S. troop withdrawal from Grenada when President Reagan sent in troops after a Soviet-backed coup; he rabidly opposed the U.S. troop presence in Lebanon—even though the U.S. withdrawal has increased the sway of Soviet surrogate Syria.

Hart has also called for the United States to remove its troops from Western Europe. In his 1983 tome, *A New Democracy: A Democratic Vision for the 1980s and Beyond*, the candidate argues that there should be a "division of labor within NATO" in which the United States would take over the defense of the "West's lifelines in the Atlantic and Pacific" while European NATO members "would have to assume

a proportionately greater share of the land defense of the Continent itself" since the United States would have to withdraw a significant number of its troops in Europe.

Hart's proposal markedly resembles Henry Kissinger's controversial March 5 *Time* magazine essay, in which he called for a "decoupling" of Europe from the United States under the guise of "reshaping" NATO. Kissinger's proposals are now being put into legislative form by Sen. Ted Stevens (R-Alaska), one of Hart's close colleagues on the Military Reform Caucus.

This is hardly the only area where Hart and Kissinger find themselves in close agreement. Hart is a big booster of the so-called "build-down" proposal (under which old missile systems would be replaced by smaller-scale, one-warhead missiles) which Henry Kissinger and his epigones on the Scowcroft Commission managed to foist on Reagan last fall.

That Hart and Kissinger share the same approach on crucial national security questions is understandable, given CSIS's role in setting up the Colorado Senator's military reform group. In 1981, CSIS formed a Congressional Outreach program which, under the leadership of Sam Nunn and Rep. Richard Cheney (R-Wyo.), and with the participation of Gary Hart, began a wide-ranging exploration of national defense and strategic matters. Henry Kissinger keynoted the group's first meeting, immediately after which Nunn, Hart, and Cheney set up the Military Reform Caucus. Other Reform Caucus members were involved in the CSIS program, including Sen. Claiborne Pell (D-R.I.), a top Harriman Democrat, nuclear-freeze supporter, member of the genocidal Club of Rome, and one of the last Americans to be granted an audience with Yuri Andropov.

Hart sits on CSIS's advisory board together with KGB asset Armand Hammer and William Rogers of Kissinger Associates.

CSIS spokesmen Dr. Michael Feeney reported that the Washington, D.C.-based think tank "has worked very closely with the reform caucus." In fact, Bill Lind, Hart's key military aide and a co-author with him of a Feb. 14, 1982 *New York Times Magazine* piece called "What's Wrong With The Military?" has, according to Feeney, "spent a lot of time over here." Feeney also disclosed that the caucus's key point man on the CSIS staff is Barry Blechman, who was most recently found strenuously advocating the proposal for a "nuclear-free zone" in Europe, shortly before it was revealed that the proposal was written by KGB super-spy Arne Treholt (see *EIR*, Feb. 14, 1984).

A shared determination to sabotage President Reagan's new strategic doctrine of March 23, 1983 has put Hart and the Military Reform Caucus in bed with the "ultraconservative" Heritage Foundation, backers of Gen. Daniel Graham's "High Frontier." In March 1983, Hart spoke to the Senate on the need for "A Military Reform Defense Budget for Fiscal Year 1984," and praised the Heritage Foundation's Agenda 1983, which complained about the Pentagon's "overemphasis on long-shot technology."

Hart's economics: 'fascism with a human face'

by Graham Lowry

In the area of economic policy, Gary Hart's self-styled "new ideas for the 1980s" are Aquarian versions of Mussolini's program. The proposal Hart outlines in his *A New Democracy* first emerged in the mid-1970s under the label "fascism with a human face."

Hart writes of the need to reverse "porkbarrel" politics, to "weigh competing claims on the federal treasury . . . and to allocate scarce resources." Hart demands "worker retraining" for the post-industrial "Age of Information" and proposes the creation of "a small council capable of providing long-range vision into the industrial future." This is the language, and these are the plans, of the Harrimanites who propose to eliminate 2 billion people from the earth by the turn of the century.

In the fall of 1982, Hart cosponsored a bill that would remove all policy-initiating authority for "public improvements" from the hands of Congress and assign it to an independent commission to be chaired by a non-elected "budget expert" from the private sector. The bill, dubbed the Rebuilding of America Act, was filed by Sen. Daniel Moynihan (D-N.Y.), a pet of the Averell Harriman who was a public supporter of Hitler and Mussolini into the 1930s.

Hart hailed the bill as a testament that "we cannot continue the failed 'porkbarrel' politics of the past. Rather, we must spend our limited resources on those projects that will provide the greatest benefit to the public." As Hart's public support for the proposals of the Carter administration's *Global 2000 Report* confirms, this is a plan for enforced scarcity. Among the planners Hart pays tribute to in *A New Democracy* is Jay Forrester, co-author of the Club of Rome fraud *Limits to Growth*.

Dictated by the New York investment bankers and Federal Reserve Board officials who have worked for years to crush the U.S. economy, the solution proposed for America's rotting infrastructure amounts to a strategic bombing run on its remains. Funding for facilities to be "saved" would be placed under state or regional authorities similar to the financial dictatorship established over New York City by Lazard Frères banker Felix Rohatyn's "Big MAC" Municipal Assistance Corporation.

Creating austerity dictatorships

The infrastructure legislation Hart supports exemplifies the approach. The independent commission it would establish would determine the priorities and financing mechanisms for public works “over the next 10 and 20 years.” Ending the powers of Congress to foster internal improvements for the development of the nation, the commission would issue recommendations that “shall be deemed to be approved by Congress and shall be the policy of the federal government” unless the House and Senate pass a “resolution of disapproval” within 120 days.

No new infrastructure is envisioned in the Moynihan-Hart legislation. The bill specifies that priorities be assigned to “needed maintenance, repair, rehabilitation or replacement of public improvements in each region . . . taking into account the least-cost life-cycle costs.” In true Keynesian fashion, rather than infrastructural development boosting the entire economy, public works projects are to be scheduled during downturns in the economy, “in order to reduce the cost of such work.” The commission is also instructed to consider excise taxes and user fees.

‘Retraining and relocating’

Hart’s package for enforcing the final transformation of America into a “small is beautiful” society stresses a corporatist business-labor-government “partnership.” For *A New Democracy*, Hart borrowed heavily from a 1981 publication of the Council of State Planning Agencies, “America in Ruins; Beyond the Public Works Pork Barrel,” by Pat Choate and Susan Walter. Choate was also the author of a late-1982 report by the Northeast-Midwest Congressional Coalition, proposing that up to 15 million remaining industrial workers be forced to finance their own “retraining and relocation.”

Hart endorses Choate’s swindle by name in his book, praising the so-called Individual Training Account—mandatory wage deductions to be held in escrow until the worker’s job or industry disappears—and notes that “it would reduce pressure on unemployment insurance funds,” for which workers with an ITA would be ineligible.

Projecting the new jobs his Aquarian policies would supposedly generate by 1990, Hart cites as the second largest category 700,000 “geriatric social workers.” Hart also proposes looting employee pension funds, both public and private, which he notes eagerly in his book is “our largest pool of capital.”

The planning group for the policies on display from the Harrimanite candidates is the Industrial Policy Task Force of the Center for National Policy, a stable of former Carter administration officials and advisers co-chaired by Felix Rohatyn; Lane Kirkland, president of the AFL-CIO and champion of the Federal Reserve; and former Du Pont chairman Irving Shapiro, specialist in liquidating corporate productive capacities. Also on the task force are holdovers from the 1975 Initiative Committee for National Economic Planning (IC-

NEP), including Club of Rome member Glenn Watts, president of the Communications Workers of America.

At its founding press conference, ICNEP spokesmen distributed literature on “The Coming Corporatism” which frankly stated, “Let us not mince words. Corporatism is fascism with a human face.” ICNEP’s proposed regional austerity dictatorships would be run by the business-labor-government planning and financial control boards now pushed by Rohatyn and Hart.

The same week that Moynihan and Hart introduced their “Rebuilding America” legislation, Moynihan called for a Reconstruction Finance Corporation (RFC) to manage what he referred to as the “creative destruction” of the nation’s “less efficient companies,” extending funds to enable them “to shut down gradually without the economic disruption of a sudden closure.” In *A New Democracy*, Hart talks of the need for financing mechanisms to make basic industries productive once again, and to secure labor “acceptance” of new technologies. The actual thrust of these policies is better summarized by their leading architect, Felix Rohatyn.

Writing in the *New York Times* magazine of Dec. 5, 1982, Rohatyn stated, “In the industrial field, the RFC’s investments would be limited to those basic industries such as automobiles and steel that could be made competitive. The RFC would provide funds only if there were concessions on the part of labor, management, suppliers, and bankers sufficient to make the company competitive with the best foreign producers.” In his book, Hart proposes that any industrial assistance be “tied to modernization and growth agreements . . . on making the industry more competitive.”

“Similarly, in the public infrastructure field the RFC’s capital would be available only if local support—such as tax changes, union productivity and wage concessions, fare and user fees—assured the viability of the projects.”

‘Any of them would do it’

Hart’s home state of Colorado is the center for integrating studies in more than 20 states of how to triage infrastructure. Commissioned by the Joint Economic Committee of Congress, the studies were conducted last year under the National Advisory Board on Infrastructure (NABI), chaired by the austerity-mongering former chairman of the JEC, Henry Reuss. Colorado’s Gov. Richard Lamm, a strong supporter of Gary Hart, was a board member. Funding came from the Rockefeller Brothers Fund, the Ford Foundation, and the Cummins Engine Foundation, which previously funded ICNEP’s “fascism with a human face.”

Interviewed last year, the study director, Prof. Marshall Kaplan of the University of Colorado at Denver, declared, “You need a national overview to set priorities. What it boils down to is learning to manage scarcity in the ‘80s and ‘90s.” As Ted Van Dyke, executive director of the Center for National Policy, predicted a year ago concerning this agenda, “any of the Democratic candidates would implement them.”

Not a dime's worth of difference

by Graham Lowry

The combination of Henry Kissinger and Averell Harriman playing kingmaker is at the center of this year's presidential campaign, just as it was in 1968 when Kissinger worked with both Republican candidate Richard Nixon and Democratic contender Hubert Humphrey—while manipulating foreign-policy developments with Averell Harriman on the Vietnam peace negotiations.

To date, Mondale has proven why he was never elected to public office—nobody wants to vote for him. But the general media line that he has “great organization” for getting everything but votes has an element of truth in it. Of all the Moscow-endorsed candidates, Mondale has the greatest array of Kissinger and Harriman assets on the Trilateral Commission. A Mondale White House would look like a Kissinger-Trilateral Commission clubhouse.

The Mondale team

Mondale's official campaign adviser list includes **William Hyland**, Kissinger's favorite “Soviet expert,” a Trilateral member, and the editor of *Foreign Affairs*; **Winston Lord**, Kissinger's former White House aide, a Trilateraloid, and president of the New York Council on Foreign Relations; and **Viron P. Vaky**, Latin American expert from the National Security Council under Kissinger. Additional Trilateral Commission members advising the Mondale campaign are **Cyrus Vance**, **James R. Schlesinger**, **Harold Brown**, **Sol Linowitz**, **Richard Holbrooke**, **Warren Christopher**, **Graham Allison**, and **John Culver**. Eleven more advisers were also members of the wretched Carter-Mondale administration.

With a gang like this, no wonder Mondale adviser **Robert Pastor** was writing strategy papers for the Soviet-backed butchers President Reagan had to send in Marines to clean out of Grenada. From Moscow's standpoint, the editorial praise heaped on Mondale Feb. 12 in *Izvestia* was well deserved. During the last two months of campaigning, Mondale has called for the withdrawal of U.S. forces from Lebanon, the cancellation of the B-1 bomber and the MX missile, and the rapid implementation of Henry Kissinger's proposals for eliminating large, multiple warhead missiles and replacing them with small, single-warhead “Midgetmen.” He has called for the whole array of Pugwash disarmament measures that Moscow is confident would eliminate any significant U.S.

defense capability—a nuclear weapons freeze, a comprehensive test ban treaty, ratification of SALT II, and negotiation of “an anti-satellite space-war treaty” eliminating new defensive beam weapons that could knock out attacking nuclear missiles in flight.

The blurry John Glenn

While John Glenn has limped through the early primaries on a rather blurred profile designed to attract and dead-end the moderate-to-conservative Democratic voter, the Kissinger-Harriman combination has so far not found it worth expending many resources on him. Glenn established an early reputation for putting audiences to sleep; he recently has tried opening speeches with, “My son is an anesthesiologist. Like father, like son.”

By the second week of March, key Glenn supporters in the Midwest and South were switching to Gary Hart, generally on the stated basis of not wanting to help Mondale by dividing votes between Glenn and Hart. Glenn's campaign team regarded his continuance in the race as problematic. “We've reached our goal-line stand,” said a Glenn coordinator for the South.

Glenn's campaign advisory apparatus was quite modest. As one of his senior campaign staffers in Washington put it when asked for a list of Glenn's prominent advisers, “If we're looking for luminaries, I'll tell you the truth—Glenn was never one to pick a guru. He won't just pick one man and say, ‘he's my expert.’” Instead, Glenn supposedly consults a small group of informal advisers, the “most senior” of whom is retired **Adm. James Woolsey**, one of the prime backers of the nuclear “build-down” proposal foisted on President Reagan by the Kissinger-Harriman group last fall.

On economic policy, Glenn consults with a group of economists ranging from not-so-colorful to invisible, but all distinguished as raving austerity-mongers: **Henry Kauffman**, the self-styled oracle of the marketplace, generally known as Fed chairman Paul Volcker's alter ego; **Charles Schultz**, chairman of the Council of Economic Advisers (CEA) during the economic carnage of the Carter-Mondale administration; **Walter Heller**, the relic from Mondale's Minnesota who chaired the CEA under Presidents Kennedy and Johnson; and **Alice Rivlin**, recently retired director of the Congressional Budget Office, Capitol Hill's indefatigable propagandists against economic growth, energy development, and progress in general.

Finally, one candidate who intends to stay on to the end as a sewer-pipe for all kinds of dirty operations is Jesse Jackson, whose antics have included “negotiating” the release of an American flier downed by Syrian fire in Lebanon, on a trip arranged by **Louis Farrakhan**, head of the Libyan-controlled wing of the Nation of Islam (Black Muslims) in the United States. Farrakhan publicly praised Libyan dictator and terrorist promoter Muammar Qaddafi, at a conference in Gary, Indiana which opened with a telegram of greetings from Qaddafi.

Can anti-Kissinger Democrat LaRouche win the Pennsylvania primary?

EIR interviewed Mel Klenetsky, the campaign director for Democratic presidential candidate Lyndon H. LaRouche, Jr., on March 8.

EIR: Some people give your candidate, Lyndon H. LaRouche, Jr., credit for Mondale's upset in New Hampshire, though LaRouche didn't run in that primary.

Klenetsky: It was Mr. LaRouche's hardhitting campaign against the Trilateral Commission in the 1980 New Hampshire primary that enabled Ronald Reagan to beat Trilateral Commission member George Bush. And the LaRouche presidential campaign had an important impact in the 1984 New Hampshire contest, even though LaRouche did not run in it. The hatred for the Trilaterals manifested itself in the resounding anti-Mondale vote Feb. 28. Mr. LaRouche's Jan. 21 national TV broadcast in which Mondale was identified as part of a "fifth column" for the Soviet KGB was not irrelevant to the outcome.

We have always known that there's been a vacuum of leadership in the Democratic Party. The Harriman-Manatt-Kirkland wing of the party, which had placed all its eggs in the basket known as Walter Mondale, was now running roughshod and using thug tactics to get a Mondale steamroller going.

EIR: Your candidate did not enter the early primaries, which are usually considered to be crucial for winning the nomination. What is your strategy?

Klenetsky: The first two primaries we will enter are close together, Louisiana on April 7 and Pennsylvania on April 10. Louisiana just decided to have a primary, and we decided to go with it, but our major preparations have been for the Pennsylvania primary. Mr. LaRouche's goals have been two-fold: to initiate a candidates' movement able to implement policies that need to be implemented this year, *before* the election—policies concerning both the strategic issue and the economy. Mr. LaRouche's early exposure to the national electorate occurred with his two paid nationwide prime-time TV addresses Jan. 21 and Feb. 4, where he outlined his National Defense Emergency Mobilization Act as the necessary feature of a defensive beam-weapons program for the United States in a 1939-43 Roosevelt-style economic revival.

Mr. LaRouche has been encouraging the candidate-movement process and is happy to report that more than 2,000 candidates call themselves "LaRouche Democrats" and are running on his program nationally.

EIR: Democratic National Committee chair Charles Manatt claims that LaRouche is "not a real Democrat" and has called LaRouche's organization "bizarre" and "extremist." Is LaRouche a Democrat?

Klenetsky: Not only is LaRouche a Democrat, but thousands of his supporters are now running for office in the Democratic Party, and the LaRouche takeover of the party is occurring despite Manatt and Harriman's desperate tactics of slandering Mr. LaRouche and his supporters and trying to keep the policies LaRouche is promoting out of the party. Manatt and Harriman are appeasers. They are following the Moscow line on the nuclear freeze and disarmament questions, and have done as much as any group in the country to perpetrate the post-industrial society which has led to the industrial and agricultural collapse which threatens to make us a "former" superpower.

If LaRouche wins, Manatt and his minions will be ousted from power, and the Democratic Party will fall to LaRouche. That's the name of the game. Because of this situation, LaRouche wanted all the appeasers, "Snow Job and the Seven Dwarfs," to knock each other out in the early primaries, which is precisely what happened. First of all Manatt, Kirkland, and Harriman do not have control over the constituencies which have been increasingly disenfranchised since the McGovern race of 1972. More and more, the blue-collar worker, the American farmer, and your average citizen have watched with horror as the Democratic party was taken over by lesbian and radical caucuses.

What happened in New Hampshire was lawful—a grass-roots revolt against the symbol of this leadership grouping, Mondale. The vote for Hart was more of an anti-Mondale, anti-Manatt, anti-Kirkland vote. Very few people know Gary Hart. When they learn that he dropped his "pence"—shortened his name from Hartpence to Hart, and dyed his hair blond when he was McGovern's campaign manager, and advocates the same futurist policies as Benito Mussolini, most people will balk at getting on the Hart bandwagon, no matter how Pat Caddell packages this Colorado critter.

EIR: Certain media, not only in the U.S.A. but in Europe, have proposed that a deep economic recession brought about by Volcker's high interest-rate policy will topple Reagan's re-election chances no matter how repulsive the Democratic candidate is. Can you comment?

Klenetsky: Absolutely. There are two things that will lose Reagan the election. First is the re-emergence of Henry Kissinger as a factor in foreign policy, as witness his recent appointment to the Foreign Intelligence Advisory Board and the use of his recommendations from the Kissinger Commission.

Kissinger is a liability to the entire human race and certainly to any presidential aspirant, a simple fact of life which Gerald Ford learned the hard way. His March 5 *Time* magazine piece calling for pulling U.S. troops out of Europe and eliminating the nuclear umbrella was clearly seen by Europeans as a policy which had to be designed or advocated in Moscow, coming out of the mouth of the biggest butcher that the Third World has known in the 20th century. To the extent that Reagan embraces Kissinger on the one hand, and allows Paul Volcker's economic policies to prevail on the other, he is risking the wrath of the electorate, if the economic blowout occurs in the next few months and the strategic situation worsens due to Kissinger's manipulations.

LaRouche, in opening the major part of his effort in Pennsylvania, will be using that important industrial and agricultural state, the center of our steel and farm industries, to rally citizens around the policies needed to get us through this crisis. As indicated by New Hampshire, people are in a state of rebellion against the existing party leadership. LaRouche will use the Pennsylvania primary as a rallying point for his National Emergency Defense Act to send shock waves through the Democratic Party and policy circles across the globe.

That process of rallying the population will escalate in all the candidate races of LaRouche supporters that begin to come on line and the primaries and caucuses that LaRouche is running in from then on: Nebraska, California, Ohio, Oregon, Maryland, South Dakota, and West Virginia, where LaRouche is currently on the ballot; and New Jersey, North Dakota, New Mexico, North Carolina, Idaho, Texas, Colorado, and other states where LaRouche plans to petition or fight in court to be placed on the ballot by the secretaries of state.

EIR: In 1980, LaRouche ran in the Democratic presidential primaries in about 15 states. His official vote totals were relatively low. Given the lack of media attention to the LaRouche campaign, how do you anticipate a substantial showing for him in Pennsylvania, which is key to your strategy?

Klenetsky: In the 1980 campaign LaRouche bought four half-hour prime-time TV spots to get across his message. We faced a hostile press then as now. The effect of those spots was a grassroots movement around LaRouche's policies.

That became the NDPC, which now has over 30,000 members and is fielding more than 2,000 candidates for public office; we expect the total to be 10,000 by the time of the November election.

The Manatt faction of the Democratic party is hysterical. The Democratic county leadership in Will County, Illinois, for example, is taking out ads for write-in candidates against the LaRouche slate, for fear that they now control already one-fourth of the Democratic Party in suburban Cook County. LaRouche supporters have already contributed more money to the LaRouche campaign than was raised in 1980 and he has already appeared on two half-hour TV shows and will appear on March 17 on a nationwide NBC telecast and five half-hour TV spots in Pennsylvania on the same night on different channels on March 17. Mr. LaRouche intends to capture the imagination of the Pennsylvania electorate by presenting the importance of Pennsylvania steel and waterways and ports and agriculture for the entire nation.

During this program the candidate will detail plans to open up unutilized capacity, even if it means doing so under the confiscation guidelines of the National Defense Production Act. Mr. LaRouche will address the problem of the Mellon banks and their foreclosure procedures against unemployed steel workers, and will propose to outlaw foreclosures until unemployment drops below 2%, all in the context of a National Defense Emergency Mobilization. There is no policy in the Democratic or Republican Party except Mr. LaRouche's that can save the nation. By media campaigns and a large volunteer effort and candidates movement, this message will get across, and we fully expect the population of Pennsylvania will rally to the LaRouche campaign.

EIR: Our investigations show that Mondale, Glenn, Hart, McGovern, and Jackson all have ties to Henry Kissinger in policy and overlapping sets of advisers and funders. Who are Mr. LaRouche's advisers and funders?

Klenetsky: Mr. LaRouche's rallying cry for the Democratic Party is a call to arms for patriots within the party to reforge the farm-labor-ethnic-industrial alliance that existed during the last period of the FDR administration. Mr. LaRouche has been in regular contact with regional and local leaders representing these constituents.

His campaign coordinator for Western Pennsylvania is former UAW Local 544 president John McCarrell, who sees the LaRouche effort as the only thing left for the party. Hulan Jack, the former borough president of Manhattan, a prominent spokesman in the black community, and a civil-rights leader of the 1940s before civil rights became fashionable, is among LaRouche's advisers. More than any other candidate Mr. LaRouche draws on a broad base of contributions from these constituencies that have no other institutional form of expressing their views than The LaRouche Campaign and the National Democratic Policy Committee, the political action committee of which Mr. LaRouche is chairman emeritus of the advisory board.

Kissinger plans new Vietnams in Ibero-America

by Nancy Spannaus

Henry Kissinger, appointed by the President to his Foreign Intelligence Advisory Board the second week in March, has launched a campaign to turn all of Ibero-America into a new Vietnam. Kissinger has sold his depopulation program through civil wars under the cover of "cleansing all communist influence out of the area."

The trigger for the wave of bloody civil wars, on the State Department drawing boards under the name of the Second War of the Pacific, is expected to be an attack by Chile on the nation of Argentina. Kissinger is up to his eyeballs, along with the British government and incoming NATO chief Peter Lord Carrington, in promising military backup to the shaky Pinochet regime for a "second Malvinas war" against Argentine territory, and possibly an invasion against Argentina's military ally, Peru.

Kissinger—the man who just offered Western Europe to the Soviet Union in his *Time* magazine article of March 5—has also won approval from the Reagan administration for an "anti-communist crusade" which will target the governments of Peru, Mexico, and Colombia, among others. The governments which Kissinger labels "communist" are in fact the nationalist governments which have resisted the full-scale implementation of IMF genocide programs in Ibero-America. It is U.S. backing for IMF austerity which threatens to turn the entirety of Ibero-America into a fertile recruiting ground for the Soviet KGB.

"Henry Kissinger is trying to create new Vietnams throughout South America," charged Democratic presidential candidate Lyndon H. LaRouche, Jr. "He is a worse butcher than Adolf Hitler. I am angry and want to destroy Kissinger now. I hope I can achieve my goal before he destroys Mexico, Argentina, and Peru, and the rest of Ibero-America."

Kissinger's Vietnam blueprint begins with unleashing Chile against Argentina. Argentina, the only nation on the

continent with the food supply to service an emerging Latin American Common Market, is a key target. The new government, which has shown ample willingness to cooperate with Great Britain and the United States on military issues, continues to be unable to pay even interest on its \$43 billion dollar debt.

Dismantling Argentina's defense

Kissinger's henchman "Dirty Harry" Schlauderman already began carrying out the plan when he gave U.S. backing to Argentina's Alfonsin government's program for dismantling the nationalist sections of the armed forces. Alfonsin is in the process of purging the air force, the only service that aggressively fought against Britain in the Malvinas, in order to "atomize" the armed forces.

The reorganization plan calls for the creation of inter-force combat units and "highly professionalized" rapid deployment forces enjoying a "capability for mobilization." It proposes the creation of a joint command, to operate out of the defense ministry under the supervision of Defense Minister Raúl Borras, which would make decisions, among other things, on geographic distribution of military units. There are also reports of a 30% reduction in the defense budget for 1985, although this has not been confirmed publicly.

Alfonsin's moves against the military, including widely publicized show trials and demagogic cries for "democratization," not only threaten to dismantle Argentina's defenses but are also affecting its relationship with its neighbors. Highly reliable Argentine sources point to a crisis in Argentine-Brazil relations, caused in part by Alfonsin's stance of dealing with "the people," not the government of their country.

Argentine-Brazil relations have also been strained by the intervention of U.S. Secretary of State George Shultz on behalf of the "special relationship" between Brazil and the

United States. Should Brazil be impelled by threats and rewards from the U.S. to put its relationship with the U.S. above its relations with other Ibero-American nations, the major deterrent to massive destabilization of the continent will be eliminated.

The Chilean trigger

The Pinochet government, which collaborated with Britain in the Malvinas conflict to a point just short of declaration of war on Argentina, is also being primed to fight. Chile has received a favorable mediation agreement by the Vatican on the Beagle Islands. Although Argentine sources indicate that the agreement has no chance of going anywhere, the agreement adds weight to Chile's demands against its neighbor.

In addition, well-informed Ibero-American military forces report that Britain is pouring military aid into Chile, and promising logistical backup for the Chilean navy in case of hostilities. Sources connected to the OAS indicate that British military support will include backup for Chilean claims on Antarctica and the surrounding natural resources, and perhaps even the sale of the aircraft carrier *H.M.S. Hermes*.

In this context, the revelations of U.S. military backup for Great Britain in the war of the Malvinas, published in the London *Economist* of March 3, take on immediate strategic importance. In excruciating detail, the *Economist* reveals how Secretary of Defense Weinberger authorized the delivery of massive amounts of weapons, logistical support, and intelligence in order to prevent a British defeat in the seas around Argentina. The most remarkable offer of Mr. Weinberger, the *Economist* says, was his proposal to give the British the amphibious assault ship *U.S.S. Guam*, in case either the *Hermes* or the *Invincible* were incapacitated.

In conclusion, the *Economist* notes "how easily America's allies can involve it in conflicts not of its own choosing." Since hostilities over the Malvinas have still not ended, and Britain is heavily arming the Chileans, there is a very clear indication that Britain might involve the United States in a conflict against Argentina—however privately—once again.

The beleaguered Pinochet government, recently deserted by the powerful Catholic Church and officially ostracized by the U.S. government, would appear not to be in any position to start trouble with its neighbors. However, there are indications of a set-up for hostilities.

Kissinger's "anti-communist" crusade is also providing backing to open military insurgency against the anti-drug government of Colombia. The entire drug lobby, including ejected former defense minister Landazabal, are calling for the overthrow of President Betancur on the grounds that he is a "communist."

The Colombia government is a particular thorn in Kissinger's side because it has played a crucial role, as has Mexico, in the Contadora group, the four nations who committed themselves to finding a solution to the Central American conflict based on preserving national sovereignty. First and foremost among the demands of the Contadora group has

been the rejection of interference by all outside powers, especially the superpowers. It is precisely this point of view to which Kissinger violently objects.

Kissinger underlined this point in a recent speech in Houston, Texas. We have to learn our lesson from the fact that Syria turned out to be the winner in the Lebanon situation, Kissinger said. That shows that civil wars cannot find negotiated settlements, but always have winners and losers. You have to go in and back one side hard, he said, indicating that this advice must be followed immediately in the Central American situation.

A related reason for the uproar against Betancur is the fact that he is waging full-scale war against the highly placed drug-pushers in Colombia and their backers in the military. As national elections approach the weekend of March 10, violence is escalating from both leftist-backed guerrillas and the military to threaten Betancur's rule. The democracy hangs by a thread.

According to a report in the March 4 edition of the Colombian daily *El Espectador*, in a speech to senior officers of the armed forces, former defense minister Landzabal stated that "if for reasons of national security his presence is again required in the ranks, 'we will be prepared to return to them.'" Taking aim at President Betancur's strategy of amnesty for the guerrillas, he declared: "Dialogue is thus extended, with no limitations in either time or space, such that the force of arguments and circumstances brings into the sentiments of the armed forces the false need of ceding in the face of the intentions of the enemies of order and peace. . . . The heroism of the soldiers who fall with the cry of the fatherland in their mouths is denied, [and thus] the war is being lost in the halls of dialogue."

Within days after this direct challenge to the President—who had forced him to resign a few weeks before—the supporters of the drug trade took another initiative by filing legal charges against Minister of Justice Lara Bonilla, the kingpin of Betancur's anti-drug campaign. So far this effort has been unsuccessful.

Those who are tempted to believe Kissinger's "anti-communist" ruse should be reminded not only of his record of negotiations with the Soviet Union—which stripped the United States of its military superiority—but also of his recent treatment of U.S. allies in Europe, whom he has offered to the Soviet sphere of influence.

The Feb. 18 issue of the Lima daily *La Republica* carried a report that the United States was in the process of selling Chile nuclear-tipped "Pershing II" missiles. The article claimed to be based on a photocopy of confidential U.S. State Department airgram No. A-1490, signed by Kissinger's buddy George Shultz, and sent to all U.S. embassies in Ibero-America. The *La Republica* author asserts that he verified the story with "Latin American intelligence sources."

The story caused an immediate diplomatic incident with the Peruvian government, against whom the Chileans have long-standing territorial claims. Forty-eight hours later the

Chilean and U.S. embassies emphatically denied the report, claiming that the airgram had been a KGB fabrication.

The most prominent KGB asset working on the program for war between Chile and Peru, however, is Henry Kissinger. Kissinger has long been on record in support of the RAND corporation scenario called the Second War of the Pacific, in which a "pro-American" Chile would go to war with the "pro-Soviet" Peruvians and Argentina.

In addition, high-ranking military sources in Ibero-America argue that the Pershing report was principally psychological warfare, but based on an element of truth: that the United States and Britain are committed to arming Chile, and that there has been discussion in the U.S. Senate over what to do with various nuclear weapons systems. The source was emphatic in rejecting the State Department line that the "leak" was KGB-inspired, indicating it was clearly a British operation. The British have been trying to play Chile against Argentina and Peru for years, he argued, and this move would not only exacerbate such conflicts, but also hurt the Reagan administration in Ibero-America.

The anti-communist fraud

There is no question but that the real content of the Kissinger Commission report on Central America was the outlining of an "anti-communist" crusade against all the viable nation-states of the region. Since the report was issued, Kissinger allies in Mexico, Colombia, and Costa Rica have come forward to attack the defenders of national sovereignty as "communists."

The most blatant case of this set-up for bloody civil wars is Mexico, which Kissinger aficionado General Robert Gorman recently attacked as the center for subversion in the region. Almost immediately afterwards, ABC television interviewer and Kissinger intimate Barbara Walters asked a Kissingeresque question at the New Hampshire Democratic Party debate, inquiring how the candidates would react, as U.S. President, to a communistic insurgency in the Republic of Mexico.

While the other Democratic presidential candidates hemmed and hawed, and in a couple of cases indicated that they would order an invasion, presidential contender LaRouche went to the heart of the matter by attacking the Kissinger invasion plan behind the question (see article, page 48).

The "communist" threat in Mexico is, in fact, an alliance of the Nazi PAN Party with the communist party for a "free-enterprise" drug takeover of the country. This Nazi-Soviet alliance would not be such a problem, if the Kissinger-controlled State Department and the KGB-run FBI were not working overtime to give it U.S. backing. In particular, the State Department has insisted that Mexico implement IMF conditionalities that foster opposition to the government, and that it implement the secret IMF conditionality which calls for promoting the PAN as the champion against "one-party rule."

Green Party: terror

by Joerg Kremer

When the Green Party convened on March 3-4 in the city of Karlsruhe to prepare for the European Parliament elections this June, it resembled a madhouse. Rejecting modern Europe, modern industry, and modern society, the Greens turned to the worship witchcraft cults:

"Mother Earth Does Not Know Any Fatherlands!" The term "Fatherland" was considered a synonym for "nation-state"; the Greens called for a "Europe of the Regions—a Europe of the Motherlands." Heedless of the millions of jobless industrial workers, the Greens called for "a special legal status for millions of animals" which they claimed "have no representation in the parliaments and are being suppressed by modern society." The various cats and dogs running around or sitting at the panel seemed unappreciative, as did the "independent youth movement" punksters in attendance.

The Greens' engagement on the side of "nature" in their "fight for survival against industrial society" extends into the sphere of agriculture. The Greens believe what one speaker at the Karlsruhe convention expressed in the following way: "Modern forms of meat production enslave the animals, and today's agricultural policy of the European Community is basically hostile to animals' real needs and self-development rights."

Another point attacked in Karlsruhe was the European Community's commitment—as stated in its founding principles of 1957—to the "promotion of economic growth." This notion, the Greens say, reflects "the exaggeration of the masculine principle in history, which leads to exploitation of Mother Earth and thus to extinction of natural resources."

Witchcraft and separatism

The Greens' outlook was expressed in the keynote address by one of the party's deputies in the Bonn parliament, Antje Vollmer, to the 1,000 delegates and guests: "Looking back on what these countries which are ranked in one way or another under the notion of 'Europe' have in common, I must say it is a history of common evils and plagues. . . . Witch-hunts victimized millions of women, and that is why they [the men] took centuries in every country to recover from this destruction of female knowledge, self-consciousness, and female emancipation."

Mrs. Vollmer went on to pose the Green model, "the art of surviving"—a mixture of "pictures and colors of a specific landscape, the rhythm of songs and dances" and of "regional dialects of language."

and witchcraft

This worship of pre-industrial backwardness and regionalism led into propaganda for separatism when a delegation of Kurds appeared on the scene and read a manifesto against the central government of Turkey. A former member of the Baader-Meinhof terrorist gang, Brigitte Heinrich, introduced the Kurdish insurgents as anti-imperialist fighters and denounced the European Parliament as a "parliament with no more powers than any so-called parliament under a military junta," referring to NATO. There was only one value in running for this parliament, she said: "We must use this pseudo-parliament which has no legislative or executive functions as a tribune for our public relations work!"

Left and right 'anti-imperialists'

As the ensuing "programmatic debate" made clear, this effort would be aimed against "U.S. imperialism," on behalf of splitting Western Europe from the U.S. nuclear umbrella, and creating "nuclear-free zones" as Moscow has proposed. Mrs. Heinrich opened the stage not only to left-wing outbursts against the American-dominated West, but to their right-wing equivalents.

One delegate darkly declared that "while discussing Europe, we mustn't forget about Germany, about . . . our partitioned Germany which has been enslaved by foreign powers, by Stalin, Roosevelt, and Churchill." He called for "the common fight for the protection of nature as something the two Germanies have in common"—a reference to the old Nazi "blood and soil" ideology. Another *Mittleuropa* type went up to the microphone to shout that Strasbourg, the seat of the European Parliament, was "much too far to the West to be the center of Europe."

Indeed, one of the discussion papers circulated endorsed tactical alliances between left-wing anti-imperialists and "those who were members of the NSDAP [Nazi Party] in 1945 but changed their mind."

That brought to mind the scandal one year ago when one of "those who were members of the NSDAP in 1945" was forced to resign from his newly gained seat in the national parliament in Bonn: Werner Vogel, a member of the Green Party who in 1938 had been working in the same section of the Nazi Interior Ministry which set up the pogroms and later mass extinction of the Jews in Europe! When Vogel's past was discovered, the international press carried headlines such as: "Nazi Stormtrooper Wins Seat in West German Parliament" (see *EIR*, March 29, 1982).

The origins of 'Europe of the Regions'

The "Conservative Revolution" character of the Green movement was underlined by the fact that among the first 10 candidates on the European election slate the convention chose, four belong to the European nobility. The Green notion of a "Europe of the Regions" has always been the battle cry of the oligarchy against the modern nation-state. So-called independence movements in various European regions, and especially the existence of violence-prone "regional autonomy" movements such as the Basque and Corsican separatists or the Tyrolean movement, are cited as proof that the structures of medieval feudalism are more viable than the "superficial structures of modern Europe."

What made the public appearance of the former left-wing terrorist Brigitte Heinrich (who is number two on the Green Party slate) at the Karlsruhe convention most interesting was the fact that she has been an expert on the Basque and Corsican separatist movements since the 1960s, when she was working in the foreign relations section of the West German SDS.

The blend of oligarchism, separatism, Nazi sympathies, and left-wing terrorism at the Karlsruhe convention was underlined by the fact that three more terrorists were voted onto the slate. Positions three and six are held by Benedict Haerlin and Michael Kloeckner, who were sentenced to two and a half years of prison two days before the convention started, for public endorsement of violence in the West Berlin-based magazine *radikal*. Haerlin and Kloeckner are writers for the underground magazine, which also serves as one of the mouthpieces for the terrorist Revolutionary Cells in West Germany. Position four on the European electoral slate of the Greens is held by Frank Schwalba-Hoth, the Green Party member who became infamous when he poured his own blood on the commander of the 5th U.S. Army Corps in Frankfurt, Gen. Paul Williams, in August 1983, to protest the presence of U.S. troops.

The overtly pro-terrorist character of the movement as a whole was also underlined when a brochure was circulated at the convention which contained highly detailed information on U.S. military installations, troops, routes for nuclear and conventional military transports, and airfield and radar facilities in the northwest of Germany. Maps in the brochure detailed all sites spied out by the "movement" with utmost precision.

While not overtly pro-Soviet, the Greens' platform for the European elections calls for the abandonment of Western Europe's ties to the Western Alliance to overcome "a decisive obstacle against the building of a peaceful pan-European order."

As if to emphasize who would profit most from this fight for "a free Europe," one of the leaders of the Green Party, Otto Schily, traveled to Moscow two days after the Karlsruhe convention. Schily was one of the most prominent defenders of Baader-Meinhof terrorists in West German courts in the early 1970s.

Secret maneuvers held in East Germany

by Konstantin George

Secret military maneuvers were conducted in East Germany in mid-February by over 60,000 Soviet and East German troops. Four divisions, including the Soviet 21st Guards-Motorized Division, were deployed, according to West-East News (WONA), a West Berlin-based press agency. The maneuvers, not acknowledged for "diplomatic" reasons by the Bonn government, constitute the crassest violation of the 1975 Helsinki Accords on Cooperation and Security in Europe (CSCE) by the Soviets since its signing. Under the Helsinki accords, it is mandatory to announce 30 days in advance the timing, location, purpose, and size of maneuvers of such scale. These maneuvers also show what the Soviets really think of the current talks on "Confidence-Building Measures" in Stockholm.

The main purpose of these talks from Bonn's standpoint, silly but psychologically revealing, is to "prevent" a Soviet surprise attack on the Federal Republic by means of treaties and notifications governing military maneuvers, operations, and troop movements. Bonn has nightmares over this likelihood, and is attempting utterly illusory "solutions" in trying to legislate the danger out of existence. Bonn's concern was made public in January statements issued to the Bonn *Wehr-Report* by Defense Ministry State Secretary Lothar Rühl on the danger of Soviet surprise attack.

What alarmed Western analysts was that, one month after Rühl's warning, the character of the secret maneuvers held in East Germany was a dress rehearsal for a lightning surgical strike into the Federal Republic. According to WONA, "Two of the divisions, practicing an advance to the West, conducted a parallel and simultaneous crossing of the Elbe," a wide and deep river, at the stretch of the Elbe north of Magdeburg and the Mittellandkanal (which runs West-East from Hannover region to Berlin), and south of Lauenburg, the beginning of the stretch where the Elbe forms the West German-East German border. In the triangle of land bounded by the Elbe, the Mittellandkanal, and the West German-East German land border between Oebisfelde and Lauenburg, lies the Letzlinger Heath, close to the border, and one of the largest military exercise maneuver areas in East Germany.

These maneuvers occurred after a big increase in the number of secret Soviet and East German Air Force maneuvers and increased training flights, including many held at

night and in very bad weather, where, according to WONA, the planes would normally be grounded. The news agency states that one by-product of this big step-up in maneuvers under combat and bad-weather or nighttime "surprise attack" conditions, has been sharp increases in combat-plane crashes. At least six Warsaw Pact aircraft crashed in East Germany in December and another five in January. The maneuvers involved more than tactical aircraft units; one of the confirmed December crashes involved a Soviet Medium Bomber, flying into East Germany from a base in the Soviet Union, which crashed near Schwedt on the border between East Germany and Poland.

The mid-February exercises in East Germany followed announced maneuvers held by Soviet, Czech and Hungarian troops in northern Czechoslovakia on Feb. 7-12. Ongoing the second week of March are maneuvers of Soviet, East German, and Polish troops in Pommern, northern Poland, called "Friendship 84." In March begin the "Soyuz 84" staff maneuvers in the Balkans, involving the Soviet Union, Bulgaria, Hungary, and Romania.

Soviets warn Denmark

The Soviets are now establishing the pretext to attack and occupy the large Danish island of Bornholm in the Baltic off the coast of Poland. Out of the blue, on Feb. 22 the Soviet military daily *Red Star* attacked Denmark for permitting NATO to "use the strategically placed island of Bornholm for reconnaissance plane stopovers." *Red Star* "reminded" the Danes that Bornholm "was liberated" by Soviet troops "in May 1945 from the fascist German occupiers." The Soviet troops were withdrawn in March 1946, under the condition that "Denmark would not let 'any foreign troops or administrators'" take control of the island. Concluding the case for invasion, *Red Star* warns that NATO using the island for reconnaissance planes would be a "gross violation" of the 1946 Soviet-Danish understanding. The "Friendship 84" maneuvers are occurring along the Baltic Coast, opposite Bornholm.

Behind the intimidating military maneuvers and the wave of threats to invade, the Soviet military hardware strategic buildup goes on relentlessly. According to the London *Daily Express*, American spy satellites have discovered the construction of a new Soviet SS-20 missile base of nine launchers, "close to western Europe." West German military sources confirmed the report and reported the location of the base to be on the Baltic island of Oesel, off the coast of Estonia. Oesel, like the neighboring large island of Dagoe, is heavily militarized to begin with, and both islands have long been closed to travelers and foreigners. This brings the total of SS-20 launchers facing Western Europe to a confirmed 252, plus another 144 in the Soviet Far East. In one of the understatement of the week, the *Daily Express* commented: "The discovery has dealt a serious blow to Western hopes of a new dialogue with the Soviet Union."

It's better to wake up late than too late.

Chancellor slams the decoupling effort

by John Sigerson

Henry A. Kissinger's plan to withdraw the U.S. nuclear umbrella from Western Europe was on the top of the agenda at the March 5 talks between President Reagan and West German Chancellor Helmut Kohl. According to a senior administration official, Kohl made it clear to the President that Kissinger's proposals to withdraw up to half the American troops stationed in Europe are "counterproductive."

"I find it bizarre that anyone would suggest we need a major overhaul of NATO," the Reagan official said. In view of the furor over Kissinger's proposal to "reshape" the NATO military alliance, published in the March 5 issue of *Time* magazine, it was necessary to reaffirm the relationship between the United States and Europe. "There should never be any doubt in Europe about American commitment to Europe, nor should there ever be any doubt in the United States about the importance of an American presence in Europe," Reagan and Kohl agreed.

Beam fight in Europe

Sweeping changes under way in Western Europe could undo Kissinger's plan to leave Europe prey to Moscow. West German defense experts of flag-officer rank have reported to *EIR* that Bonn government circles have made a complete re-evaluation of the importance of the U.S. strategy to develop beam-weapon defenses, announced last March 23 by President Reagan.

Bonn sources say that the recent visit of President Reagan's science adviser, George Keyworth, was helpful in making the commitment of the Reagan administration to beam-weapon defense unmistakably clear (see Report from Bonn, page 43). "But this was not the only thing that caused the shift. There has simply been a general change of attitude in favor of beam weapons," said one retired General Staff officer. The only group in Europe publicly advocating beam-weapon defense has been the European Labor Party, chaired by Helga Zepp-LaRouche.

This shift was announced officially, if in somewhat softened form, by the U.S. Supreme Allied Commander-Europe, Gen. Bernard Rogers, who told a local West German newspaper, the *Saarbrücken Zeitung*, that his experience as Army Chief of Staff "gave me the conviction that we certainly can be successful in developing systems against ballistic missiles.

"What does our deterrence really consist in? We have always said, 'We have the weapons systems. If you Russians fire missiles against us, then we will have enough left over to fire back at you.' Wouldn't it be better morally to be able to say to the Russians, 'Fire your missiles, we'll just destroy them before they arrive.'" Rogers also said that he believes such systems would be effective for defense in Western Europe, a fact Soviet propaganda organs have been hysterically denying.

British back Kissinger

In Britain, the *Daily Telegraph* complained that "the best response to Dr. Kissinger is some hard thinking, not a wall of protest." The *Financial Times* pleaded that "he means well; his recipes might not be the right ones, but . . . the Kissinger ideas deserve serious consideration."

Peregrine Worsthorne, "conservative" columnist in the *Sunday Telegraph*, mooted a withdrawal of Europe from all military alliances with the United States. "It makes some sense for the United States to want to conscript us into the global battle against the U.S.S.R. But would not our interests be better served by refusing to comply? . . . A separate relationship with the Soviet Union and a less close one with the U.S. are no longer options that only leftists can be expected to espouse." Worsthorne concluded that "the common interest might best be served by early divorce while relations are still amicable."

Retorted Karl Feldmeyer, military correspondent for the prestigious West Germany's daily *Frankfurter Allgemeine Zeitung*, on March 6: "In the final analysis, it is the U.S. nuclear umbrella that counts. Only the risk this umbrella creates is credible and unassailable for the Soviet Union. Only it can prevent Moscow from imposing its will upon Western Europe—be it by political or military force."

If the U.S. nuclear umbrella did not exist, Moscow would gain "hegemony over Europe which would considerably exceed its domination up to the shores of the Elbe River," Feldmeyer continued. Moscow might thereby effect "a change in the geostrategic situation—everything would militate toward a new quality in Moscow's power."

The Soviets would win a position vis-à-vis the United States "which would be completely different from the current parity, as counted according to missiles and megatons." Moscow's new advantage, he writes, would in fact be a decisive one: "Only then, the Soviet Union would have won the rivalry it has been facing with America since the collapse of the wartime alliance."

A commentator in the Swiss daily *Neue Zürcher Zeitung* declared that Kissinger "ought to know what the European answer would be to a radical reduction of America's commitment to the old continent, in view of past experience: There would be no revival in the desire for joint defense, but rather a flight into 'relaxation of tension,' which is just a nice way of saying *accommodation* to the will of the 'other' power."

West German missile expert: 'Soviets have gained clear superiority'

Rolf Engel is the author of the most authoritative work on missile technology and military exploitation of space available, *Moskau militarisiert den Weltraum*, Verlag Politisches Archiv, 1979. *EIR* will soon publish an extensive review of Mr. Engel's book, an extremely rare work.

Mr. Engel, now 72 years old, is an astrophysicist who has spent his life working on rocket and missile technologies. Following World War II, he worked at the Office of Aeronautics Research in Paris. He was an adviser to the Italian government for five years, and also became director of the Aeronautics Department of Messerschmidt-Boelkow-Blohm in Munich, West Germany. Mr. Engel's views are his own, but also represent the thinking of a large number of West Europeans who most deeply realize why the United States and Western Europe can afford no delay in developing a program for beam-weapon defenses in the interest of the Atlantic Alliance.

Perhaps the interview below and our review of Mr. Engel's book will contribute to "lifting the lid" on West European views of the often tragically short-sighted strategic U.S. decisions of the post-World War II years. "It took a long time for the U.S.A. to realize that the U.S.S.R. was determined to drive for a confrontation," Engel says in the interview, and he is not convinced that the lesson has really been learned.

"Europe is the ideal hostage with which one can hope to force the U.S.A. to make concessions. The following description of the Russian space revolution should make clear and express what the majority of Europeans expect from the U.S.A., which actually *wants* to protect Europe, before it is too late," Engel writes in the introduction to his book. One note from his book on Adm. Elmo Zumwalt's recollection of a discussion with Henry Kissinger in November 1970 provides background to some of Engel's remarks in the interview.

"Kissinger, Zumwalt remembered, believes that the

U.S.A. has past its historic zenith, like so many cultures and peoples before it. The United States is on the way down, and can no longer be shaken awake by historic challenges. It is his [Kissinger's] task to move the Russians to concede to the Americans the best possible conditions that they could get at SALT. It simply cannot be denied [Kissinger says] that the forces of history are working for the Soviets. . . . The American people have no one but themselves to blame for this situation, because it no longer has the strength to keep up with the Russians, who are the 'Sparta' to our 'Athens.'"

EIR: Mr. Engel, in your judgment of the present balance of forces between the United States and U.S.S.R., what basic parameters do you think determine the strategic situation?

Engel: A sober examination of the Euro-strategic and global-strategic potential of the two superpowers shows that the Soviets have a clear superiority in medium range and intercontinental ballistic missiles; there is equivalence with respect to global naval forces, and the U.S.A. has superiority of strategic airforces. But U.S. superiority in intercontinental bombers does not unconditionally represent a margin of advantage, in view of Soviet air-defense forces.

EIR: How did we get into this situation historically?

Engel: Historically, the basic facts are these: The U.S.A. did in fact win the War [World War II], but the U.S.A. did not "keep a firm grip on the helm." The Eisenhower Administration gullibly believed that more wars were just not in sight for one or two generations. Stalin, on the other hand, gave the order just after the end of the war to develop the technology for large missiles, since—as he said—"the enemy closest to us is 10,000 kilometers away." It took a long time for the U.S.A. to realize that the U.S.S.R. was determined

to drive for a confrontation. This historic failure of the U.S. is still influential in U.S. policy, and I am afraid it can only be corrected with great difficulty.

EIR: The 1970s were characterized by the SALT and ABM treaties, and yielded clear advantages to the Soviet Union. Did the Soviets ever take these negotiations seriously? Or, if they didn't, can that be proven?

Engel: The U.S.S.R. only signed the SALT and ABM treaties to put the brakes on technological progress in the United States in these areas. Only a few weeks after concluding the SALT I treaty, the Soviet Union began to get their fourth generation of ICBM missiles ready for deployment with a comprehensive series of tests. Their argument was that the SS-16, SS-17, SS-18 and SS-19 merely represented the "allowed" modernization of the previous generation of missiles.

EIR: How could the U.S.A. ever allow itself to be pulled into such a treaty? What role did people like Henry Kissinger play?

Engel: At the beginning of the SALT and ABM negotiations, the U.S. administration was forced by domestic policy considerations to present some "success" in the area of arms limitation. Domestic policy considerations—that was the Vietnam War. Dr. Kissinger was merely the enforcer of this policy, but domestic political pressure was what counted.

EIR: The CIA recently presented a report on large-scale Soviet ABM activities. How do you evaluate this report?

Engel: The CIA reports on Soviet ABM efforts merely summarize facts and details that have been known to alert observers for a number of years. There are, for example, testing grounds built in Sary-Shagan on the Balkash Lake, which cover an area of about 100 by 150 kilometers. Experts estimate that the rate of rocket testing here is about three times that observed in Plesetsk or Tyuratam. The lion's share of these tests are ABM and air-defense rockets.

EIR: Comparing civilian and military space efforts of the U.S.A. and U.S.S.R., where do you see their respective emphases? What is the purpose of the extensive manned space missions of the Soviets and their new super-rocket, the G-1?

Engel: The planners in the Soviet Union have been aiming for more than 20 years at building one or more large battle stations in orbit. This aim is clearly indicated by the series of Salyut-Soyuz couplings as well as the fact that they are still working on the G-1 workhorse rocket, despite all the failures they have had with it. The U.S.A. is only now beginning to realize that battle stations in orbit will be decisive for power positions in near-earth orbit.

EIR: The United States has considerably increased its efforts to develop new systems for defense against ballistic

missiles, the beam-weapons effort. Back in 1958, the German professor Eugen Saenger pointed out that such systems would mean that we can technologically overcome war. Would you agree to that?

Engel: I welcome and encourage U.S. efforts to limit the threat represented by ICBMs by developing beam weapons. These beam weapons are the only means to build an effective ABM system. But they will not overcome war, the way Eugen Saenger thought 30 years ago, because the Soviet Union is working on the same systems. The decisive question here is who will be the first to build such systems.

EIR: What is your evaluation of Soviet efforts to develop new systems of defense?

Engel: It is true that the Soviets give first priority to offensive weapons, but defensive weapons are promoted on the scale of a close second priority. This fact is not always appreciated in the West.

EIR: What concrete military threat do you see for Europe?

Engel: The entirety of the Soviet arms build up since 1966 is directed primarily against Western Europe. The Soviets believe that their ICBMs are all they need against the U.S. Soviet conventional forces, including their medium-range nuclear missiles, are aimed and designed for a blitzkrieg against Western Europe.

EIR: How should Europe, especially the Federal Republic of Germany, respond to this threat? Do you think the current "appeasement" policy is the appropriate reaction?

Engel: The détente policy of European, particularly West German governments, was a clear failure. There is no example in the 60 years of existence of the Soviet government that indicates that a policy of "meet them halfway" has ever resulted in the Soviet Union reducing the development and expansion of its power. Only hard determination and the appropriate military measures have—temporarily—contained the expansion of Soviet power. Threats mean nothing. The Soviets must know that an attack against Western Europe entails large risks for their own rule. If they know that, then they will become more cautious and be willing to negotiate.

EIR: Without the U.S.A., Europe can hardly defend itself. What can and should be expected from the United States?

Engel: Without the United States, West Europe can not be defended at all. But that does not mean that the U.S. administration alone determines policy with respect to the other great power. It has been known for years that the European situation is often evaluated superficially and wrongly by the succeeding State Departments and U.S. Senate. The Reagan administration would be well advised to analyze the complicated political, economic, and social situation of its Western allies more closely, and to take account of this in making foreign-policy decisions.

The outrageous State Department and the Gulf war

by Criton Zoakos

On the fine morning of March 4 in Washington, a State Department official who "preferred to remain anonymous" issued a scathing attack against Iraq for using "internationally outlawed lethal chemical weapons" against Iranian troops in the three-and-a-half-year war against Khomeini's Islamic Republic.

"The United States strongly condemns the prohibited use of chemical weapons wherever it occurs. There can be no justification for their use by any country," the official who "preferred to remain anonymous" said. Still preferring to remain anonymous, he pontificated that this is "inconsistent with the accepted norms of behavior among nations."

Just hold on there a minute, Mister! Khomeini's Islamic Republic is documented to have reduced its population by over 2 million since it took power. The nameless and faceless stuffed striped pants at the State Department preferred to remain speechless on that subject. Over 50,000 Iranians were executed without trial by Khomeini's Islamic Republic. The State Department said nothing. Hundreds of thousands were thrown in the private jails of various mullah warlords to be tortured with sophisticated technologies. The State Department said nothing. Scores of thousands of children between 12 and 18 years of age were taken from their homes and unarmed and untrained were sent to the war front to clear minefields with their bare bodies. The State Department said nothing. Hundreds of Khomeini's political opponents were tracked down like animals and killed by Khomeini's death squads in Europe and the United States itself. The State Department said nothing. Khomeini's mullahs flooded the cities of the Western world with drugs and brought back billions. The State Department said nothing. It did not consider those deeds "inconsistent with the accepted norms of behavior among nations."

Khomeini has made it clear that he will continue to employ "human wave" tactics in his war against Iraq by sending incessant swarms of unarmed, untrained, and drugged con-

scripts against Iraqi machine-gun nests and artillery positions until the Iraqis run out of ammunition. The State Department viewed this as "consistent with accepted norms of behavior."

Khomeini announced the following: "We need the war because it purifies our society. Even when our war with Iraq is over, we will launch another war somewhere else. . . . The generation of men and women more than 30 years of age is almost a corrupt generation. The country should be cleaned of such generation. They should be sent to the front. . . . The second generation, which includes youth between 19 and 30 who had been provided under the Shah with a Western style of living and Western corruption, should be purified by being sent to the front. . . ."

The State Department said nothing.

The prisons in Khomeini's Islamic Republic widely practice the removal of vital organs from prisoners which the jailers then sell for medical transplants. Prisoners are systematically bled to death via forced blood "donations." Some of the blood is sold in Europe. Many prisoners are skinned and their skin sold.

The God-damned State Department said nothing.

The murderous touch of Henry A. Kissinger

The State Department and its hordes of striped pants have had their reasons to remain anonymous over Khomeini's Hitlerian atrocities and to cynically condemn Iraq's alleged use of "chemical weapons." These reasons go back to Henry A. Kissinger's tenure as Secretary of State and Kissinger's Policy Planning Council under Winston Lord, the team which originally authored the atrocity which is Khomeini's Iran.

When Cyrus Vance replaced Kissinger as the chief of the State Department's anonymous striped pants, the Policy Planning Council's scheme was put into effect: the Shah of Iran was replaced by the infernal Khomeini regime. The appropriate arrangements between Moscow and Foggy Bottom were made to ensure that the emerging carnage would

not interfere unduly with superpower relations. Those arrangements were based on a common agreement between the State Department and Moscow to launch an era of medieval horror throughout the Middle East and beyond, covering the Muslim world. Khomeini's Islamic Republic was to be the principal instrument. British intelligence, through the H. A. R. "Kim" Philby connection, facilitated the understanding between Moscow and the State Department. Israeli intelligence assisted, with Henry Kissinger personally, in the "blinding" of the Shah.

General Alexander Haig, then Supreme Commander of NATO, sent his aide Gen. Robert Huyser to Teheran in the last days of the Shah's drama to decapitate the country's military command and "break" the Shah. Within two weeks of Huyser's arrival in Teheran, Khomeini was in power. On the day of Khomeini's elevation to power, the London *Economist* jubilantly greeted Khomeini's emergence as the "Return of Evil" in the world political arena. The *Economist* of that day predicted that human life is about to become cheap, cheaper than usual, in today's world of diplomacy. That prediction was based on intimate knowledge of what the State Department's Policy Planning Council has cooked up together with Moscow.

How Haig continued the Carter policy

Then Alexander Haig replaced Cyrus Vance (and the brief-tenured Edmund Muskie) as the chief of the State Department's anonymous striped pants. Fresh from his success in installing Khomeini to power via Huyser, Haig next engaged in a series of maneuvers to ignite a war between Iran and Iraq. *EIR* reported at the time the details of this sordid affair. However, Haig succeeded. When the Gulf War began, the State Department stood back with smug satisfaction and announced that the United States would preserve a "strict neutrality" between Iran and Iraq. Moscow, on cue, also made it clear that they will preserve "strict neutrality."

The "strict neutrality" over the last three and a half years has taken the form of shipping weapons to both belligerents in precisely measured quantities, designed to perpetuate the human carnage indefinitely. American weapons and spare parts have been pouring into Iran during both the Carter and Reagan administrations—Soviet weapons too. When Iraq appeared weakened, then American and Soviet weapons started pouring into Iraq—in limited quantities and under strict preconditions for use. As the months went by, more arms exporters became involved. Britain, the Federal Republic of Germany, France, Portugal, even Papandreu's Greece with its nascent munitions industry, and so forth.

And always, the weapons are measured out in quantities designed to continue the carnage. There is a Moscow-Washington consensus to do this. The British Establishment is the guardian and manager of the consensus. Swiss financial institutions are the financial overseer. The old Nazi-Communist

political networks in the Middle East are the on-the-ground enforcer. The documentation is voluminous and has been published by *EIR*. This review has even taken the case to federal courts, which have refused to litigate, invoking "national security" grounds. We need not cover the evidence again in this space.

State Department's target is the U.S.

The broader objective of the State Department's policy toward the Gulf and the Middle East in general is to systematically brutalize the region's populations into a well-designed and hardened state of savagery for many years to come. Khomeini's form of insanity was the first instrument selected for such brutalization. The subsequent Gulf War was the second. Both are preplanned to merge with the effects of the carving up of Lebanon, the spreading of civil war in Syria at some point, and the scheduled internal disintegration of

Moscow's agreement with Kissinger's sponsors to handle Iran and the war in the Gulf the way they have been handled derives from Moscow's commitment to destroy the science-and-technology outlook of the Western world. Has not the U.S. State Department scrupulously pursued that goal?

Jordan, Saudi Arabia, and Egypt. The overall scheme was once known as the "Bernard Lewis Plan" (see *EIR*, March 13).

Citizens and political analysts who are trying to understand the State Department's Middle East policies by seeking to discern presumed and imputed "geopolitical" objectives such as preservation of U.S. influence in various countries, or protection of U.S. military and economic interests in the area, will abandon such efforts more bewildered and ignorant than they were to begin with: *The State Department is pursuing a policy of protracted cultural devastation.*

It is doing so for what it considers strategic reasons of the highest order: in the name of ultimately scrapping the dominance of technological culture in world affairs.

A retrospective telescoping of our foreign policy's salient features from the beginning of the Kissinger era to date (1969-83) illuminates what to many would appear an incomprehensible State Department policy in the Middle East: Kissinger's

and his sponsors' military-strategic orientation toward nuclear weapons was originally spelled out by Lord Bertrand Russell's Pugwash Conferences in the 1950s. The Russell-Kissinger-Pugwash outlook is based on the assumption that *science and technology* must be suppressed as dominant features of modern culture. *Such suppression of science-and-technology-based culture will become the only reliable foundation upon which a meaningful and lasting arms control regime can be constructed in world affairs.* The Kissinger-dominated era of SALT and détente was launched simultaneously with the lavishly financed environmentalist-irrationalist youth movement in Western Europe and the United States.

Moscow's agreement with the State Department to handle Iran and the Gulf War in the way they have been handled so far has derived from the fact that Moscow's fundamental policy orientation since the 1968-69 beginning of the Kissinger era has been to encourage and cultivate, as a priority commitment of Russia's *raison d'état*, everything which shall undermine and destroy the primacy of the science-and-technology outlook in the cultural orientation of the Western world.

Thus, the Iran-Iraq war is, primarily, the crucible in which the 20th century's most decisive cultural war is being fought. The fight is only secondarily one between secular-republican Iraq and irrationalist and sacerdotal Iran. The more this war continues, the more the local populations are brutalized into hysteria and irrationality. Unless Khomeini's Islamic Republic is crushed, the Russell-Kissinger-Pugwash program of barbarization wins—even if Khomeini does not win. Whether or not the Soviet armies will eventually roll all over Iran, take over the Gulf, and establish dominion over the rest of the region's Arab populations is in fact a secondary consideration.

How Moscow sees it

Routine monitoring of developments leaves no doubt that the Soviets have continuously built capabilities which would enable them to militarily dominate the area "tomorrow morning" if they so decide. However, there is no evidence that the Soviets will proceed along this simple military path. Their policy is primarily designed to assist the Russell-Kissinger-Pugwash program in causing a fundamental cultural shift in the Western world toward a permanent abandonment of our cultural "bias" in favor of science and technology. They are thus decidedly more interested in promoting the spread of New Dark Ages irrationalism in the Middle East and by extension in Europe and the United States, than they are in consolidating their military advantage.

After the State Department's program of cultural decoration has succeeded completely, there will be nothing to prevent the Russians from taking a leisurely stroll down the sandy shores of the Persian Gulf. This is what the State Department's "strict neutrality" in the Iran-Iraq war would produce.

No wonder they "prefer to remain anonymous."

The Reagan Plan

by Allen Douglas

After a lapse of almost a year, the chairman of the Palestine Liberation Organization, Yasser Arafat, and Jordan's King Hussein resumed on Feb. 26 discussions aimed at establishing a Palestinian state on the West Bank of the Jordan River. Though the talks are very important, the crucial protagonist in this situation is neither Hussein nor Arafat, but Washington, D.C. Without vigorous U.S. efforts, including, as stressed by Egyptian President Hosni Mubarak, direct U.S. dealings with the PLO, the talks will almost surely fail.

The Mubarak-Hussein-Reagan meetings in Washington came just as the United States announced that it was packing its bags and leaving Lebanon, amid cheering headlines in the British press, "The Soviets and Syria Have Won!" The process of rewriting the map of the Middle East has begun. Maintenance of even a shaky status quo is now impossible in the wake of the Soviet-Syrian victory in Lebanon and with a Soviet-abetted intensification of Islamic fundamentalism threatening all regimes in the area. The only question, therefore, is whether the United States rewrites the map around the core of a just solution for the Palestinians, or whether the Soviets destroy the fragile nation-states of the area, ultimately including Israel, as part of their plan to drive the United States out entirely.

Sabotaging the Reagan Plan

With this in mind, Mubarak conveyed to Reagan the urgency to move ahead on the latter's September 1982 peace plan, and in so doing to push aside Henry Kissinger's 1975 pledge that the United States would never recognize the PLO unless the PLO first recognized Israel. The Mubarak-Hussein-Reagan meetings were barely over when Kissinger's henchmen in the State Department leaked to the *New York Times* the existence of intensive Reagan administration-PLO contacts going back to Alexander Haig's tenure as secretary of state. Exploding in a nationwide barrage of publicity led by the *Times's* front page article of Sunday, Feb. 19, the leaks had the intended effect of forcing the hand of the Reagan administration in precisely the opposite direction Mubarak had specified. The next day Kissinger co-thinker, Secretary of State George Shultz, reiterated the original Kissinger pledge, backed up by similar remarks from the President

and the PLO

himself. Meanwhile two bombs were detonated in Jerusalem on February 28 by "Palestinian splinter groups" to cut the ground from under any Israeli circles advocating ending the decades-old hatred between Arab and Jew.

Almost as suspect as the leaks of the administration-PLO talks was the channel used to conduct them in the first place, under another old Kissinger crony, then-Secretary of State Al Haig. The talks, apparently initiated by Arafat based on a proposed seven-point agreement on the right of all the states in the area to exist and some form of explicit mention of Israel, were handed over to one John Edward Mroz of the flagship club of the liberal Eastern Establishment, the New York Council on Foreign Relations. Mroz, at the time with the U.N.-affiliated International Peace Academy, is now the president of a new one-world-government think tank on New York's East side, the East-West Institute for Security Studies, an outfit on whose board Romanian and Hungarian diplomats rub shoulders with appointed think-tankers from the stable of academics maintained by the CFR. Under State Department guidance, after dragging on interminably in over 400 hours of Arafat-Mroz meetings, the talks were finally broken off when Haig gave then Israeli Defense Minister Ariel Sharon the immediate go-ahead to invade Lebanon in June of 1982.

Mroz's deal with the Soviets

Perhaps a better indicator of Mroz & company's real intentions is indicated by the fact that his East-West Security Studies group, during the time he was negotiating with Arafat and the PLO, had a little side deal going. In February 1983, his East-West Institute sponsored a conference at Oxford University on opening official Soviet-Israeli relations in return for the Soviets letting several hundred thousand Russian Jews emigrate to Israel. As Mroz's State Department allies under Shultz propose a crushing austerity program for Israel, forcing skilled Israeli labor to emigrate, Mroz is busy lining up replacements and opening official relations between the Soviets and the alleged chief U.S. strategic ally in the area, Israel. In fact, as *EIR* founder Lyndon LaRouche has repeatedly emphasized since 1975, it is large-scale economic development in the area, around the cornerstone of Israeli skills



Yasser Arafat

and experience in greening the desert, which is the basis for any successful Arab-Israeli peace settlement.

The current administration approach

Under the direction of this State Department crowd, the current administration attitude is, in effect, "Let Arafat bite the bullet"—i.e., recognize Israel—before the United States makes any supportive move. This is a prescription for failure.

Because the Soviet and Nazi International assets among Arafat's enemies in the PLO have been vastly strengthened since the Soviet-Nazi-sponsored "rebellion" against Arafat in the Bekaa Valley last summer, Arafat is in a much tougher position to personally give King Hussein the green light to represent the PLO in negotiations. Much more likely is that Arafat would have to go back to the Palestine National Congress (the PLO's parliament) to get authorization to proceed. King Hussein may need similar backup from the indefinitely postponed Arab League meeting, and the process will be dragged out over a long period, certainly until after the heat of the U.S. elections. Through all of this delicate maneuvering, the Soviet assets of Syria, Libya, and the PLO radicals would not be merely debating the issues but launching terror attacks in Israel and assassinations against both PLO and Arab League moderates.

The forces committed to destroying the Reagan Plan are precisely the forces deploying and cheering the assassination of crucial PLO-Israel mediator and Arafat friend Issam Sartawi last April 11 in Portugal: Kissinger, Sharon, and the Soviet-Syrian run puppets in the PLO such as George Habash, Ahmed Jebril, and Nayef Hawatmeh. This assassination, claimed by Abu Nidal, marked a turning point in the breakup of the spring 1983 talks around the Reagan Plan. Importantly, Sartawi had earlier charged publicly that Abu Nidal was an asset of the Mossad, given the continual benefits the Sharon faction in Israel derived from radical terror acts on the one hand and assassination of PLO moderates on the other. A case in point was the early-June assassination in London of Israel's ambassador to London, Shlomo Argov, by Abu Nidal's nephew, providing a needed excuse for the Sharon-led invasion of Lebanon. Kissinger himself had earlier threatened Sartawi. In one instance, he told Sartawi to leave New York City within hours or a certain Arab nation would have all its food cut off.

Israeli Prime Minister Yitzhak Shamir endorsed Arafat's rivals in the PLO shortly after the June 1982 invasion of Lebanon: "I must say that it is good for Israel that there are domestic quarrels, breakups, and divisions within the organization of the PLO. I am not afraid of the entire organization becoming radicalized. The differences within the PLO, to the extent that they are connected with political problems, are merely tactical. The differences are not fundamental. Arafat and his rivals have a common goal. Tactically it may be that Arafat's tactics are sometimes more dangerous for us."

Minister without Portfolio Ariel Sharon was a bit more blunt as Arafat was fighting for his life against the Soviet-backed rebels in the fall of 1983 in Tripoli, Lebanon: "Arafat will never leave Tripoli alive." The circle was closed when, immediately after the U.S. announcement of a withdrawal from Lebanon, Shamir stood up in the Israeli Knesset to announce that "Israel is prepared to examine the possibility of a dialogue with the Soviet Union about relations between the two countries and about the Middle East." In the absence of vigorous motion by the Reagan administration, it is precisely this devil's alliance which determines events in the area.

Arafat's 'Palestinian' enemies

It is crucial to understand what Yasser Arafat and, on the other hand, what the Shamir-endorsed forces in the PLO represent. The core of the PLO is the Fatah organization, led by Arafat and a small core of associates who, since their beginnings in Cairo and the Gaza strip in the mid-1950s, have committed their entire adult lives to a single goal: the establishment of a Palestinian state for the three-and-a-quarter million Palestinians scattered over the Middle East and beyond. Originally committed to obtaining this by force of arms, Arafat's group has repeatedly demonstrated in recent

years its willingness to lay down the gun if that would contribute to achieving their overall objective.

The story of the radical opposition is a different tale altogether. None of the leaders of the radicals—most prominently represented by Ahmed Jebril of the Popular Front for the Liberation of Palestine-General Command (PFLP-GC), Nayef Hawatmeh of the Popular Democratic Front for the Liberation of Palestine (PDFLP), or George Habash of the Popular Front for the Liberation of Palestine (PFLP)—began their career with a commitment to a Palestinian homeland, but ended up in the movement after being laundered through a series of radical entities launched out of the Arab National movement at the American University of Beirut in the early 1950s. Furthermore, the careers of these three have been characterized throughout by their extremely close ties to Syria, itself organized to a large extent in the post-war period by a core of Nazis deployed into the Syrian security, army, and intelligence apparatus after World War II. The case of Jebril is only the most obvious—he left the Nazi-trained Syrian army one day to found a new Palestinian radical group from scratch. In the 1960s Habash was kicked out of Jordan on charges of working for Syrian intelligence and despite later squabbles with various circles in Syria, still managed to "escape" the Gestapo-designed Syrian prison system in 1968. Hawatmeh's organization has been funded by Syria from its inception, his claim to fame being a "more radical than thou" relationship to his Marxist mentor Habash.

Though obviously Soviet puppets now and Syrian-affiliated throughout their entire histories, there is a deeper Syrian-PLO radical connection: the Greek Orthodox Church. Not only are Habash, Hawatmeh, and Jebril all Greek Orthodox, but the Greater Syria project on behalf of which they are currently deployed was itself first propagated by Greek Orthodox agent Antun Saadeh in his founding of the Nazi-oriented Syrian Social Nationalist Party (SSNP). Repeatedly throughout the years since Emperor Constantine moved the Roman Empire's capital to Constantinople in the fourth century, the cultural brain trust of Orthodox priests have designed and deployed new social movements as the exigencies of the Empire and its oligarchic families demanded. The Greater Syria cult and the Palestinian radical movements are two cases in point. If the Arafat nation-building tendency of the PLO is destroyed and the area set for a further wave of radicalization, there is little to stop Jordan disappearing into Greater Syria, followed by Iraq. The Greater Syria cult then becomes the ruling satrap in the region for the Russian imperium, itself guided from within by the cultural impulses of the Russian Orthodox Church, the same Church which in the modern era has been the "big brother" for the Greek and other Orthodox churches of the area. It is not therefore surprising that the Soviets' Nazi allies such as Ahmed Huber and François Genoud rail against the Arafat wing of the PLO as "too Western, too Judeo-Christian," and funnel weapons and funds to the Orthodox radicals.

The strategic implications of the Sino-Soviet talks

by Richard Cohen

In October 1982 the Soviet Union and the People's Republic of China (P.R.C.) initiated a series of bilateral discussions which are unique in the post-war history of the two countries. These talks are of primary strategic importance. They are being undertaken by both Moscow and Peking because each side sees them as holding potential advantages for the highest priorities of its national agenda.

Soviet encirclement of China

On one level, the talks are a symptom of the collapse of the "China card" policy which had dominated Sino-U.S. relations during the 1970s, when it was an important factor in Moscow's geopolitical considerations. Given the clear failure of the Chinese invasion of Vietnam in 1979 and the resulting severe economic dislocation in the P.R.C., along with the proven obsolescence of their 1950s-vintage conventional military capability, the China card policy was doomed.

During the critical period of early 1978 and late 1979 the Chinese leadership would witness another clear demonstration of the impotence of American force, shown continuously in the wake of the 1977-80 Soviet military break-out in the Indian Ocean and Pacific Basin theatre. The break-out, which climaxed with the Soviet invasion of Afghanistan at the end of 1979, had consolidated direct Soviet and Soviet-sponsored conventional and tactical nuclear superiority on every Chinese border. By early 1980, with the Soviet build-up at Cam Ranh Bay, the encirclement had stretched to the militarily important South China Sea.

That encirclement of the P.R.C. had ranked high among Soviet military priorities ever since the Maoist rejection of a *pro forma* Soviet truce offer following the late-1964 palace coup against the badly overextended Nikita Khrushchev which installed in power a combination of conservative Communist Party ideologues led by Central Committee Secretary Mikhail Suslov, the Red Army, and more pragmatic elements of Khrushchev's entourage led by Leonid Brezhnev.

Not a new Sino-Soviet alliance

The October 1982 talks, occurring in the wake of the collapse of the China card and a successful 15-year Soviet

program of military encirclement of China, represented something other than what many in Western capitals fear—a new Sino-Soviet alliance. In no way do current Sino-Soviet negotiations resemble the kind of military and political alliance between Moscow and Peking that peaked in the early phases of the Korean War, or even the shallow political common front of Soviet imperial ambitions and Maoist Chinese imperial objectives that characterized the period from 1954 to 1957.

The talks certainly confirm that the days of Sino-American diplomatic and political collaboration, keynoted by former National Security Adviser Zbigniew Brzezinski's visit to Peking in May 1978 and climaxed with two staggering events—the Vietnamese invasion of Kampuchea and the Chinese invasion of Vietnam—had ended.

The current talks also cancel any reversion to the earlier 1969-77 period of the Kissinger-directed China card, then principally aimed at pressuring Moscow into the *détente* process.

Finally, the current talks bear no resemblance to the period from 1958-69, dominated by Mao's manic drive for a total break with Moscow and his own Communist Party, which led to the Cultural Revolution.

Moscow's objectives

For Moscow, the principal objectives of the talks were inspired by two early-1980 events. First was Ronald Reagan's assumption of the presidency of the United States. That entailed a threat to the very foundation of Moscow's strategic policy.

Reagan's stated objective of reversing the decline in U.S. strategic offensive capability—a decline first legislated in Kissinger's 1972 SALT I arms control agreement—and the President's later commitment to the most advanced strategic defense, reversing Kissinger's "giveaway" 1972 antiballistic-missile treaty, caused Moscow to escalate and concentrate its strategic pressure on the western front, Europe and the United States, and on the southern front, particularly the Persian Gulf, because of its leverage against Western Europe and Japan.

Moscow has also sought to weaken and push back U.S. influence in the Far East. First on Moscow's agenda in the region has been an attempt to subvert Reagan's intention to re-emphasize the strategic priority of the U.S.-Japan relationship.

Secondly, Moscow supported the North Korean October 1983 Rangoon terror bombing which eliminated a sizable section of President Chun Doo Hwan's South Korean cabinet. The Chun trip through Asia, which was to have begun in Rangoon, and Reagan's later November trip to Southeast Asia, both cancelled by Soviet and Soviet-supported efforts, were aimed at facilitating the re-emergence of the United States as a force in the Asian theater.

And in November 1982, following the death of Leonid Brezhnev, former KGB chief Yuri Andropov rose to the position of chairman of the Soviet Communist Party. Andropov then introduced into the center of China policy the new Politburo member and longtime KGB operative Gaidar Aliyev.

Moscow plays mediator

The Andropov-Aliyev China program escalated immediately following the death of Mikhail Suslov in January 1982. While continuing to increase Soviet military pressure on China, the Andropov-Aliyev group sought to step up the pace of Sino-Soviet bilateral talks. The new China approach apparently gained the support of the Soviet military high command. Through the talks, Moscow would seek to promote itself as a "mediator" in disputes between Peking and Moscow allies Vietnam, Mongolia, and the Babrak Kamal regime of Afghanistan.

The Soviet mediator role undoubtedly played a part in creating the favorable climate for Sino-Indian border talks which took off in late 1983. There are strong suggestions from U.S. intelligence officials that when confrontation threatened on the Korean peninsula after the October terror bombing—an anathema to Peking, which fears any instability there—Moscow offered to help rein in North Korea. In addition to offering the U.S.S.R. as an impartial mediator (the typical posture of a hegemonic power), the Andropov-Aliyev plan sought to significantly increase Soviet trade with China as a means to increase its intelligence opportunities in the P.R.C. while developing levers of influence on the internal Chinese situation.

These two facts—the Reagan election and the Andropov-Aliyev succession—sped up Moscow's short-term program for creating marginal flexibility for Soviet and Soviet-allied conventional and nuclear force deployments. With the risks lowered in the Sino-Soviet theater, Moscow could enjoy hidden theatre nuclear and conventional reserves for application in either the western or southern fronts, while at the same time Chinese neutralization appears to lower the risks for Vietnamese-spearheaded operations against Thailand and Soviet-spearheaded operations against Pakistan.

Moscow warns of Chinese modernization

In addition to this short-term objective, Moscow also has a long-term policy toward China. Since no later than the earliest public signals emanating from the Soviet journal *Kommunist* in 1975, all leading Soviet factions have paid homage to a consensus of Soviet Sinologists who emphatically warned that then-dominant Maoism would be quickly overridden by revived Chinese Communist Party and government institutions.

These forecasts identified the new Chinese ruling elite as a "self-stabilizing institutional oligarchy," and cautioned that anticipated reforms by post-Mao leaders would lead to a resurgence of the Chinese economy. A tightly controlled modern industrial sector, optimized around the creation of advanced military capabilities, would sit atop a low-yield, labor-intensive agricultural sector. The Soviet attack on those in China seeking economic modernization paralleled at that time the charges of the Maoist Gang of Four butchers, both

From a position of strength, Moscow hemmed in China militarily in the 1970s, but the Peking advocates of an industrially-based armed forces buildup gained greater leverage. The Sino-Soviet talks do not forebode any new strategic alliance.

warning of the rise of a new Confucianism embedded in an emerging Chinese "military bureaucratic dictatorship." By early 1976 the Soviet press would publicly compare this new leadership with the Nazis and Adolf Hitler.

Thus by 1975, Moscow had already adopted a basic long-term China policy which was now predicated on the necessity of subverting the internal modernization process within the People's Republic. Soviet Sinologists had projected that by perhaps the end of the century, China might reach what had been accomplished in the Soviet Union since 1964, with the proviso that dangerously, the P.R.C. unlike Moscow, would have above-board access to at least some advanced technology from the United States.

By 1979, the P.R.C. leadership had agreed that talks with Moscow, which Deng Xiao-ping would later promise to become a "marathon," were crucial in order to "buy time." Following the retributive Chinese invasion of Vietnam—pushed through the elite Chinese councils in November and

December of 1978 in response to what was assessed at the time to be the inevitability of a Soviet-backed Vietnamese invasion of Kampuchea (see Part IV, *EIR*, March 6)—Peking learned two hard lessons.

After Vietnam invasion failure

The invasion was backed by an alliance of leading figures in the state party bureaucracy associated with Li Hsien-nien, all of whom, like Li, had survived the Cultural Revolution under the protection of Premier Chou En-lai, along with a number of military leaders located in the Central Command, typified by Yeh Chien-ying. The Li-Yeh group joined forces with followers of Premier Hua Kuo-feng and his faction, associated with the Maoist police networks.

The consideration of the urgent invasion plan was largely a response to the unparalleled series of Soviet-sponsored military moves in the Indian Ocean-Pacific Basin region initiated in late 1977 with the capture of the Horn of Africa as the booty of an Ethiopian victory in the Ogaden War. Efforts led by Deng to assemble an international common front aimed at deterring Moscow failed miserably in 1978.

For Peking, the most profound result of the Soviet break-out was the virtually complete military encirclement of the P.R.C. and a drastic negative shift in Peking's military position vis-à-vis Moscow, when compared to the early 1965 Moscow efforts to militarize the Sino-Soviet conflict.

Deng and his forces, however, rejected the invasion plan, arguing that the danger of direct invasion of the P.R.C. would come from "the north." Beyond this tactical argument with the plan, Deng raised two other points which later surfaced after the lackluster border invasion.

First, the invasion caused a grave diversion of resources away from the fledgling civilian modernization efforts; second, Chinese conventional equipment was shown to be wholly incapable of sustaining even a limited border war. By late 1979 the Soviets climaxed their break-out and encirclement efforts with the invasion of Afghanistan.

The intense tremors felt in Peking after the 1968 Soviet invasion of Czechoslovakia and the subsequent "Brezhnev Doctrine" of "limited sovereignty" for socialist states were now intensified by the Soviet invasion of an ostensibly non-aligned bordering nation.

In October 1979, before the Afghanistan invasion, Moscow had opened long-dormant bilateral talks with an encircled Peking. The talks focused on Sino-Soviet frontier problems. Peking chose this format for a change in Sino-Soviet relations, while in early April 1979 deciding to abrogate the Sino-Soviet friendship treaty.

The abrogation and the preliminary jockeying leading to the October border talks occurred just after uncontested large-scale Soviet naval maneuvers in the South China Sea during the Sino-Vietnam war, and unprecedented Soviet military maneuvers on China's northern border immediately following that war.

Factional battles in Peking

One month after the abrogation, the Deng forces were mounting a major counterattack on Hua's Maoist police faction. By June 1979, at the National People's Congress, Hua—operating under pressure to make an historic ideological concession to the Deng-led anti-Maoist factions in the party—announced that there were no longer any antagonistic classes in China. The opposite contention had been standard Maoist doctrine, the principle upon which the Maoists could justify attacking their less radical political opponents as "class enemies." This insanity reached its height in the Cultural Revolution.

Then in September the Maoist police apparatus was publicly attacked as adherents of a "whatever" faction—whatever Mao says must be true.

Therefore, the initial surge of the Deng forces' attacks on their enemies had revealed their true target: the legacy of Mao Tse-tung. By the end of September, Yeh, speaking for the Central Military Command as well as Li Hsien-nien's forces, was forced to publicly admit that the Chinese Communist Party had made serious errors.

With Hua and the Yeh-Li forces under attack, the Soviet-China border talks began, in October 1979.

Based on the lessons learned in the crippling Chinese invasion of Vietnam, Deng and his allies were on the verge of reviving a long-dormant foreign-policy package circulated in 1962 by Mao's staunchest opposition—then-President Liu Shao-chi, his close political ally Peking mayor Peng Chen, and Deng himself, then Communist Party General Secretary. Nineteen sixty-two also marked the period of Mao's greatest weakness in the aftermath of the abysmal failure of the 1958-60 economic Great Leap Forward.

Reviving the 1962 foreign policy bid

The foreign-policy package was adapted to the highest priority on the agenda of Mao's opposition—the modernization of China's economy. Indeed, it was in 1962 that the economic blueprint of the post-Mao leadership—the so-called Four Modernizations—was first voiced by Premier Chao En-lai.

The program secretly urged what amounted to a total break with Maoism—an opening to the West in order to gain access to Western high technology. In addition, the plan urged "easing of tensions" with Moscow, leading to a normalization of relationships. This, it was believed, would give China breathing space to modernize in a non-hostile environment. And thirdly, while maintaining a strong diplomatic position within the Third World, the plan urged a severe cutback in China's Third World aid, particularly aid to guerrilla movements.

The 1979 invasion of Vietnam bitterly proved the necessity of maintaining peaceful borders if China is to develop and also proved the necessity for conventional military modernization. Both the Deng group and the Li-Yeh group

emerged quickly after the 1976 ouster of the Gang of Four as proponents of conventional military modernization, while the Hua forces still lingeringly upheld the late chairman's commitment to the concept of "people's war."

In 1978, Peng Te-huai, the P.R.C. defense minister who in 1959 had openly challenged Mao on the basis of the gross failure of the Great Leap and Mao's neglect of conventional military modernization (for which he was surreptitiously ousted) was posthumously rehabilitated.

With the drastic weakening of Hua forces in 1980, the central debate in the Chinese leadership has centered on the question of conventional military modernization, and the arguments on both sides have decisive import for China's foreign policy.

Quick fix or industrial build-up?

Cheered by the more radical Hua supporters and leftists, elements of the central military command typified by Yeh have argued for a race-against-time policy in conventional modernization.

They have argued for increased selective weapons purchases from the West for the purpose of quickly adding to the deterrent credibility on China's borders. The cheering radicals would also like to direct this new hardware as a threat against Taiwan and Hong Kong.

The elements of the Central Command supporting this quick-fix approach have received support from economic planning ministries close to Li. Li's forces—who have based the economic planning profile on a 1950s Soviet-style complete emphasis on heavy industry—found a natural ally in supporting an increased conventional military build-up; Li's heavy industry base overlaps military hardware production.

But the Deng forces have successfully argued that a quick-fix race against time to deter Moscow will fail, and instead, China must now buy time. They argue vehemently that China's badly needed foreign exchange cannot be squandered on short-term weapons systems, but must instead be used to build China's industrial base. They insist that only upon such a base can China modernize its armed forces to the point of representing a credible deterrent to Moscow.

The Deng forces thus see the "marathon" talks with Moscow as a means of stalling or stopping Moscow-instigated border challenges. Clearly this will be a very tricky game for Peking to play, since it cannot allow its talks with Moscow to be perceived in the Soviet Union as lowering the risk from redeployment of Soviet hardware. They argue that the quick-fix approach of the Li-Yeh group would, like the invasion of Vietnam which Li and Yeh supported, torpedo essential modernization.

Nonetheless, by the end of 1979, the U.S.S.R., riding on a wave of strategic momentum, made a firm decision that it could afford to cash in both the June 1979 SALT II agreement and the October 1979 Sino-Soviet border talks in favor of the invasion of Afghanistan. Indeed, following the invasion, both the agreement and the talks were cancelled.

EIR Special Report

How Moscow Plays the Muslim Card in the Middle East

In the past year, have you. . .

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Some promising news

Despite efforts to undercut the Kohl regime and to split off Germany from the U.S.A., Bonn is showing signs of fight.

The West German government cannot claim to have weathered all the storms churned up to destabilize it, but a refreshing air of initiative has taken hold. This goes for Chancellor Kohl, and especially for his defense minister, Manfred Wörner.

Senior military officials say that the Bonn defense ministry is regaining its former influential status once again, and the attempt to shatter the West German component of the NATO military command with the affair around Gen. Günther Kiessling, is being "handled." For one thing, Wörner has begun to do what former Chancellor Helmut Schmidt did when he became defense minister back in 1969—make sure that officers and officials in key positions are really "his people."

The most dramatic shift, which goes hand in hand with the shuffle at the defense ministry, is a new interest in pursuing the Western European dimensions of the U.S. beam-weapons commitment, known as the Strategic Defense Initiative. One senior official put it this way: "The old reticence to even deal with beam-weapons defense here has been replaced by the recognition that this is where science is going, and you just cannot stop scientific progress." Other sources report that the defense ministry has now set up the apparatus to work on the full strategic dimensions of beam defense against ballistic missiles in West Germany and Western Europe. "It is fairly obvious that we cannot be caught sitting in between all the chairs on the deck," said one official. "If the United

States is committed to developing beam weapons, and the Soviets do it too, then we have to take a look at what has to be done in the short- and medium-range missile area."

The recent visit to Western European capitals by a U.S. team led by the President's scientific adviser, Dr. Keyworth, "certainly helped to overcome the strategic and technical information deficit," an official close to the chancellery pointed out, "although our thinking has been developing in this direction in any case." He added that "we are, however, somewhat disappointed" in the mildness of the Reagan administration's rebuff to Dr. Kissinger's *Time* magazine advocacy of a U.S. decoupling from Europe.

It has often been difficult to tell the difference between the Kohl government and its Social Democratic predecessor, primarily because it was difficult to figure out whether Foreign Minister Hans-Dietrich Genscher, who served under the Social Democrats too, really knew there had been a change in Bonn. When Foreign Ministry State Secretary Dr. Alois Mertes (a Christian Democrat) shot back against Kissinger for his "irrational pessimism," it was a refreshing sign that someone in Bonn did not have to mull over his legal textbooks before voicing sound judgment. Mr. Genscher's own reaction was deafening silence.

Well, Genscher has invested a good deal in his back-channel relations to Moscow. Then, too, he has cultivated peculiar relations to Khomeini's Iran, which includes protect-

ing diplomats without diplomatic passports like Sadeg Tabatabai, caught smuggling drugs into West Germany.

During Kohl's trip to Washington, D.C., he insisted that West German sales of defensive weapons to Saudi Arabia neither meant nor required a change in policy toward Israel, a "moderate Arab country." He pointed out Israeli hypocrisy in attacking West Germany, "since Israel sells arms to Iran." The Chancellor's statement would be a "no-no" unless someone had clipped his foreign minister's claws. And, when Kohl pointed out that he too thinks Western Europe should do more for its defense, and he therefore puts great emphasis on German-French cooperation—not to exaggerate the point, but there was a flavor of Konrad Adenauer-Charles de Gaulle.

The only people in Bonn nowadays who love Henry Kissinger are Social Democrats, and maybe Hans-Dietrich Genscher (so conspicuously absent during Kohl's trip to Washington). Social Democrat Egon Bahr, an old-style neutralist, says Kissinger's analysis of the miseries of NATO is right, and that there is no difference between Kissinger and Helmut Schmidt. And people like former Social Democratic Research Minister von Bülow have been complaining privately that it is extraordinarily difficult to talk to the French (if you are working to break Europe from the U.S. alliance), "because Mitterand just has 'Star Wars' on his mind. That is something for the French soul, but not for us."

Sources in Bonn say there are indeed far-ranging discussions under way between Bonn and Paris on beam defense as well as space research efforts. And military cooperation between Bonn and Paris is generally closer, as the Soviet press complains.

Power complex in a leaderless land

Venial incompetence is ruling over a crumbling nation, and ruling by default.

This Andreas Papandreou, one of my bêtes noires at the moment, merits a certain psychological scanning for the instruction of Greek nationals, yes, but, more to the point, of leaders in other lands which share Greece's plight, namely, national impotence in the face of cataclysmic world developments, lands compressed between the relentless expansion of Byzantine Imperial Russia and an American policy ranging from at best the banality of thoughtless anti-communism to the State Department's outright immorality.

Andreas Papandreou is pathologically attached to power as the sole means of ego gratification. When out of power, as he was until 1981, he has always behaved like a murderously enraged Oedipal rebel against his image of parental authority. As a child of five years he was abandoned by a philandering father to the care of a divorced mother, beginning that career of Oedipal rage. When, 14 years later, he left for the United States, he had hardly lived with his father.

When in the 1960s he joined his father's parliamentary government, he adopted the principal role of agent provocateur, under management of then Secretary of the Army Cyrus Vance, in bringing down his father's government and destroying the old man's party. In the years of political exile and later of parliamentary opposition, he organized with Libyan money and State Department guidance an extremist movement, the PASOK, which managed to outflank from the left the traditional Communist Par-

ty and to ultimately win power in 1981. Virtually at the instant he achieved power he started distancing himself from his movement's cadre organization, and the former Jacobin rebel displayed the public image of an imperial proconsul. In his private life he fully agrees with Kissinger's notorious dictum that "political power is an aphrodisiac," of which he avails himself liberally.

Thus endowed with the inner masochistic world of a Caliban, groveling to those with power over him and tyrannizing his inferiors, Andreas Papandreou is now, at age 65, about to face his life's "moment of truth." The nation he leads is confronted simultaneously with the three fundamental crises typical of the Eastern Mediterranean region:

- A national-security crisis of major proportions stemming from mounting Russian pressure throughout the Balkans as U.S. power has been confined to support for Turkey, Greece's traditional rival.

- An economic crisis compounded by a late-February demand from the International Monetary Fund for further massive austerity measures on penalty of complete cutoff from international loans.

- A large-scale radicalization which has swollen the rank-and-file organizations of the conservative opposition and triggered an anti-Papandreou revolt in the ranks of his ruling PASOK.

Papandreou's own party bosses are charging him for having failed to stem the conservative tide; they demand

further radical socialist measures from the government. Papandreou the prime minister, i.e., the man who enjoys the trimmings of power, knows that the conservative backlash is caused by the wave of disaffection against those very measures which his party demands more of. When he tried to oppose the IMF-dictated policies of his IMF-controlled economics czar "Gerry" Arsenis, the Minister of IMF Austerity created a factional alliance with the radical extreme left of PASOK against the prime minister. When on Feb. 29 Papandreou addressed the PASOK's parliamentary fraction to appeal for party solidarity in parliament, the majority of parliamentarians, after accusing him of "bossism," "rule by inertia," and "arrogance of power," demonstrated their sentiments by boycotting that day's session.

On that day, Papandreou made the following assessment of his situation: "My conservative opposition is going through the most profound transformation of its life. Its rank and file is creating, for the first time, massive base organizations. But its leadership is truly decomposing." His assessment was in fact correct. The Political Council of the conservative New Democracy party, made up of political figures of the tame, royalist 1950s, is by habit looking to the United States for what to do next. Washington is maintaining a perplexed silence, trying to cope with its own inner crisis. The swelling grass-roots nationalist movement is, for the time being, in the hands of about 70 or 80 bitterly competing caucuses of retired officers, priests, policemen, and ideologues of the 1945-49 civil war years.

Power-hungry incompetence is ruling over a crumbling nation, and ruling by default, given that nation's apparent inability to produce leaders free of the "power complex," Andreas's curse.

Changes in the PRI

The ruling party is finally preparing to take on the fascist opposition: the National Action Party.

This month, Mexican politics are dominated by the end of the era of appeasement within the ruling PRI (Revolutionary Institutional Party), which has permeated the policies of this party.

The changes were announced in a gargantuan demonstration of the PRI (more than 150,000) outside the Monument to the Mexican Revolution and before Miguel de la Madrid and his entire cabinet, governors, deputies, senators, PRI state party chairmen, peasants, labor, and popular leaders, which represent the constituency of the PRI.

For foreigners, mostly the so-called observers of Mexican affairs at the U.S. embassy as well as executives of U.S. firms, this ceremony and the announcements made here of "drastic changes" inside the PRI, are part of the Mexican ritual of "doing the same thing with different words," as a U.S. executive told me.

But the announcements made by PRI head Adolfo Lugo Verduzco, a well known "man of the President," mark the end of the hegemony of the political faction identified with former PRI head Jesús Reyes Heróles, now education minister, whose anti-constituency policies during the past year had sent the PRI to its lowest level of popularity in decades. The Reyes Heróles policy was carried on by Mario Vargas Saldana, secretary general of the PRI, and second in command in the hierarchy of the government's electoral machine. As secretary general, Vargas Saldana was in charge of

choosing candidates for local, state, and national elections. As a result, the PRI suffered heavy losses last year to the National Action Party (PAN)—a Nazi-inspired party, as *EIR* has shown—in the states of Chihuahua and Durango, and almost lost the states of Baja California North, Sinaloa, and Tamaulipas.

During last year's elections, the PRI faced a growing PAN opposition that was the beneficiary of hundreds of millions of pesos from the former private bankers who were enraged at the "nationalization" of the private banking system decreed by former President José López Portillo. Since then, the former bankers have exerted tremendous pressure on the government in order to get political power. And some of them are still trying to promote a national revolt.

The second aspect of the PRI losses was the result of the massive popular rejection of the governmental economic austerity policies that sent unemployment up to nearly 2 million. Reyes Heróles's group stated that the PRI has to be "decoupled" from the mass, farm, and labor sectors of the party and oriented into the hands of the *caciques* (local bosses), economic bigwigs, so-called "intellectuals," and corrupt officials. This provoked an insurrection within the party.

Lugo Verduzco described this phenomenon during his speech on the 55th anniversary of the founding of the party, when he said, "We do not hide the mistakes and deviations that [the PRI] has sometimes in-

curred. . . . The failures are not to be imputed to the revolution or its party. . . . They are the failures of people who have made mistakes or betrayed our principles. . . . We will no longer tolerate that because of a few corrupt or irresponsible people, the profound work of transformation of the Mexican revolution shall be enjoined." He also said that the PRI will be overhauled and there will be a "big mobilization" throughout the country to revive the power of the party.

The changes inside the PRI came as an answer to the demands of the labor and peasant sectors of the party, but especially of the powerful CTM, the national labor confederation, which was openly fighting the undemocratic methods of Vargas Saldana and his crowd. The CTM is the best organized, most experienced, and most disciplined social group in Mexico besides the army. Several times the CTM demanded that the party confront the growing Nazi opposition in the country. This demand was put forward during the PRI convention on March 6, where CTM speaker Juan Millán denounced the participation of certain PRI members in support of the PAN, as well as the collaboration of the PAN with the PSUM (formerly the Communist Party of Mexico) against the PRI. He also said that some governors and officials of the PRI were creating obstacles to veteran militants of the party and provoking apathy and desertion by party members.

Lugo Verduzco announced the resignation of Vargas Saldana and his replacement with Francisco Luna Kan, whose long party career is linked to the peasant sector. But CTM leaders, including its head Fidel Velázquez, are not fully satisfied with the selection of other party officials, especially the position of secretary of the organization, a key spot for mass organizing.

International Intelligence

Club of Life to hold Cairo conference

In cooperation with several Egyptian ministries, the Club of Life will hold its first international conference in Africa in Cairo on April 25 and 26. The conference will focus on the fight for a New World Economic Order and the key role of African economic development to reverse the worldwide economic depression, and will be paralleled by smaller conferences in Europe, the United States, and Ibero-America.

At the conference in Cairo, the Club of Life will present a development program for the entire continent, radically rejecting the Malthusian proposals which totally oppose the industrialization of the developing sector. Topics to be discussed include the Great Projects approach to world economic recovery, a 30-year development plan for Africa, doubling grain production worldwide, the concept of building nuclear-reactor-centered agroindustrial centers (nuplexes), the debt crisis and international monetary reform, using the the Qattara Depression to provide irrigation, and other means of overcoming the food deficit in Egypt.

The Club of Life is encouraged by the reception the Egyptian authorities have given to its proposal for the conference, and calls on all individuals, institutions, governments and international agencies committed to a pro-development outlook to help ensure the success of this event.

Assad regime in serious trouble?

The cabinet of Syrian President Hafez Assad resigned March 6 after a skirmish erupted between a group of military officers and the forces of Rifaat Assad, Hafez's younger brother. A struggle for the succession erupted during the President's November hospitalization for heart disease.

Assad is reported to have kept on as prime minister Abdel-Raoud Khassem, and is said to be preparing to name one or more vice-presidents as a gesture of willingness to share

power for the first time in his 15-year rule.

A powerful military clique led by Chief of Staff Gen. Hikmat Shihabi is challenging Rifaat Assad, who is reported to have begun preparing to take power shortly after his brother fell ill.

The Shihabi faction, which also includes chief of military intelligence Ali Duba and Shefiq Fayez, the head of the Third Army, is preferred for succession by the Soviet Union, Syria's chief controller.

Arab sources report that Hafez will try to install a new government balanced between the faction led by Rifaat and the Shihabi grouping, as witness the decision to keep Khassem, considered an opponent of Rifaat. But Hafez, head of an extended clan, cannot easily drop his pledge that his brother will succeed him.

European conferences on Western beam defense

More than a hundred persons, including leaders of the northern Italian defense industry, a representative of Italy's northwest military district, high-ranking military officers, diplomats, and candidates for public office attended a March 1 conference in Milan on the need for a U.S.-Western European alliance to initiate a crash program for the development of ABM directed-energy weapons systems.

Speakers, including the secretary-general of the European Labor Party in Italy, Fiorella Operto, Gen. (ret.) Giulio Macri, and U.S. congressional candidate from the heavily Italian district of South Philadelphia Bernard Salera, described the Soviet Union's drive for military superiority, and the growing support among Western European governments for the beam-weapons defense systems proposed by President Reagan's administration.

Conference attendee Dr. Claudio Polastri, head of the foreign policy department of the Italian Social Democratic Party in Milan, called for strengthening Europe's alliance with the United States. American-European relations, he stated, had been severely damaged by the Carter presidency, and Henry Kissinger's doctrine of creating

a tripolar world dominated by the United States, China, and the Soviet Union, excluding Europe from power, was "insane." Beam weapons must become a primary issue in Europe, he concluded.

In recent months *EIR* has sponsored such conferences in Copenhagen, Vienna, Munich, Oslo, Brussels, Rome, and Bonn; a conference will be held in Paris, March 23 and 24.

State Department threatens Egypt

High-level Egyptian officials are enraged at the U.S. State Department for publishing a secret report claiming that Egypt should no longer be considered a "reliable ally," sources in Egypt told *EIR*. They confirmed the existence of the report, which calls the "Iranization" of Egypt "inevitable." This statement is perceived by the Egyptians as open support for Islamic fundamentalists agitating against President Hosni Mubarak. They reported that Mubarak's February trip to the United States was "a disaster, a failure."

At the same time, the World Bank is threatening to withhold urgently needed wheat supplies from Egypt should the government offend them in any way. Egypt depends on imports to feed its population, and cuts could lead to the same kind of riots that broke out in Tunisia and Morocco in January.

Arab daily cites LaRouche attacks on Kissinger

Al Arab, a London-based Arabic-language daily, denounced the United States' and the U.S. media's accusations that Iraq has used chemical weapons in the prolonged war with Iran in an editorial March 7. *Al Arab* has a circulation of 30,000 in Europe and the Middle East.

The editorial condemned Henry Kissinger for his broad association with international terrorism, and praised "U.S. Senator [sic] Lyndon LaRouche [for] his part in exposing Kissinger's role against Arab, Third

Briefly

● **JACQUES VERNANT**, strategist for the *Revue de la Défense Nationale* in Paris told *EIR* March 8 that "France has bet on the wrong horse in the Iran-Iraq war. Iran is on top." Vernant defined this evaluation as "admittedly opportunist" but "rational."

● **THE CATHOLIC** Church in West Germany is funding the radio station of the anti-Marcos opposition movement in the Philippines.

● **SOCIETY OF JESUS** Director-General Hans Kolvenbach, in an exclusive interview with France's *Le Figaro* March 6, said that relations with the Holy See have gone from "tense" to "cordial."

● **NATO** completed two days of maneuvers in Britain March 7, to test how to "counter a Warsaw Pact surprise attack," according to West German media.

● **PEKING** announced on March 4 that it was expelling the correspondent for *Der Spiegel* magazine for disturbing the peace; he was accused of biting the hand of a city policeman.

● **THREE HEADS** of the Roman nobility—from the Massimo, Montreale, and Pallavicini families—have converted to Islam, according to rumors in Rome.

● **ERICH HONECKER** will make a state visit to Bonn this autumn, according to a high-level West German source.

● **DENIS HEALEY** was an active member in the British Communist Party in 1932-39, a London insider says. The British Labour Party leader "hasn't changed in reality at all since then."

● **ANDREI GROMYKO** would be happy if "the whole Middle East went to hell," an Israeli source told *EIR*. "He thinks the region is made up of a bunch of lunatics, and he's the most notorious racist in the Soviet leadership."

World and American peoples."

Al Arab described LaRouche's charges that Kissinger was involved in the "liquidation" of Third World leaders, and called *EIR* "a magazine founded by an honest man whose conscience compels him to expose all what is hidden in the corridors of power in the United States."

Soviet defense minister makes tour of India

Soviet Defense Minister Dmitri Ustinov arrived in India March 5, heading a delegation of 60 aides and officers, including Commander of the Soviet Navy Adm. Sergei Gorshkov. The Ustinov trip, postponed because of Yuri Andropov's funeral in February, is intended to make a diplomatic intervention into India and increase Soviet arms sales there.

Ustinov will tour Indian defense industry plants and an Indian navy port, and meet with Prime Minister Indira Gandhi and other high-level officials.

"The situation has become grave with the United States militarizing and controlling countries of Southeast Asia, including those that are next to peaceful India," Ustinov declaimed at a dinner March 5. During February, a Soviet naval squad including the aircraft carrier *Novosibirsk* called at the southern India port of Madras—the first visit ever made to India by a Soviet aircraft carrier. Sources report that the Soviets are "testing the waters for a major strategic move in the region—probably Iran, but maybe Pakistan," he said.

Cult threatens Nigerian government

The northeastern Nigeria city of Yola was rocked by violence and rioting for a week beginning Feb. 27, sparked by members of a pseudo-Muslim sect. The government-owned daily *New Nigerian* reported March 6 that 1,000 or more persons may have been killed.

The latest violence comes on the heels

of reports in London and New York that the military government will not be able to maintain its unity in the face of economic crisis. It was just such a breakdown of military cohesion in the mid-1960s which led to the catastrophic civil war.

European press denounces Kissinger's pullout plan

Karl Feldmeyer, the military correspondent of the *Frankfurter Allgemeine Zeitung*, one of West Germany's most important dailies, attacked Henry Kissinger's *Time* magazine proposal for U.S. pullback from NATO in the lead editorial March 6.

Kissinger's theses address the question "What constitutes the basis for the security of Western Europe?" The answer to that question, Feldmeyer asserts, has "remained unchanged since the foundation of the alliance: The political and military engagement of the United States. . . . In the last analysis it is the U.S. nuclear umbrella that counts. Only the risk this umbrella creates is credible and unacceptable for the Soviet Union. It alone can prevent Moscow from imposing its will upon Western Europe—be it by political or military force."

If that deterrence factor did not exist, Feldmeyer continued, Moscow's position "would be completely different from the present parity counted according to missiles and megatons. . . . Only then would the Soviet Union have won its fight with America which has been building since the collapse of the wartime alliance.

"[Kissinger's thrust] can only reinforce Moscow's hopes that it can avoid a revision of its own policy because the West will not stick to its own policy."

The leading Swiss daily *Neue Zürcher Zeitung* also condemned Kissinger's plan. "This politician ought to know," the March 4 editorial stated, "what the European answer would be to a radical reduction of America's commitment to the old continent, in view of past experience. There would be no revival in the desire for joint defense, but rather a flight into 'relaxation of tension,' which is just a nice way of saying *accommodation* to the will of the 'other' power."

LaRouche: 'Kissinger intends to invade Mexico'

"Henry A. Kissinger intends to send U.S. military forces into Mexico," said U.S. Democratic Party presidential candidate Lyndon H. LaRouche, Jr., speaking to a reporter in Washington, D.C. on March 6. "Kissinger fully intends to become acting U.S. President if President Reagan is re-elected; if he succeeds, U.S. military action against Mexico during the immediate years ahead is not absolutely guaranteed, of course, but is very, very probable."

These remarks came in response to the reporter's suggestion that LaRouche supply his own answer to a question which ABC television interviewer Barbara Walters had asked other Democratic presidential candidates during a broadcast debate recently, in New Hampshire. During that television broadcast, on Feb. 23, Walters had challenged the candidates to state how they would react, as U.S. President, to the success of a communist insurgency in the Republic of Mexico.

LaRouche said: "Walters was using that question to slip in the same Kissinger campaign against Mexico that came out of the mouth of Gen. Paul Gorman at the U.S. Senate hearings. Barbara Walters is a very special kind of journalist, if you understand what I mean; she would never put such a question in that way unless it were calculated to produce a very specific kind of political effect nationwide."

Asked to identify Kissinger's plans for invading Mexico, the Democratic candidate said: "Read the report of the so-called Kissinger Commission. Translated in plain English, what that report demands is that the United States implement the same policy toward all of Ibero-America that the British Empire conducted against Egypt during the last century: Use the foreign-debt as an excuse to seize the mines, the oilfields,

the land, and the choice industries of the indebted nation. That's exactly what Britain and Napoleon III did in attempting to overthrow President Juárez, and putting that Hapsburg butcher Maximilian in to supervise the murder and looting of the people of Mexico. Read the Kissinger Commission report; that's exactly what the report is proposing to do."

What about the charge that Mexico is going communist? "Any American who believes the silly lies charging that Presidents like Luis Echeverría, José López Portillo, or Miguel de la Madrid are 'communists,' is babbling like the 'ignorant gringo' Mexican opinion suspects all 'Yanquis' to be."

The real Soviet threat to Mexico

"There is a real Soviet-directed threat inside Mexico, but it's directed against the government chiefly through the Nazi-Soviet alliance between the PAN and the PSUM [formerly the Mexican Communist Party—ed.]. The interesting question is: Why have elements of the U.S. State Department and Federal Bureau of Investigation been detected openly supporting a Soviet tool like the old Nazis in the PAN's leadership?"

"The way to defend Mexico against Soviet intervention is to stop the West European and U.S. bankers from looting one Ibero-American nation after the other to the point of destruction, with the policies of the private firm, Kissinger Associates, Inc., that is running U.S. foreign policy toward all of Ibero-America at this time."

If this is true, does LaRouche intend to attack President Reagan for supporting such policies?

"Unless the President soon dumps Henry Kissinger out

of his government, I will be forced to attack the President for just that reason. When Ronald Reagan was campaigning to become President, he made a repeated, solemn promise never to allow Kissinger to set foot inside his administration. The President has broken his most solemn promise to all those who supported his election over all these years. If he permits himself to continue to keep Kissinger in government, the President will almost certainly not be re-elected in 1984.

"Essentially, Ronald Reagan is the most likable human being we've had as President in about 20 years. I like him personally, even though he has made some bad mistakes in allowing the Kissinger crowd to run his foreign policy from the beginning, in his monetary policy, and in granting increased power to those Gestapo mentalities who run the FBI. I prefer to cause the President to recognize and change bad policies. However, if the President does not come back to his senses, and find the courage to throw the Kissinger gang out of government, President Reagan's entire administration will have to go."

If the President is a likable person, what possible motives could he have for supporting such evil policies against Mexico?

"I don't believe that the President really knows much about what is going on in the world, or even inside high levels of his own administration. That is my own personal experience with the White House during the most recent months. That's what old friends of the President's are saying, in a growing number of cases. That's what some leading members of Congress are saying. That was proven during President Mubarak's recent visit to meet with the President. The White House staff is acting as a 'praetorian guard,' pretty much controlling the information that reaches the President's eyes and ears; and that staff is helping Kissinger to control the President's beliefs. It reminds us of what Kissinger and Haig did to Nixon; it's exactly the same pattern."

But President Reagan did consciously push through U.S. support for the IMF "conditionalities" policy of looting Ibero-America. Why is his administration supporting a policy you yourself describe as a copy of 19th-century British imperialism?

"The best answer to that is to look toward the faction in the Reagan administration lined up behind George Shultz, Donald Regan, and Federal Reserve Chairman Volcker. That's the same thing as the Kissinger faction, including AFL-CIO President Lane Kirkland. What we do know is that the President felt himself pressured into accepting this faction's arguments. It is very clear that the President believes the lying statistics which these people are presenting him on the U.S. economy; he doesn't really know what is going on. To speak of the motives for the policy, you have to look at the motives of Volcker and Donald Regan's Wall Street advisers, as well as Kissinger's motives."

Well, then, what are their motives? "Ask yourself why the rate of economic collapse slowed down significantly in



Henry Kissinger with Ortiz Mena of the World Bank, which has done so much to prepare the underdeveloped nations for internal and external destruction.

the United States during 1983, as compared with 1981-82? Part of the answer is the effect of high U.S. interest rates in draining Western Europe of flight capital. The rest of it is chiefly a savage looting of the economies of Ibero-America, started when Kissinger came back into the government in October 1982. The economies of Ibero-America are cannibalizing their own capital, wages, and natural resources, to subsidize the depressed U.S. economy by as much as \$100 billion annually in direct economic subsidies to the U.S. economy. Without this colonial-style looting, the U.S. economy would have collapsed at 1982-rates throughout 1983. That's what the Kissinger report insists must be increased; that's the economic side of the motives of the Kissinger faction in the Reagan administration."

Can this part of U.S. policy be changed?

"Only if Kissinger is pushed out of the government. I'm afraid that the only way that's going to happen is that I gain a large enough vote in the Democratic primaries, or that I win the Democratic presidential nomination. If I were the Democratic candidate, and Kissinger were still inside the Reagan administration, it is almost automatic that I would win the November election. If any of the other Democratic candidates were to win the election, U.S. policies toward Ibero-America would be the same policies Kissinger is pushing today.

"I am very unhappy that the fate of so many nations depends upon the degree of success I have in the 1984 Democratic primaries. That is a very realistic estimate. Unless I make at least a strong showing in the primaries during April through June of this year, many nations of the world are doomed to be destroyed during the two or three years ahead."

Disarray grows in Establishment ranks as technology breakout looms

“On March 4, 1984, former undersecretary of state Leslie H. Gelb published in the *New York Times* Sunday Magazine one of those articles which reveal secrets much bigger than their authors’ intentions,” remarked *EIR* editor-in-chief Criton Zoakos in New York. Zoakos is an associate of Mr. Lyndon H. LaRouche, Jr., the candidate for the Democratic presidential nomination this year, and also intelligence director for LaRouche’s philosophical association, the International Caucus of Labor Committees. He was referring to Leslie Gelb’s article titled “Is The Nuclear Threat Manageable?”

“To appreciate what Gelb is unintentionally betraying, you ought to read an analysis published in *EIR* by Lyndon LaRouche on Feb. 28, 1984 titled ‘Confusion Among European-American Elites,’” Zoakos said. He added, “The Gelb piece reflects desperation now gripping the U.S. Eastern Establishment and their British cousins over the fact that the Soviet military junta is now in a military-technological breakout mode, contrary to earlier Russian promises which our establishment policy elite had imagined had been extracted in the beginning of the Kissinger era back in 1968-69. Gelb’s piece also betrays the fact that the top layers of this elite are in the middle of a veritable slugfest over what science management and technology management policy to pursue. At this time, the underlying cultural implications of a future science and technology policy are much more ‘up front’ in this confined elite slugfest than the otherwise urgent issues of strategic security of the West.”

The grip of Bertrand Russell

“Unfortunately, this group of policy makers still does not possess the qualifications to resolve this debate, nor will it develop such until it succeeds, if ever, to get itself out of the hypnotic grip of what Lord Bertrand Russell and the Pugwash movement misled them to consider science, science policy, and scientific outlook,” Mr. Zoakos continued. “LaRouche has been trying to educate these fellows on this subject years before I met him back in 1968. They have been too stubborn for their own good. Now that they face the shambles of their policy, as the Gelb piece indicates, what do you have? The European Security Study (ESECS) group out in Boston is arguing that the United States and the alliance must quickly

return to the cultural orientation of scientific and technological excellence. They then mess up on what they consider such excellence to be. The senior fellows in London [Lord Carrington] are torn between going for an outright surrender to the Russians and opting for some incompetent ‘High Frontier’ version. Senior alliance leaders on the continent, especially Germany and France, have made their ‘institutional decisions’ to go with President Reagan’s March 23, 1983 policy of getting on with the development and deployment of space-based anti-missile laser beam weapons and related technologies, which is closer to what LaRouche has been proposing as a competent war-avoidance option. But no consensus is in sight for what was once the proudly unified and well-orchestrated policy elite of the Atlantic community. And there will not be either consensus or clarity of policy unless they purge out of their bloodstream all the ideas and habits and methods of policy which are associated with the ‘Kissinger era’ of the alliance from approximately 1967-69 to date.

“Back in the summer of 1968,” Zoakos went on, “a few months before Henry A. Kissinger joined the U.S. government, the entire policy-making elite of America’s Eastern Establishment, together with their British ‘cousins’ around Lord Solly Zuckerman and Alexander King, took a very long bet with history, in a highly secret meeting in the suburbs of Paris. Then-young Zbigniew Brzezinski, present at the meeting, put on paper some of the decisions made and published them under the book title *The Technetronic Society*.

“Now, 16 years later, the March 4, 1984 *New York Times* publishes a long and tedious call to arms by Leslie Gelb which informs us that those still surviving among the bettors of 1968 are recognizing, with growing hysteria, that history has cheated them and they are about to lose the bet. The bet was that they would successfully terminate all undesirable progress in technology and also in science, and preserve their ability to control and manage social affairs.”

Who placed the bet?

“The bettors included the best names of the European-American policy elite: McGeorge and William Bundy, Cyrus Vance, Averell Harriman (then in Paris negotiating the Viet-



Leslie Gelb concedes that the Soviet leadership hasn't wrecked the U.S.S.R. the way the U.S. elite agreed to wreck America.



Gelb fails to point out that Bertrand Russell and his heirs were the arbiters of the West's renunciation of technological progress.

nam affair), the chief science administrators from Tavistock, Harvard, MIT, Stanford Institute, and so forth, the chief executive officers of the major weapons manufacturing corporations and the 'high-tech' corporate elite of Boston's suburbs. Canada's chief Malthusian Maurice Strong was there, and so was the Club of Rome's Aurelio Peccei. Robert Strange McNamara was spending his last days as secretary of defense, in which capacity he had already completed the notorious STRAT-X Study which had established the limits within which American technology and weapons application would be allowed to move in the decades to come. Kissinger was commuting between the Paris conference and Washington trying to manipulate both the Nixon and Humphrey campaigns.

"The problem was, and is," LaRouche's aide stated, "that the bettors were educated in the best Lord Bertrand Russell and the previous decade's Pugwash movement had to offer. They were also armed with the latest conclusions of Tavistock's Rapoport Report, strongly urging, for 'psychological, sociological and political' reasons, the early termination of America's then technological upsurge associated with the Space Program."

The premise

"Then they made their fateful decision: A perpetual nuclear strategic balance was envisaged on the horizon, to merge

at some future point into a dimly defined East-West imperial condominium, all based on a strategy of stifling and ultimately killing the West's motors of technological and scientific forward motion. A series of long-term scenarios and strategies was pulled off the drawing boards whose implementation would presumably cause a gigantic cultural transformation, a 'paradigm shift,' as they then called it, which would expunge the West's hereditary cultural preference for technological and scientific progress." Zoakos then added with pointed emphasis: "*The ultimate premise of the entire enterprise was Lord Russell's axiomatic assertion that the 'arms race' causes war and that technological progress causes the 'arms race.'*"

"Lord Russell, of course, had never bothered proving his assertion, as usual based on shoddy thinking. However, the spirit of Lord Russell and of his Pugwash Movement had already thoroughly seeped into the bone and marrow of the leading participants of that fateful 1968 Paris Conference. Most of them scions of oligarchical families with long pedigrees, some faithful corporate executive servants of the same oligarchical families, and others merely aspiring academic sycophants, they were all predisposed to the mental habits of Lord Bertrand Russell upon whom they had already bestowed the appellation of the 'greatest philosopher of the 20th century.' At any rate, amid this tide of banality, the great decision was taken," which, Zoakos explained, was implemented as follows.

"McGeorge Bundy went off to make his arrangements with senior KGB officers including Kosygin's son-in-law Dzhermen Gvishiani, with whom he founded the International Institute of Applied Systems Analysis in Vienna. The Ford Foundation, the Aspen Institute, the Carnegie Endowment and others started a massive funding of a then nonexistent environmentalist movement."

The arms-control gambit

"The skids were greased for Henry A. Kissinger to enter the government. Dobrynin in Washington and the Marshals in Moscow were told to expect major United States proposals for arms control. From Paris, Harriman was sending emissaries to Moscow promising that if the Soviet government agreed to enter arms-control negotiations then he, Harriman, would guarantee that the United States would get out of Vietnam (and maybe out of Asia, was the implication). One of the emissaries was Vance. One of the recipients in Moscow was Army General (later Marshal) Nikolai V. Ogarkov.

"Moscow's senior gamemasters could hardly conceal their enthusiasm. They were being offered a proposal according to which the West would undertake to junk its one characteristic cultural distinction, its organic drive for scientific and technological progress, and thus become a society culturally akin to their own. The price asked of the Soviets was that they enter an arms control relationship, what later became known as the SALT era.

“What came of the project?” Zoakos asked. “Now, 16 years later, after SALT I, SALT II, START, when ‘Green parties’ have won seats in parliaments, and environmental regulations have gutted whole advanced industries, and environmentalist cults have saturated our public life, Leslie H. Gelb, the national security editor of the *New York Times*, a ‘scholar’ in the Carnegie Endowment and Cyrus Vance’s trusted undersecretary of state for politico-military affairs, writes in the March 4, 1984 *New York Times*: ‘In the past, revolutions in nuclear technology came singly; now they are coming in one overwhelming package. The first revolution was from atomic weapons to far more devastating nuclear weapons. The second was from single-warhead to multiple-warhead missiles. But neither changed the basic idea that nuclear war could not be won. The revolutions on the horizon now threaten that idea. . . . All technological pieces of a “winning” puzzle could be put in place by [the end of the century]: anti-satellite weapons, missile warheads with improved accuracies, anti-submarine warfare capabilities, and defense against ballistic missiles.’”

Gelb’s confession

Quoting from the Sunday magazine text before him, Zoakos continued: “Bewildered by what appears to him a runaway growth of technology, Gelb writes: ‘Now, however, the question really is whether technology and procedures for controlling technology are taking us beyond [these] limited and practical choices and instead of providing solutions, are becoming the larger part of the problem. In the last few years and in the years immediately ahead, seed money has been and will be spent for revolutionary weapons. . . . None of these weapons systems are now operational and the key decisions whether to develop and deploy them will be made in the next few defense budgets. . . . [T]hose who favor a big ABM system—with space-based lasers to hit Soviet missiles as they are rising, other weapons to attack them in space, and ground-based missiles—have a powerful following inside the Administration.’ Gelb finally concludes with the following, which indicates that the old 1968 bet with history may have already been lost:

“‘. . . What has to be understood now is that the nuclear peace of the last 40 years could be transformed into a nuclear nightmare. What is in the offing is not simply another weapons system or two, not just another phase of the old arms race, but a package of technological breakthroughs that could revolutionize strategic capabilities and thinking. To be sure, there is time before all of these technologies mature into reliable weapons systems. But not much time. . . . Most lamentable, there seems to be a habit of mind developing among Soviet and American officials that the problems cannot be solved, *that technology cannot be checked*, a kind of resignation and complacency.’” Putting aside the magazine, LaRouche’s aide went on:

“Leslie Gelb and his patron Cyrus Vance of the *New York*

Times are two of the most sullen and determined opponents of Lyndon H. LaRouche, Jr., the Democratic presidential hopeful, for reasons intimately associated with the lost wager of 1968. I cannot resist recalling that I, as a young man, began my association with Mr. LaRouche some time in 1968, perhaps a few weeks after the notorious NATO-sponsored secret conference in Paris where the fateful policy against science and technology had been adapted. Through all these years of apprenticeship and association, I have watched Mr. LaRouche do nothing else better and more effectively than refute and debunk the premises and assumptions which went into that Paris 1968 secret conference, the assumptions of Lord Bertrand Russell I referred to earlier.

“Each time LaRouche offered a new refutation of those assumptions, we had to endure yet another rampage of Eastern Establishment rage. Each time LaRouche offered them an alternate set of policies for securing the peace, he was greeted with another wave of hysterical slanders and physical threats. Each time he warned them against the growing dangers of nuclear nightmare resulting from their Russellite anti-science policies, new insulting catcalls were thrown in his way and new attempts were hatched against his life.”

Does he have any answers?

“Now, our good Leslie H. Gelb comes along to finally admit that ‘the nuclear peace could be transformed into a nuclear nightmare.’ How true! But can he give us the reasons why? Or the means of how to avert it? To propose, as he does, that we should attempt further controls against technology is by now a moot point since the military junta in Moscow is not about to heed the advice. To claim that this state of affairs came about for reasons other than the policies adopted at the Russellite conclave of 1968 would be absurd: No other policies were carried out in the strategic field since then but the policies to which he subscribes. Those policies, therefore, are the cause of the emerging ‘nuclear nightmare.’

“From what we are daily observing in backstage Washington around the subject of LaRouche leaves no doubt that the levels of growing hysteria against LaRouche are associated with the growing realization that the basic long-term policies of LaRouche’s political and philosophical adversaries are patently bankrupt by now. LaRouche’s critiques of the Russellite anti-science policy orientation have been well studied and discussed in these Establishment circles over a period of years. On numerous occasions, I happened to have delivered crucial strategic writings of LaRouche’s on the subject to such places as the Aspen Institute, the Council on Foreign Relations, and elsewhere. It is known that the debate over LaRouche’s critique has raged for a while in the secret enclaves of national security policy making, in a climate far different than that of the public altercations between frozen silences and outrageous slanders. Yet the Establishment’s consensus has remained: Silence LaRouche at all costs,” he concluded.

Danny Graham's friends in L-5 Society

by Ira Liebowitz

In a Jan. 29 *Time* magazine article titled "An ESP Gap," Lt. Gen. Danny Graham (ret.) is quoted on the subject of psychic research: "I wouldn't be surprised if the intelligence community were following this. They would be remiss if they didn't." Why is Graham endorsing "paranormality"? The answer may have to do with Graham's friends in the L-5 Society.

L-5 came out of the 1975 session of a conference series at Princeton University hosted by Dr. Gerard O'Neill. Funding for O'Neill's 1974 conference came from Stewart Brand's California-based Point Foundation, a slush fund of the *Coevolution Quarterly*. *CQ* promoted Gregory Bateson, mind-altering drugs, and environmentalism during the 1960s, and publishes the *Whole Earth Catalog*.

In 1975, the scientists attending L-5's founding dinner at Princeton were presented with two hippies who would later run the new society from Tuscon, Arizona: Carolyn Henson and her husband at the time, Keith. Carolyn reported to the astonished scientists on her "experiments" with organic farming and the production of "rabbitburgers" in her back yard.

Coopting the term "High Frontier" used in a book by Gerard O'Neill, L-5 was set up to draw in legitimate scientists seeking to use L-5 to reach the U.S. population on behalf of tackling the space frontier and win their support for schemes compatible with the Club of Rome's zero-growth thesis (solar-powered space colonies for excess population). One board member was Freeman Dyson, a Princeton scientist in the Bertrand Russell tradition, and Carolyn Henson also brought in LSD guru Timothy Leary. Henson used Leary in an L-5 publicity campaign that included lectures to the "boring engineers" at the 1978 conference of the American Astronautical Society in San Francisco.

L-5 and the High Frontier

L-5 officials say there are different factions in the U.S. society—anti-nuclear, environmentalist, nuclear-freeze activists; proponents of space exploration without using nuclear science; opponents of "militarization of space"; and supporters of non-nuclear space defense systems such as Graham's High Frontier. That translates into an L-5 division of labor with a great deal of influence over U.S. space-related defense policy. It appears that most L-5ers agree on one thing, as

does Graham: that Dr. Edward Teller's proposal for the use of nuclear-pumped x-ray lasers as well as other beam sources for ABM defense should not be deployed.

"L-5 is part of the High Frontier Movement," Henson-Bosma told an interviewer recently. High Frontier is the space defense plan of General Graham and the Heritage Foundation which purports to be an anti-missile defense system but shuns the use of the most advanced laser and directed-energy weapons, proposing to use instead rocket-powered vehicles with conventional explosives and projectiles to intercept enemy ICBMs. Dr. Edward Teller, one of the architects of President Reagan's March 1983 beam-weapons proposal, told Graham in a letter last December that there was only one thing wrong with his High Frontier program—it won't work.

An L-5-controlled debate on space policy is designed to eliminate the proposals associated with Dr. Teller. Those involved include Henson-Bosma; her current husband John Bosma, a consultant for High Frontier and the Heritage Foundation; Maj. Robert Bowman of the U.S. Army's kooky Delta Force-First Earth Battalion and the Washington Institute for Space and Security Studies; and a self-avowed "disarmament groupie" who has been tagged as Bowman's "controller," Carol Rosin of the Institute for Security and Cooperation in Space.

While Robert Bowman acts as Graham's left-wing critic, Rosin counts as her "close personal friends" John Bosma and Carolyn Henson-Bosma. Through her status as a delegate of the International Association for Educators for World Peace to the United Nations, "I have also opened a negotiating channel to the Soviets," Rosin told one interviewer, to explore the Soviet proposal for a ban on weapons in space.

Cultists, and others

Others involved in L-5 include Barbara Marx Hubbard of the World Futures Society, current candidate of the Aquarian Conspiracy for vice-president of the United States, and Ira Einhorn, the 1960s radical who murdered and shellacked his girlfriend in Philadelphia. Einhorn was a member of the Neo-American Church, a witchcraft cult founded by Timothy Leary; two other members were identified as employees at the Three Mile Island nuclear reactor before the incident in March 1979 in which sabotage was strongly suspected. Einhorn was also a leading organizer for the national "Sun Day" celebration organized in 1978 by then-Energy Secretary James Schlesinger.

Before 1980, when she was pulled out of L-5, apparently to run her operation with Graham, Henson-Bosma had brought into the society, among others, Norrie Huddle, believed by a source to have been a member of Einhorn's and Leary's Neo-American Church. Henson-Bosma herself has said she was a member of the Druids.

Despite this track record, former L-5 president Randy Clemens recently identified Henson as currently enjoying

“national security clearance” at the EDI Corporation in Arlington, Virginia. She is also advising Graham at High Frontier’s office, and sharing its assessments of administration decisions on space-related defense systems.

L-5 circles overlap networks based at Michael Murphy’s Anglo-Russian Esalen Institute in California, Willis Harman’s Stanford Research Institute, the Institute for Noetic Research of Palo Alto, and the Paranormality Institute at Duke University. These centers, and spinoffs such as the Lifespring and est, are coming under scrutiny for their “psychic research” programs, many of which involve collaboration with Soviet “ESP” researchers. The concern is Soviet espionage and brainwashing capabilities.

Philip Chapman, current president of L-5 and a researcher at the Arthur D. Little Company in Boston, professed shock at Graham’s statement in *Time*, and quipped “I certainly think there are more effective defense” policies than ESP. Asked whether Graham’s High Frontier organization grew out of the L-5 Society, Chapman said: “What it grew out of is the Citizen’s Advisory Committee on National Space Policy, of which I’m a member. And to some extent it [CACNSP] is sponsored by L-5. It was established in early 1981; in large part it was organized by Jerry Pournelle, because the Reagan administration had no adequate transitional policy to formulate space policy. Danny Graham was in parallel with that sort of thing.”

CACNSP’s meetings on space-related defense include congressmen and people from the major aerospace and defense companies. Jerry Pournelle is an L-5 leader who says he writes CACNSP “consensus reports” for the administration. He is the co-author of a current bestseller, *Lucifer’s Hammer*. Pournelle says his role in these discussions is to work out “compromises” on space-related defense systems, overcoming so-called personality conflicts between “Teller’s people, Graham’s people, Hunter’s people, people from Wallop’s office, and others,” i.e., undercutting advocates of a full-scale beam-weapons program.

In contrast to Graham’s proposal for government funding, Pournelle favors private funding of research on the paranormal. Citing the Stanford Research Institute, the Institute of Noetic Science, and Duke University, he says, “I would not die of shock if ESP were proven to work.” He believes “everyone has had at least one experience of psychic phenomena.” His occurred when a book by Robert Morris (a doomsday writer) fell off his bookshelf.

Current and former advisers and directors of L-5 include John Glenn (who has been endorsed for president by L-5 and given \$5,000 by its PAC); Rep. Newt Gingrich (D-Ga.); Mark Hopkins, L-5 executive director, economist at the RAND Corporation; Isaac Asimov and Robert Heinlein; Kathy Keaton, chairman of *Omni* magazine; Marvin Minsky, MIT artificial intelligence specialist; former Sen. Frank Moss (R-Ida.); Frank Haig, S.J. (Al Haig’s brother); former Gov. Jerry Brown of California; and Robert Anton Wilson of the Illuminati cult.

State Department

Alec von Bennigsen and the ‘Islamic Card’

by Allen Douglas

In mid-February, shortly after the U.S. Marine withdrawal from Beirut and the collapse of U.S. policy and influence in Lebanon, ABC-TV evening news ran a “human interest” story on the 1 million-strong Shi’ite Muslim population of Lebanon. The message? Well yes, the U.S. strategy for Lebanon has collapsed, but since these Shi’ites are fiercely anti-communist, at least the Russians won’t make headway. Two weeks before, in a quiet series of meetings at the State Department and in Congress, the same line of “Islamic fundamentalism as a bulwark against communism” was being hammered home throughout the administration by the one man who over the past decades had done more than anyone else to promote it: Count Alexandre von Bennigsen, Russian nobleman and lifelong member of the Russian Orthodox Church.

It was, of course, the Bennigsen line, as mouthed by the Jesuit-trained Zbigniew Brzezinski, which served as perhaps the most important rationalization in convincing many military professionals and U.S. intelligence officers to acquiesce in an insane plan—the overthrow of the Shah of Iran and his replacement by the Shi’ite “divine,” Ruhollah Khomeini. Now, at five minutes to midnight for the U.S. position in the Middle East, it is time the mask is ripped off the “respected though somewhat crankish elder statesman of Central Asian Studies,” the man whose grandfather was keeper of the hounds under the last Russian Czar, Nicholas II. The obvious must be stated at long last. Count Bennigsen is now, and has been for a number of years at least, deployed on behalf of the strategic policy objectives of the Soviet KGB.

The question of motive

As the howls go up from academic and State Department circles who regard “dear Alec” as a venerable, albeit slightly fanatical spokesman for an important field of study, it is worthwhile to ask whether dear Alec, in helping to destroy the secular nation-states of the Middle East on behalf of Islamic fundamentalism, *knows* that he is working for the KGB? As the U.S. presence is driven out of nation after nation by Moscow-associated Islamic fundamentalists, the question in that form misses the point. Just as the Shi’ite fanatic who rams a hexogen-laden truck into a U.S. Marine compound may think he is doing the work of Allah, while on this side of Paradise, he is aiding and abetting a Soviet takeover of the region.

If we presume that Bennigsen is not reporting in Paris to KGB emissaries of Shi'ite Politburo member Geidar Aliyev, one of two possibilities presents itself. Either he is working directly for the Soviets and doesn't know it, or he is working for very old oligarchic interests in the West who are currently in alliance with the Soviets to destroy the United States, though with often considerable secondary disagreements. In the first case, over the past 15 years Soviet émigrés and defectors have flooded into the West and ensconced themselves in often sensitive positions in U.S. foreign broadcasting and intelligence evaluations networks. In some cases these are witting KGB agents. But some of the more interesting and effective cases could pass lie detector tests as to their hatred for the Soviet state and Marxism-Leninism—yet are nonetheless controlled through “cut-outs,” often by circles associated with the Russian Orthodox Church. Through such cut-outs, their information finds its way back as useful espionage to the very Soviet state they hate so much.

It is notorious among insiders that Bennigsen travels in a Russian Orthodox circle in Paris, observing Orthodox rites, as his family has done for over a hundred years after the former Baltic merchant family assumed a leading position in the court of the Czar.

Oligarchic patrons

The most likely option is that Count von Bennigsen is deployed by oligarchical circles in the West, who are committed to someday destroying the Russian Empire from within by aid of religious and integrist insurgencies, but are first *aiding that empire to destroy these oligarchs' chief enemy: the Augustinian republican culture of the West*, represented most powerfully, though less and less consciously, by the United States. These British, Venetian, and Swiss families often include important White Russians, such as the de Menils of Paris and Houston.

For instance, the recently deceased Jean de Menil sat on the board of the corporate front, Permindex, investigated by New Orleans D.A. James Garrison as the organization behind the assassination of John F. Kennedy, and his wife (née Schlumberger) is a very powerful figure in her own right. These families' hatred of Augustinian and Renaissance culture is expressed in institutions such as the “Eastern religions”-oriented Rothko Chapel in Houston, and the de Menils' prior sponsorship of the Russian Orthodox “modernist” painter Mark Rothko, a man so moved by his own output that he killed himself.

Judging by his life story, the émigré Bennigsen, fleeing from the Bolshevik hordes, was picked up by oligarchic circles in Istanbul and Paris, then trained by the Sufi mystic Louis Massignon, “dean of French orientology.” Bennigsen's own books and seminars at the Sorbonne and the University of Chicago have propagandized for the very core of Islamic irrationalism, Sufism, with the line that the revolutionary Naqshbandi Sufi Brotherhoods of the Northern Caucasus and Central Asia, could, if aided by the West, over-



A Sufi dervish: contaminating the West and Mideast, not subverting the Soviets.

throw the Soviets. It is therefore not surprising to see Bennigsen in de facto alliance with Khomeini-sponsoring circles in the West such as Cyrus Vance and the other controllers of the Episcopal Cathedral of St. John the Divine in New York City. On Sunday evenings the cathedral's cavernous vaults are often host to ceremonies where aging liberals and spaced-out Columbia University students spin around in circles, hyperventilating and “seeking truth” in the rites of the Sufi *zikr*.

‘What are his sources?’

One last question remains regarding Count von Bennigsen. His colleagues often say, “I wonder just where Bennigsen gets his information?” Judging by the statements of his daughter and co-author, Marie Broxup, some of it he just plain makes up. Take the claim of the bank clerk-turned-Central Asian scholar Broxup that the Soviet Muslims have not been used for diplomacy since the collapse of the Tashkent conference in 1980. This statement—the core of an argument that the Soviet Muslims are a great internal threat to the Soviet state—*EIR* has demonstrated as utterly false, citing numerous instances to the contrary readily available in the Soviets' own press (see *EIR*, Nov. 8, 1983).

Further light may be shed on Bennigsen's sources by the head of Foreign Relations for the Tashkent Muslim Spiritual Board, Yusuphkan Shakirov, at the Vancouver World Council of Churches conference in 1983. After some preliminary chit-chat, the smiling, urbane mullah was asked by *EIR* whether it were true that he briefed Alexandre Bennigsen. The suave Shakirov turned white, looked to see who might be listening, and fled without answering.

NBC 'assassination plot' a total lie

After observing the NBC-TV "First Camera" segment libeling him on March 4, Democratic presidential candidate Lyndon H. LaRouche, Jr. issued a statement saying that, since he is already suing NBC and the ADL for their campaign of libel, there is only one feature of the broadcast which requires his comment now: the allegation that he plotted, during 1977, to kill President Jimmy Carter and officials of his government.

Calling the story "a total fabrication," LaRouche described the circumstances NBC reported to have been the occasion for the alleged plot. During early August 1977, while visiting in West Germany, LaRouche was advised by high level intelligence community sources that he was "No. 2" on a list of assassination targets of the Baader-Meinhof terrorist organization which had just murdered banker Jürgen Ponto; LaRouche was also advised that because of extreme hostility from top levels of the White House, he could expect no cooperation from that source.

LaRouche says that he employed the services of a private security consultant, Col. Mitchell WerBell, who assigned a veteran of the Vietnam war, Capt. Larry Cooper, to function as liaison-officer, to contact relevant U.S. and other security agencies in Western Europe to seek technical advice and services.

"After making initial contacts with official agencies, Captain Cooper informed me that the State Department was blocking any cooperation with me," and "indicated his strong desire to take the next return flight to the U.S.A. Deciding that in his indicated state of mind, he was useless to me and himself, I released him immediately from the assignment. I immediately changed the plans for my security, dropping those recommended by Captain Cooper, but reported my actions to Colonel WerBell, and retained his counsel on matters of security up to the time of the premature death of that great soldier and national hero this past December."

LaRouche stated that he was contacted weeks later by an official of the security forces in Wiesbaden, West Germany, "who asked me questions bearing on the allegations that I might have at some time threatened the person of former Secretary of State Henry A. Kissinger."

It turned out, LaRouche reports, that "one Gordon Novel, an FBI 'Division Five' informant from New Orleans, Louisiana, reportedly under federal warrant by another federal

agency at that time, approached one George Franklin. George Franklin is a member of the Trilateral Commission and leading figure of the New York Council of Foreign Relations, and is self-described as Henry A. Kissinger's original supervisor at the New York Council on Foreign Relations. George Franklin and Gordon Novel manufactured between them the fabrication that I had plotted assaults against Henry A. Kissinger during the period Captain Cooper was in West Germany, and cited Captain Cooper as the source of this information.

"According to Colonel WerBell, he had received telephone calls from various quarters, in Britain and elsewhere, attempting to influence him against accepting the position as my security consultant, within hours of his contracting the assignment. During the same period Henry A. Kissinger had telephoned him, to discuss weapons-sales matters." Kissinger, LaRouche notes, had used his position in government to coordinate covert operations against LaRouche as early as 1975. "It was our working hypothesis that Mr. Kissinger's telephone call to Colonel WerBell at that particular time was a most curious coincidence. What was discussed in the presence of Captain Cooper was the possibility that Mr. Kissinger might be or become complicit in influencing State Department channels to deny me cooperation, and that if this were confirmed, Kissinger must be publicly exposed for such immoral activities.

"It was confirmed by eyewitnesses that at a subsequent time, Gordon Novel visited Colonel WerBell's farm in Georgia, and did have an extended discussion with Captain Cooper on Colonel WerBell's porch. It was, apparently, out of what Gordon Novel said to Cooper on that occasion that the false complaint to government agencies by George Franklin was manufactured. Official agencies investigating George Franklin's cock-and-bull story soon understood the character of the hoax being perpetrated by Franklin and Gordon Novel, and the matter was discreetly relegated to the files.

"Despite exhaustive investigations, no evidence of any wrongdoing was ever uncovered. I and my associates have cooperated fully with authorities on threats to the President and other presidential candidates."

LaRouche noted: "Novel is notorious in intelligence and law enforcement circles as a 'confidence' hoaxster. The tale of the elaborate plot, as concocted by Novel and Franklin, resembled a typical Novel fabrication." Gordon Novel has been indicted seven times on federal charges since the late 1950s. According to law enforcement sources and Novel's own testimony, these charges include arson, illegal electronic eavesdropping, illegal possession of firearms, and bail jumping.

LaRouche said that his staff and legal counsel repeatedly offered NBC that he "would answer in writing any list of questions submitted to me in connection with the proposed 'First Camera' broadcast. NBC never presented any list of questions, and never investigated this wild charge of the 'assassination plot' prior to the broadcast."

A challenge to the Pennsylvania Democratic Party

by Ronald Kokinda in Washington, D.C.

The first Democratic presidential primary effort by The LaRouche Campaign, now being mounted in Pennsylvania, poses an interesting question: Can the constituency base in the Pennsylvania Democratic Party be mobilized to help pull the nation through the current economic and strategic crisis?

The LaRouche vote in Pennsylvania's April 10 primary will signal how the healthier elements in the party are responding to the crisis. Most Pennsylvania Democratic activists strongly opposed the renomination of Jimmy Carter in 1980. The current potential was evidenced by the 1982 vote for LaRouche-backed Democratic candidate Steve Douglas who polled 20%, finishing a strong second in a four-man gubernatorial race, and winning up to 35% in Philadelphia districts. The 1984 LaRouche slate of 150 candidates for state and local office includes candidates for the U.S. House of Representatives in 13 congressional districts.

Meanwhile, a survey of the current congressional delegation yields a pale hint that the state's constituency organizations have not shrunken as badly, nor become quite as Aquarian or post-industrial in outlook, as they have elsewhere. Democrats abound in family farms, conservatively-oriented labor unions, and industrial firms.

A target of Abscam-style operations

Over recent years, constituency-based Democrats in Pennsylvania have suffered their share of frameups, attacks, and political losses as the Aquarians, the dope lobby, and the Eastern Establishment families who have sought to eliminate the production-oriented base from any say in Democratic Party policy. In the 1970s, Rep. Dan Flood, from northern Pennsylvania "coal country," an eccentric but important proponent of infrastructural and military development—keys to the American system of economic growth—was labeled a "porkbarreller" and driven from office. Reps. Fred Rooney, John Dent, Robert Nix, and others, while not politically homogeneous, reflected constituency politics; they were scandalomgered out of office or decided not to seek reelection.

In the 1980s the FBI attacks on constituency politics became overt; with operations such as Abscam, Reps. Raymond Lederer and Ozzie Meyers were jailed. The 1980 redistricting and the loss of two seats, both held by more conservative Democratic congressmen, Don Bailey and Joseph Smith, combined with the liberal Democratic defeat of Republicans James Coyne and James Nelligan in 1982, strengthened the radical side of the state delegation.

Military voting tally

At first glance, almost the entirety of the Pennsylvania delegation might be considered political write-offs. With the exception of three conservative Republicans, Don Ritter, Robert Walker, and George Gekas, they voted for the nuclear freeze resolution which would aid a growing Soviet strategic superiority and potential first strike threat against the United States. But their voting records on the individual weapons systems that make up the administration's strategic modernization effort, including the MX missile, the B-1 bomber, anti-satellite (ASAT) weapons, and the Pershing II missile, show a split among the Democrats.

Leading the rabid environmentalist, post-industrial and anti-defense side is Robert Edgar, a vocal proponent of the International Monetary Fund (IMF) and the genocidal *Global 2000 Report* who votes consistently against defense programs.

In this orientation are Thomas Foglietta, a member of the Armed Services Committee, William Gray, Peter Kostmayer, William Coyne, Doug Walgren, Robert Borski, and Joseph Kolter. Kolter and Borski were the only ones of this group to vote to allow the deployment of Pershing II missiles into Europe to proceed on schedule. Also, apart from Kolter and Walgren, every member of this group voted last year to back the quota increase for the IMF, which is destroying U.S. allies and would-be allies in the developing sector.

Clearly on the pro-defense side are John Murtha, a member of the Appropriations Defense Subcommittee, and Gus Yatron, both of whom supported the strategic modernization across the board. Joseph Gaydos, chairman of the delegation, and Austin Murphy, a former Marine, are closer to this camp; their single major defection has been their opposition to the development of the MX missile. Frank Harrison is probably closer to the anti-defense group, voting against the MX and B-1, and for the ASATs and Pershing IIs.

Volcker and the IMF

Despite the depression in Pennsylvania caused by Paul Volcker's high interest rates, only a couple of members of the delegation have addressed the crisis. Rep. Austin Murphy was the most vocal critic of Federal Reserve chairman Paul Volcker and supported numerous resolutions seeking to change Volcker's high interest rates. Yatron also cosponsored such resolutions, and he and Murphy were also opponents of the IMF. Of the three other Democrats to oppose Volcker during 1980-82, two were forced out of office by redistricting and one left to run for statewide office.

Joseph Gaydos, epitomizes the defeatist response to Volcker's depression—the slide into the fight for protectionism, domestic content legislation, and other battles with the Japanese and Europeans over who will take in more of the other's laundry, instead of industrially and agriculturally developing the rest of the potential world markets for American output. In 1982, when a labor-union delegation visited Gaydos's office demanding that he act to remove Volcker, they were told that Volcker should be ignored, and were solicited to involve themselves in protectionist lobbying instead. Gaydos also backed the IMF, whose policies have been shutting down the demand for U.S. exports.

Other members of the delegation such as Bill Coyne, who has a seat on the Banking Committee, defended Volcker then, and still do. Bill Gray, the Black Caucus point man for Africa policy, also supported the IMF, even though it is estimated that millions of Africans will die of starvation this year—a situation largely attributable to IMF policies.

Among the largely pro-defense Republicans, there are some obvious Henry Kissinger backers. Chief among these is William Goodling, who backs the IMF to the hilt, promotes Kissinger's style of negotiations with the Soviets, and voted against the strategic modernization program with the exception of the B-1. Lawrence Coughlin only voted for the Pershing IIs and the MX. Several others had at least one major anti-defense vote, such as William Clinger, who opposed the B-1, and Thomas Ridge, who opposed the MX.

Joseph McDade of the 10th District (northern Pennsylvania), as the man next in line to become ranking member of the House Appropriations Committee, will be key in future defense fights; the committee has emerged as a stumbling block to the modernization programs. McDade has been described by Capitol Hill intimates as someone who will do the right thing if he understands the importance of the program. If he is re-elected, any lack of understanding on military questions would become a dangerous shortcoming.

Attacks on infrastructure

The biggest problem among the Republicans, as in other states, is economic ideology and growing hostility to government spending in such areas as the Clinch River Breeder, the space program, and infrastructure projects, all crucial to future economic growth.

This outlook is most conspicuous in William Clinger, who, as a fiscal conservative with proposals for capital budgeting and similar schemes to close down these investments, fought side by side the rabid environmentalist Robert Edgar to stop the Clinch River Breeder Reactor. In the final vote on Clinch River and on the Tennessee-Tombigbee waterway, the last major water project authorized by Congress, "nays" were cast by Clinger, Goodling, Ritter, and Coughlin. Robert Walker and Richard Schulze voted against Tenn-Tom, and McDade voted against Clinch River. Only Bud Shuster voted for both projects.

The Real 'ENEMY WITHIN'

This soon-to-be-released report, the follow-up to the recent **EIR Special Report, "Will Moscow Become the Third Rome? How the KGB Controls the Peace Movement,"** documents the channels through which Soviet intelligence and its assets are attempting to carry out a plan to destroy the United States as an economic and military threat to Soviet world dominance.

The report will include:

- The role of Moscow and German-speaking central bankers in attempting to precipitate an international financial crisis.
- The background of Soviet orchestration of the "Briefinggate" scandal, including the June 5 closed-door session in Moscow, where Averell and Pamela Churchill Harriman conspired with Yuri Andropov days before Briefinggate broke.
- Soviet influence in the FBI and other government institutions ensuring disinformation on Soviet subversion of the United States.

The report will be available for \$250.00.

For further information, contact
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Elephants and Donkeys

by Kathleen Klenetsky and Stephen Parsons

The mania of Manatt

Fritz isn't the only one with troubles. His *padrone* Chuckie Manatt, the Democratic national chairman and Hollywood mafia liaison, nearly got bounced out of his post at the beginning of March after his incompetence became too much even for Mondale's advisers. The word was out on Capitol Hill that Manatt had already gotten the boot when Mondale intervened to save his skin.

With this new lease on life, Banker Manatt sped to Pennsylvania March 6. There he attempted to prove his worth by endorsing a candidate for congressman, James Young, who is facing stiff opposition from a candidate backed by Lyndon H. LaRouche, Jr.

Earlier that week, Manatt had called on the Reagan administration to sever all connections with LaRouche and his organization. Manatt's demand came on March 5, the day after NBC-TV aired its "First Camera" smear of LaRouche—one aim of which was to pressure the administration to cut off contact with LaRouche. The show included an interview with the National Security Council's former senior director of International Economic Policy, Norman Bailey, in which Bailey said he had met with

LaRouche advisers a number of times "because they have in my view one of the best private intelligence services in the world."

The outraged Manatt issued a statement urging Reagan to end "this shocking, White House involvement with the bizarre, extremist cult of Lyndon H. LaRouche." Manatt also condemned the implication that "members of this group have had some degree of influence on the administration." LaRouche is accurately credited by U.S. insiders in private, and the Soviet government newspaper *Izvestiya* in public, with helping to impel President Reagan to commit the nation in March 1983 to the beam-weapons defense so feared by the Soviets.

Of mice and . . . ele-donkeys?

Over the years, this news service has repeatedly warned that any consolidation of power by forces associated with the mad Dr. Henry Kissinger would cause such social and economic havoc that the biosphere itself would begin to break down. Judging by some strange sights and sounds emanating from GOP circles in the nation's heartland, it appears that a mutant species has already emerged—and has taken over the entire Republican leadership.

The strain is a creature with the bulk of the famous GOP elephant, but . . . it acts like a jackass! And unlike either beast, it neither hees nor haws nor cackles nor trumpets; rather, it has a mournful whine that occasionally rises to what appears to be a loud boast, only to collapse back into its pitiful plaint.

This enormous beast—provisionally labeled an ele-donkey—is neither swift of wit nor nimble of foot, though it does whirl around quite rapidly in a perpetual circle that it calls "stumping

for votes," spurred on by a swarm of hissing flies. And, surprisingly, it can also speak.

When we queried various ele-donkeys this week on their odd comportment, they responded that it was the best way to deal with the clever flies, which upon analysis turned out to be a virulent strain of *practicalus politicitis*.

When we suggested that perhaps they should arrest their feverish whirl and think a moment about eliminating the source of their plight, that is, the infamous Dr. Kissinger, the ele-donkeys moaned that, although that Dr. Kissinger was doing terrible things, "it is not our responsibility to take on such a prodigious individual. Besides, the flies would not allow it," they reported. Nor did they want to swat the flies. "We need them so that we can continue in our whirl of important activity."

"The nation is in trouble," agreed the large-looming ele-donkeys in states ranging from Idaho to Minnesota, and from Nevada to Arkansas. "We're quite concerned, you know. But we're very busy."

An ele-donkey who chairs the GOP in one Midwestern state stopped his rotation for a moment to comment craftily: "I think the President knows what he is doing. He is taking the enemy into his own camp."

When an RNC ele-donkey from South Dakota nodded in hearty agreement with this diabolical strategy, we asked him about Larry Pressler, the blow-dried senator from his own state who had just endorsed Dr. Kissinger's formula for destroying NATO. "Well," he brayed, "at least we got a Republican in there to replace that no-good McGovern!"

"That's right," chimed in the herd, as they whirled off to yet another round of hoofing and whirling. "At least Kissinger is a Republican."

Iklé and DeLauer lie about beam weapons

At the conclusion of hearings before the Senate Armed Services Committee on President Reagan's Strategic Defense Initiative March 7, Sen. Pete Wilson (R-Calif.) lambasted Defense Department spokesmen Fred Iklé and Richard DeLauer for undercutting the administration's position.

"Frankly, I have to tell you that I am mad," Wilson stated. "Your written statement, which was very strong and very optimistic, is at variance with your responses to the questions put forward by Senator Nunn. . . . I think that you have cast the entirely wrong tone by those responses."

Wilson went on to establish that Undersecretary of Defense for Policy Iklé (a Henry Kissinger liaison), and DeLauer, the Undersecretary of Defense for Research and Engineering, had made light of the ability of ballistic missile defenses to protect population centers and had implied, in their exchange with Sen. Sam Nunn (D-Ga.), that such defense systems would have relevance only for protecting offensive weapons systems, not population centers.

Wilson pointed out that such statements appeared to be in disagreement with the report of the Fletcher Commission on ballistic missile defensive systems.

"Do you disagree with Dr. Fletcher's recent statements that a 'robust, multi-tiered system' is a feasible conception?" Wilson asked. When DeLauer replied "Yes," Wilson continued, "Doesn't that [the Fletcher Report] imply a boost-phase system that can be deployed and that will not be leaky [that enemy ICBMs will not be able to penetrate to population centers]?" DeLauer waffled: "I don't want any misunderstandings about what our

expectations for such a system could be at this time."

In an exchange with Sen. Dan Quayle (R-Ind.), who practically begged the administration spokesmen for arguments in favor of strategic defense, Iklé offered no prospect for reducing reliance on offensive weapons under a ballistic missile defense system and stated that he could envisage a situation where both defensive and offensive systems would have to increase. This, despite the fact that Iklé's written testimony—which had to be signed by the secretary of defense and the White House—had laid out a detailed prescription for reducing offensive weapons systems through negotiations with the Soviets under a defensive-systems-oriented regime.

After the hearings, a Senate source charged that "this hearing could do more to set back the SDI [Strategic Defense Initiative] than anything that has happened so far. I can see those statements that DeLauer and Iklé made being thrown back at us by opponents on the Senate floor. We can't charge that the quotes are inaccurate or out of context, because they sat there and said it! I think if a vote was taken right now in the Senate Armed Services Committee, strategic defense would lose."

Democrats attack military budget, strategic defense

Sixteen anti-defense Democrats, led by Rep. Nicholas Mavroules (D-Mass.) and Republican Bill Green (N.Y.), took to the floor of the House March 7 to attack the Reagan administration's defense budget request and the strategic defense program. George Brown (D-Calif.) announced that he would take the floor later in March to attack strategic defense and the entire

military aspect of the U.S. effort in space, and invited other House members to participate.

Mavroules, a member of the House Armed Services Committee, launched the attack after the Committee for National Security (CNS), a collaborator of the terrorist-linked Institute for Policy Studies, released two proposed alternatives to the administration budget at a press conference with Averell Harriman associate Paul Warnke on March 5. The "high-threat" budget proposed by CNS would abandon the 600-ship Navy and eliminate the current strategic modernization effort, including stopping the MX missile, the B-1 bomber, and anti-satellite weapons. Research would be minimized and no funds at all provided for strategic defense systems.

"I am not arguing against research" for strategic defense, Brown said. "However, the accelerated research program the President is calling for is beyond what is needed to protect U.S. national security requirements. Furthermore, we will spend billions of dollars for the unique privilege of abrogating the best and only arms-control treaty we have . . . the 1972 antiballistic missile treaty. Without the ABM treaty, we may as well throw arms control out the window."

Brown and John Seiberling (D-Ohio) used the statements of Dr. Richard DeLauer, undersecretary of defense for Research and Engineering and an administration spokesman, to back their claims that the cost of the program would be "staggering." Brown said the cost of deploying a space-based ABM defense system would be about \$500 billion. Seiberling claimed he had seen cost estimates of \$2 trillion.

Les AuCoin (D-Ore.) attacked

"what is known as time-urgent hard-target kill capability, the MX ICBM, the Trident II SLBM, and the Pershing II IRBM. . . . We do not need them. We are better off without them."

AuCoin failed to point out that a Soviet pre-emptive strike against the United States would leave the Soviets with a majority of their strategic systems intact against a disarmed United States unless precisely these systems are built.

Melcher: 'Reagan ignores Philippines'

In a speech on the Senate floor on March 6, Sen. John Melcher (D-Mont.) accused the Reagan administration of carrying out a policy of "benign neglect" toward the Philippines, at the peril of both the Philippines' stability and of U.S. national security.

Melcher placed two letters he had received from Philippines President Ferdinand Marcos and from the Philippines National Assembly Speaker Querube Makalintal in the *Congressional Record*, along with a plea that President Reagan adopt a Philippines policy.

The Makalintal communication was an invitation to the U.S. Congress to send observers to the Philippines for the May 14 elections, and the Marcos letter contained answers to questions put forward by Melcher in an effort to clarify the internal situation in the Philippines for the U.S. Congress and the public.

Melcher, who traveled to the Philippines in December and returned with an urgent request for food aid for that nation, has not received a response from Reagan. He has warned that because of economic destabilizations in

the Philippines, caused in part by the International Monetary Fund, and because of the Pacific nation's strategic significance, the United States must act. "Doubts about the stability of or criticism of the Marcos government cannot be allowed to freeze U.S. actions on Philippines matters. The administration has not even cleared a \$10 million emergency food aid program proposed collectively last December by Cardinal Sin, the Marcos government, CARE, and the Manila Rotary Club.

"No move to clear the first year's rental on the military bases has been made, although the Philippines are desperate for cash. In conclusion, I say to the White House: Cease the delay in actions concerning the Philippines. Food aid must not be put off. Mutual agreement on defense, economic assistance, and trade concessions are the essence of long-term agreement between long-time allies and trading partners."

Melcher has thus far succeeded in blocking a Ted Kennedy-sponsored resolution to set up a U.S. commission of inquiry on the assassination of opposition leader Aquino. Kennedy and his allies are working with the same forces who succeeded in toppling the Shah of Iran and bringing in the Khomeini regime.

Pressler 'kisses' Europe goodbye

Senator Larry Pressler (R-S.D.) embraced Henry Kissinger's proposals to abandon the defense of Western Europe and introduced the complete text of Kissinger's *Time* magazine proposal to that effect into the *Congressional Record* March 4. Pressler is chairman

of the Senate Foreign Relations Committee's Arms Control Subcommittee and is one of the Senate's leading opponents of ABM defense systems.

Pressler argued that if the United States engages in military activities in the Middle East, Europe and Japan should be willing to lead the operation.

Two days later, Senate Majority Leader Howard Baker (R-Tenn.) declared: "Dr. Kissinger has written one of the most logical yet provocative treatises on the Atlantic alliance to appear in a very long time. It is a masterful treatment by a master of diplomacy. . . ."

Bipartisan Senate vote to freeze grain target prices

Spearheaded by former farm spokesman Robert Dole (R-Kans.), the Senate Agriculture Committee voted March 8 to freeze 1985 grain target prices. The combination of pressure from OMB director David Stockman and Agriculture Secretary John Block, and a "bargaining" spirit among farm-state Democrats like James Exon (Neb.), John Melcher (D-Mont.), and David Boren (D-Okla.) produced the approval for the bill, which will now go to the Senate floor without the threat of a filibuster, unlike last year's.

Among the penny-ante sweeteners for farmers was a ridiculous plan to provide 1985's payments for setting aside land in 1984; what the farmers are supposed to do in 1985 was unspecified.

The session was dominated by "oversupply" hysteria. Despite the Payment-In-Kind program, which pays farmers not to grow, and a serious drought, wheat output has declined only 15%.

National News

NDPC: 'Something wrong at White House'

Warren J. Hamerman, who chairs the National Democratic Policy Committee, the political action committee founded by Democratic presidential candidate Lyndon H. LaRouche, Jr., issued this statement March 8:

"I have been informed that President Reagan's general counsel Fred Fielding has ordered material on life and death matters with national security implications to be kept from the eyes of the President.

"I am informed that Fred Fielding has personally intervened to prevent a meeting with President Reagan on the urgent question of granting Secret Service protection to Lyndon H. LaRouche, Jr. on the grounds that the President could not be informed of these matters because of so-called legal implications to him. It has been reported to me that Mr. Fielding went so far as to instruct the Office of Presidential Scheduling to 'not touch' the matter, and that he must handle the affair because of the 'legal implications to the President.'

"There is a little history to this matter. On Feb. 23, I had an extensive discussion with Mr. Fielding and presented four areas of urgent concern requiring immediate response in the 'interests of national security and the life and safety of a major Democratic presidential candidate.' At the end of the approximate 25-minute phone call, Mr. Fielding promised to get back to me the next day with responses to each of the four substantive questions raised.

"Since Feb. 24, I have been telephoning Mr. Fielding daily and have gotten nothing but the proverbial run-around from his office. Now I am informed that he has usurped personal control of the President's personal schedule.

"Lyndon H. LaRouche, Jr. is under threat by forces which have also threatened the life of the President and often in the same context. It is our conclusion that something is very wrong. We have no way to verify whether the President even knows what is going on in this matter. We do know that the

lack of positive action by the White House would encourage any would-be assassin to take a more optimistic view of his chances of attacking Mr. and Mrs. LaRouche."

Why Meese should not be appointed

A spokesman for the National Democratic Policy Committee told the Senate Judiciary Committee on March 6 that the Senate should reject President Reagan's appointment of Ed Meese as U.S. Attorney General.

"While we admire Ed Meese both personally and in his capacity of public servant, and find the belabored examination of his personal finances in the category of 'scrapping the bottom of the barrel of irrelevancies,'" Leo Scanlon told the committee, "We regret to inform the committee that during his tenure as White House counsel, there was an enormous growth in the powers delegated to the FBI, powers which have been misused to the detriment of the nation's intelligence capability.

"We must advise the committee that Meese has not yet demonstrated the emotional and intellectual ability to serve as attorney general at this time."

Scanlon identified as the foremost challenge to law enforcement, the growth of "narco-terrorism"—interconnected drug and arms-trafficking which finances international terrorism and which is backed by the combined forces of the Swiss-based Nazi International and the Soviet Union.

The FBI, made the "lead agency" against terrorism by a 1982 classified presidential order, has covered up this situation.

On national television Dec. 18, 1983, FBI Director William Webster repeatedly insisted to reporter David Brinkley that the United States does not have an active terrorism problem.

Webster's downplaying of the terrorist threat is consistent with his insistence that the Soviet Union has no influence in the U.S. peace movement, despite the May 1983 tour of U.S. cities by a 26-person Soviet delegation, headed by KGB official Gen.

Mikhail Milshtein.

"The FBI has failed to demonstrate a comprehension of the premises upon which intelligence work is carried out by the law enforcement agencies of a republic," said Scanlon, "the first of which is that there is no contradiction between the rights of U.S. citizens and the security interests of the nation.

"The failure to address this on the part of previous attorney generals has contributed materially to the growth of terrorism.

"We need an attorney general sensitive to the rights of U.S. citizens and the security interests of the nation." By allowing the FBI to run amok during his tenure as White House Counsel, Scanlon concluded, Ed Meese has proven himself not presently fit for this task.

Senator Joe Biden (D-Del.), no defender of Meese, rose to the defense of the FBI: "I find your whole testimony absurd. If I weren't the mild-mannered, well-reasoned senator that I am, I would ask you out behind the barn to settle this matter."

New Fed appointee to oppose Volcker?

President Reagan appointed "conservative" Martha Seeger to the Federal Reserve Board of Governors—apparently without consulting Paul A. Volcker. Seeger passed muster with vice-chairman Preston Martin, the only other Reagan appointee on the Board, under the supervision of the President's chief of staff, James Baker III, according to an Evans and Novak column the first week of March.

Baker is reportedly concerned that Volcker's strangulation of the credit supply will destroy the "recovery" before the November elections.

Seeger was appointed to fill the seat vacated by Nancy Teeters Jan. 21. Teeters, like Volcker a Jimmy Carter appointee, sided with Volcker in an 11-to-1 vote to tighten money last December. Martin was the dissenting vote.

Seeger's career—she is co-chair of Roy Cohn associate Lew Lehrman's Citizens of America in Michigan—does not indicate any

support for the kind of policies essential for a real recovery of U.S. industry. But the appointment represented the first collaboration between the White House and Preston Martin against Volcker. Just before it occurred, the *New York Times* printed its surmise that Volcker had turned down another Reagan conservative to promote Susan Bies, a monetarist of his own stripe. Bies was rejected out of hand by the White House.

Brzezinski repudiates 'obsolete' Europe

During a stopover in the Philippines after his late-February trip to China, Zbigniew Brzezinski, Jimmy Carter's National Security Adviser, declared that the United States will be "dramatically shifting" toward the Pacific Basin and away from Europe. Brzezinski said that "increasingly the American view is that Europe is beginning to stagnate and is becoming obsolescent, and this is having a negative political, international effect, and the Europeans are becoming less confident, less dynamic."

Brzezinski, the promoter of the Islamic fundamentalist "Arc of Crisis" in the Middle East which was supposed to have gnawed away at the Soviet Union, is apparently not satisfied with the loss of Iran; Western Europe may be the next casualty.

Brzezinski is on a tour sponsored by the Georgetown Center for Strategic International Studies.

Eastern Establishment goes after Helms

The Eastern Establishment and its New York Democratic Party have held a series of fundraisers to oust Sen. Jesse Helms of North Carolina. The war chest to defeat Helms, a symbol of anti-Kissinger sentiment, is relying on \$1,000-a-plate chicken dinners such as the one at Manhattan's Trump Towers Feb. 28. Promos for the evening declared "Removing Jesse Helms Is a National

Priority."

Their candidate to oppose Helms is Jim Hunt, the two-term North Carolina governor who was unable to carry the state for Carter-Mondale in 1980 but has been plumping for Mondale again.

Hunt chaired the Hunt Commission, which was designed to totally control the delegate selection process for the Democratic national convention.

In consultation with Democratic national chairman Charles Manatt and Fritz Mondale, the commission changed the party rules to try to eliminate any prospect of a non-Manatt-approved candidate gaining the presidential nomination. The Hunt rules require that one-third of the delegates be public officeholders and prevent any candidate who gains less than 20% of the vote in any state's primary from gaining delegates from that state.

'Dear friend' Kissinger now a 'valued confidante'

A State Department spokesman, when questioned at a March 7 briefing about French reports of back-channel U.S. discussions with the Soviets on "trading" the Mideast for Central America, and on Henry Kissinger's proposals for backing out of NATO, attempted to deny the reports.

"But what exactly is Kissinger's role in these discussions and in formulating U.S. policy?" an *EIR* correspondent asked. "There is some confusion over administration orientation to the proposals Kissinger made in the March 5 *Time* magazine. Richard Burt is quoted as saying Kissinger's proposals are bizarre, but the week the magazine was issued, Kissinger was appointed to the President's Foreign Intelligence Advisory Board. Is Kissinger involved in, or playing a consultative role in our discussions with the Soviets?"

"Kissinger," the State Department spokesman replied, "remains a valued confidante of the Secretary of State. His advice is considered very carefully not only by the secretary, but is highly considered by others in the administration as well."

Briefly

● **DAVID STOCKMAN**, director of the Office of Management and Budget, has been collaborating with members of Congress to attempt to impose drastic reductions on U.S. defense spending. Stockman contributed to the plan put forward at the end of February by Senate Budget Committee chairman Pete Domenici (R-N.M.) to slash the administration's proposed 13% increase in the FY85 defense budget to 5%, barely enough to keep pace with the vastly underestimated "official" inflation figures.

● **CASPAR WEINBERGER** reiterated his commitment to developing a beam-weapons anti-ballistic missile system in an interview in the March issue of the *Journal of the American Legion*.

● **NORMAN PODHORETZ**, *Commentary* magazine editor, threatened Europeans in a full-page article in the Swiss weekly *Weltwoche* with U.S. isolationism and troop withdrawal if Europe does not support Henry Kissinger's proposals for U.S. military adventures in the Middle East and in Central America.

● A SENIOR U.S. administration official stated at a March 5 background briefing on meetings between President Reagan and Chancellor Helmut Kohl of West Germany that he had no idea why Henry Kissinger was appointed to the Foreign Intelligence Advisory Board, and stood by his earlier description of Kissinger's Europe policy as "bizarre." The official was responding to questions from *EIR* and the *New York Times*.

● **THE LEAGUE** of Women Voters may soon be forced to register as a political action committee.

● **JOHN VESSEY**, chairman of the Joint Chiefs of Staff, gave a press conference March 6 at the Pentagon to refute charges by the *Washington Post* that U.S. military forces are "less ready" after three years of military buildup and expenditure than they were when Jimmy Carter left office.

The corrupt NBC and terrorism

The 20-minute slander against Democratic presidential candidate and *EIR* founder Lyndon H. LaRouche, Jr. on NBC-TV's "First Camera" on March 4, and the simultaneous publication of a four-page libel against LaRouche and his organization in West Germany's *Der Spiegel* newsweekly, both long in preparation, had two results: one inevitable, the second intentional.

First, these slanders—wild lies which are the subject of a \$60 million dollar libel action against NBC by LaRouche and his campaign—will convince the public that LaRouche is *not* the insignificant "fringe" phenomenon that the Establishments of the United States and Western Europe previously insisted, but the leader of a movement they view as a powerful threat to the oligarchy's plans for a one-world post-industrial empire. This was inevitable, and indeed for that reason, one faction of the oligarchy had long preferred to publicly ignore LaRouche than to give him even libelous coverage.

Secondly, however, the NBC "First Camera" and the string of other libels of LaRouche which came in its wake have served to activate a potential terrorist assassination of LaRouche. This is intentional.

The threats against LaRouche fall within a broader pattern of terrorist threats against three principal targets: *first*, the President of the United States, *second*, U.S. interests and nationals in the U.S.A. and abroad, and *third*, candidate LaRouche.

Right now, the United States is the bull's-eye of the new terrorist international, known since August 1983 as the Assembly of United Islamic Movements, which is linked through several channels to Soviet bloc intelligence services. On Feb. 27, the Italian daily *La Repubblica* reported an international terrorist planning session in Teheran in early February. There, representatives from over 40 countries plotted an international terrorist assault, directed mainly against the U.S.A. (the "Great Satan"). On the same day the leading West German paper *Die Welt* reported that Iranian and Libyan-backed terrorists had moved back into the Bekaa Valley of Lebanon, making it once again an operational

center for the terrorist international, whose agents have penetrated every Western capital.

- On May 23, 1983, *Literaturnaya Gazeta*, a Soviet magazine used by the Soviet KGB, attacked LaRouche and a former associate for a book, *Hostage to Khomeini*, which "discredited" the Khomeini revolution. On July 6 and Oct. 23, 1983, the same magazine continued its attacks on LaRouche by name, accusing him of being subversive, provocative, and intensely anti-Soviet.

- On Jan. 9, the official Libyan press agency, JANA, charged that Mr. LaRouche's activities in Rome during December were part of a Reagan administration conspiracy against the Qaddafi dictatorship. "Libya is endeavoring to bravely confront and thwart all U.S. conspiracies," the JANA release threatened. This came in the midst of a Libyan-Iranian terror wave that led within weeks to the assassination in Rome of U.S. diplomat Leamon Hunt.

- LaRouche has simultaneously emerged as a major target of the Jewish Defense League of Rabbi Meir Kahane and its even more radical terrorist underground arm, Jewish Direct Action. Both these violent groups have publicly put LaRouche at the top of their "hate list." They are indistinguishable from the Israeli-based Terror Against Terror, which is killing Arabs on the West Bank.

The growing portion of the public which has become familiar with Lyndon LaRouche's real policies through his two half-hour national television broadcasts in January and February will not buy fabrications such as NBC's lie that he "plotted" to kill ex-President Jimmy Carter (see page 56). But the inflammatory newspaper headlines programmed by such lies across the country are intended to cover for the terrorist killers.

We add our voice to the hundreds of signers of a full-page ad March 6 in the *Washington Times*: Candidate LaRouche must be granted Secret Service protection now. The libels of the corrupt media make that more, not less, urgent.

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