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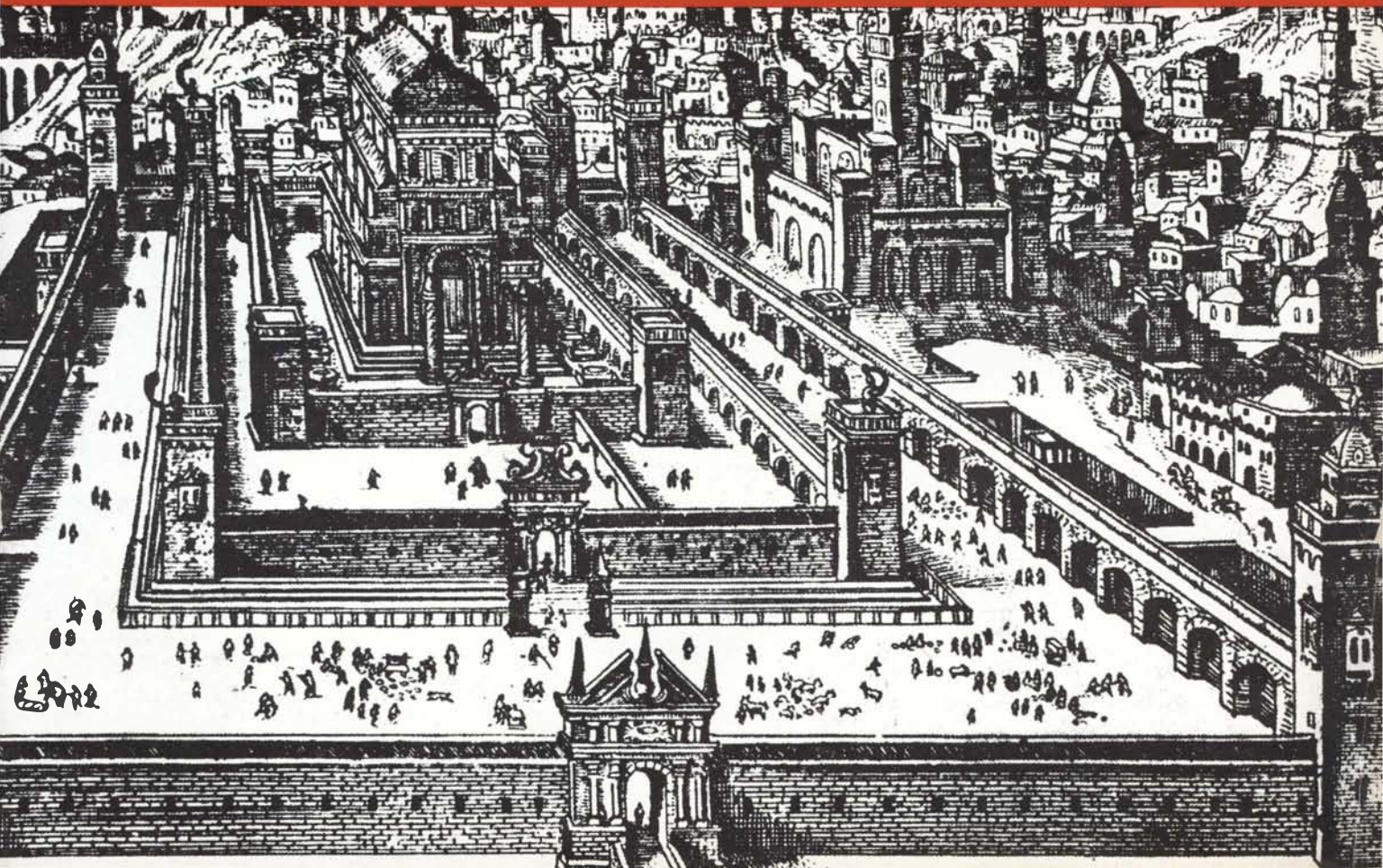
Executive Intelligence Review

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FBI threatens Constitution, says report to Congress  
A new alliance forming in Asia: Japan and India  
Genscher demands U.S. scrap beam-weapons defense

**The Solomon's Temple project:  
pagan crusade against Israel**



# EIR Special Reports

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The surprise naming of Henry A. Kissinger to head the President's Bipartisan Commission on Central America was part of a larger long-term operation by the man who has been characterized as acting as Moscow's unpaid ambassador. The report includes dossiers on the top Kissinger-linked people in government, including Bud McFarlane, Brent Scowcroft, Lawrence Eagleburger, and Helmut Sonnenfeldt. Essential for understanding current battles over National Security Council, Defense, and State Department policy.

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# EIR

## From the Managing Editor

Subscribers to *EIR* are familiar with our initiatives toward vast economic development of the Pacific and Indian Ocean basin, initiatives involving missions to Asian countries by *EIR* founder Lyndon H. LaRouche, Jr. and Contributing Editor Uwe Parpart-Henke. That plan hinges on bringing together the capital-goods capacity of Japan and India's great scientific manpower. This week we are pleased to report on Japanese Prime Minister Yasuhiro Nakasone's trip to India, which opened the way for real collaboration between two great nations too long far from partnership.

In Washington, the tiny-minded world of shrinking pies, greater American involvement in Asia is being played as a commitment that would entail "decoupling" from Western Europe. On the contrary, such decoupling would crush the United States' ability to meet its responsibilities to the rest of the world; whereas the expansion of economic prosperity and military security reaped by a U.S. commitment to Asia would really benefit a now-terrified Europe turning toward the East bloc for its export sales and its security guarantees.

In our International section and our Eye on Washington column (the latter contributed by a roving senior analyst from our Wiesbaden bureau), we report on the maneuvers by West Germany's foreign minister to corral President Reagan into offering to negotiate away the U.S. directed-energy-beam antiballistic-missile defense program, and on a tour by Soviet officials—including chief beam-weapons scientist Yevgeni Velikhov—to rally the fifth column in the United States against the American beam-weapons effort.

Our subscribers will also remember our exposé last spring of the Soviets' March 1983 visit to Minnesota to give instructions to Walter Mondale's nuclear-freezers—whereupon the FBI denied that the U.S.S.R. has any control over the ill-named peace movement. In this issue, you will find belated but quite forceful congressional attacks on the FBI's domestic crimes—along with excerpts from court papers on the child-sex rings deployed by the Bureau for entrapments, and other purposes, in the tradition of the peculiar habits of J. Edgar Hoover. Thus, *EIR* continues to bring you documentation available which is in the public record but rarely published. We propose that you ask your senators and congressmen what they are doing about the FBI.

*Susan Johnson*

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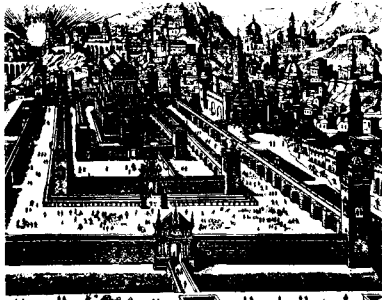
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### 54 **Congressional report: FBI sting operations threaten Constitution**

*EIR's* charges that the FBI's undercover operations were grossly illegal and unconstitutional are confirmed by the results of a House Judiciary Subcommittee on Civil and Constitutional Rights investigation, suddenly released after *EIR* founder LaRouche's April 27 charges against the FBI. The FBI remains under the control of Jimmy Carter's appointee William Webster and the policy faction which installed the Carter disaster.

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## Central bankers pull the plug on Reagan

by Christopher White

Representatives of 20 central banks gathered in New York City over Sunday and Monday, May 6 and 7, for an unprecedented emergency meeting. Ostensibly called together to discuss, yet again, the so-called Third World debt crisis, the decisions reached in both informal discussions and in the more formal side of the meeting are going to have far-reaching effects that will be felt in the weeks and months immediately ahead.

The meeting was timed to coincide with a dramatic toughening of the international posture of the ruling Soviet military clique, as first the Russians brutally rejected efforts by Kissinger's leading West German stooge, Hans-Dietrich Genscher, who was trying to put himself forward as a mediator in resuming East-West dialogue, and then moved to increase dramatically the threat level against the targeted West Germany.

Two results of the meeting sent shock waves around the world. The first was the decision by U.S. commercial banks on May 8 to raise their prime rate back to 12½%. The second set of shock waves followed Thursday with the circulation of reports that one of the largest U.S. banks, Continental Illinois, is foundering.

Though important, these decisions only reflect some of the implications of what was decided in the get-together in New York on May 6 and 7. The decision was actually made to pull the plug on the weakened and vacillating President Ronald Reagan, by triggering an escalation of the crisis in the world credit system and economy. In this area, it should now be clear that those central bankers, including Paul

Volcker, are working hand in glove with the clique in the Kremlin to not only destabilize the United States, but also to hand over the rest of the world, including emphatically Western Europe, to Soviet domination.

Let's look at the immediate consequences of the interest-rate hike, and then ask who benefits, under present circumstances of aggravated bankruptcy of financial institutions internationally.

### Cui bono?

- In Latin America, the debt burden of the most heavily indebted nations has been increased in one fell swoop. Mexico's finance ministry counted the consequences as a \$900 million dollar increase in the cost of servicing the debt. The same goes for Argentina and Brazil. Emergency consultations were at once begun among the Presidents of the most affected nations. The bubblegum agreements that have been solemnly—and ludicrously—reaffirmed every three months for the past year, have been blown apart.

- In the United States, the noose that had been placed around President Reagan's neck when he accepted the lies of the Federal Reserve's mythical recovery was yanked tight. Participants at the meeting expect U.S. rates to head back up to the 18% range over the course of this summer. The tragic Reagan now finds himself recast in the role of the Herbert Hoover of 1984, as this publication and its chief executive, presidential candidate Lyndon H. LaRouche, have warned. The decision sets the stage for a violent escalation of chaos

within the United States through the summer and into the fall, in which the consequences of yet another of Volcker's brutal credit crunches on approximately \$5 trillion worth of unbacked, and unsupportable, paper will rapidly become the leading issue in the election campaign.

● Western Europe is now in the grip of the early phases of a strike wave which economic idiocy from the United States has permitted Russian-controlled followers of the KGB's disinformation efforts to steer against the United States and the Western alliance. The new credit-tightening will immediately fuel the strike wave and fresh increases in unemployment, which in Germany, France, and Italy has reached intolerable levels and triggered harsher efforts to break trade unions. Reagan has not only cast himself as the new Herbert Hoover. He will also be the President who lost Western Europe.

None of this had to happen. Perhaps the most successful of the covert operations of the Soviet KGB's disinformation department in recent years has been the manipulation of the ignorant prejudices of swinishly immoral followers of the free-enterprise doctrines of Adam Smith, especially within the United States—those, that is, who will instinctively choose to continue their thievery when offered the choice of making an honest buck instead. The geniuses in U.S. financial institutions have often admitted that the kind of credit and monetary reform proposals put forward over the years by LaRouche are sound and feasible, but have emphatically repeated that the implementation of such proposals would mean an unacceptable reduction of their political power to loot and steal. They chose to follow their self-interest, perceived in that way. Now, like Reagan, their illusions have brought them to the point that they will lose everything.

### A process of self-destruction

These bankers want to be able to increase interest rates to maintain their hold on a diminishing flow of liquidity, impose a new round of genocidal austerity on the rest of the world through currency devaluations, forced by capital flight now going on in Mexico, Europe, and Japan, while at the same time attempting to insulate themselves from the consequences of their actions, by grabbing outright control of the U.S. shrinking tax base, for what they call a bailout, or a safety net.

But blinded by their greed, they have been set up in turn.

Even as the prime rate began to climb in the United States, London Eurodollar rates began to rise too. By the end of the week of May 7, the rate quoted in London had registered one of the largest increases in the history of the market. The six-month rate had remained ahead of the U.S. prime rate.

The European central banks had already come into the May 6-7 meeting with a deal concluded with the Russians in their back pockets. The meeting was convened by the U.S. side, against the opposition of Karl-Otto Pöhl the head of

West Germany's Bundesbank, who was reported to have considered the meeting unnecessary. French central-banking sources were also reporting "divergences" between "European" and American points of view going into the meeting. Meanwhile, the existence of such a deal between these "Europeans" and the Russians is indicated by the conclusion of a syndicated loan of \$250 million dollars, the first such since the invasion of Afghanistan in 1979.

It is an open secret in European financial circles, from Stockholm to Italy, and from London to Switzerland, that the name of the game over the past months has been to use the United States' blind euphoria over Volcker's fraudulent recovery and the vain wishes to keep that recovery going until after the elections to build up a position in which European, and Russian, financial might could be deployed to crush the international economic power of the United States. The Soviets have therefore helped promote Friedmanite budget-cutting lunacy, while simultaneously intervening on currency and related markets to weaken the United States and its institutions.

### The credit dry-up

Now, London sources report that liquidity strapped U.S. banks are being shut out of London money markets, that London bankers are no longer willing to buy the certificates of deposit of American banks, and that there are no more willing lenders to U.S. institutions on the London inter-bank market. In other words, the sources of outside funds available to the U.S. banking system, which as a whole is as shaky as Continental Illinois is reported to be, is being forcibly dried up. And thus those London Eurodollar rates are rising faster than the New York bankers' prime rate (see Banking, p. 17).

It has been accepted wisdom around Washington for a long time that if Europe does not "like" the alliance with the United States, well, to hell with them, let them leave. Those views may have gained more credibility since the visit of the two-faced Hans-Dietrich Genscher. But what is emerging in Europe, out of the wreckage of the bankrupt dollar currency and credit system, is a new set of monetary agreements based on an agreement with the East. The escalating threat of Soviet military intervention, coupled with the spread of KGB manipulated strike ferment and terrorism, is functioning as the principal blackmail lever in bringing that new arrangement about, reinforcing the idea conveyed through the hideous idiocy of U.S. economic policy in general, that the United States will, in any case, never be prepared to defend Europe anyway.

Helmut Schmidt, the corrupt ex-chancellor of the Federal Republic of Germany and bathtub companion of Henry Kissinger, calls such an agreement "a European economic zone," and as he promotes this idea calls for U.S. troops to be withdrawn. Others, as *EIR* has reported, talk of the need for a European currency zone, based on a unit of account, such

as the ECU, which would be interfaced with Moscow's transfer ruble. The ECU had been left in the hands of private banking interests over the last months, but now it is reported that the central banks of both France and Holland have gotten into the act, viewing the ECU as a fallback option to the collapsing institutions associated with the dollar. Similarly the need to expand the ECU was recently the subject of a meeting between Margaret Thatcher and Helmut Kohl. Both their governments are involved in broader negotiations with the Soviets, typified by last month's discussions in Tashkent between West German and Russian financial officials.

It is sufficient to consider the relative economic weight of the United States, Western Europe, and the Soviet Union to figure out what all this will mean, perhaps in the very near-term future. The economic potentials of Western Europe taken as a whole are approximately equal to those of the United States. If those potentials are added to the Soviet economy, even under the kind of blackmail arrangements that would be dictated by military threat, with West German industrial capacity functioning as the centerpiece and core of such an arrangement, it does not take much imagination to conceive what kind of world we would have as a result. It would be a one superpower world, and that superpower would not be the United States.

Yet this is exactly the kind of threat that the ideological blindness, greedy thievery, and incompetence which have characterized this nation's economic policy have put on the table to be dealt with. While they claimed they were addressing the danger of the Ibero-American debt bomb, they may well have set into motion the chain of events which will lead to the explosion of the debt bomb in Europe, with all that that entails, and of the internal credit and debt bubble in the United States itself.

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## Documentation

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# Reagan backs Rockefeller Council

Reagan administration officials reaffirmed their support for the International Monetary Fund's looting of the Third World at a conference of David Rockefeller's Council of the Americas held May 8 at the U.S. State Department. Although President Reagan introduced his speech to the Council by stating that his administration's policy toward Latin America was "to encourage the development of democratic political institutions . . . see all the peoples of the Americas better their standard of living and improve the vitality of their economies . . . help our friends defend themselves from Soviet bloc and Cuban-sponsored subversion," his subsequent remarks and those of Treasury Secretary Donald Regan, Secretary of State George Shultz, and Council of Economic

Advisers chairman Martin Feldstein revealed the real content of the administration's backing for the Rockefeller council.

In a sharp departure from his previous public opposition to population control, Reagan repeated the Malthusian dogma that Latin America's economic hardships are due to the fact that "a rapid increase in the population strained resources and left many in dire poverty." He concluded his remarks by telling Rockefeller's council of cutthroats, "God bless you, and carry on in what you're doing."

Shultz said that a solution to the debt problem must include the substitution of "equity" (ownership of resources by investors) for "debt."

Feldstein spelled out this debt-for-equity looting process. "For the debtor countries, this has been a period of substantial hardship. Unemployment has increased and the levels of economic activity and consumption have declined. The end of this suffering is still not in sight. . . . The time has come to shift from crisis management to a policy of promoting Latin American growth. . . . The debtor nations must transfer not just money to their creditors but real resources to buyers in the creditor nations. . . . The debtor nations must [export] raw materials, manufactured goods, and services."

Feldstein made it clear that this economic "growth" would involve no growth in living standards for inhabitants of affected nations. "If exports do not rise, it is difficult to see where the expansion of demand will come from. The depressed level of income and economic activity reduces consumption and investment." He recommended that this be accomplished through massive currency devaluations, admitting that this means "imports become more expensive." In conclusion, Feldstein recommended that indexing be applied to the outstanding debt by negotiating "multi-year" rescheduling, with terms indexed to various conditions such as global interest rates and oil prices.

Treasury Secretary Donald Regan conceded that Feldstein's proposed policies would produce communist insurgency in the region. "Standards of living, already low in comparison to the developed world, were cut back even more," he said, "And this helped foster the political and social upheavals that, to be frank, are the breeding grounds for communism."

"Let's not delude ourselves. Throughout history, Marxist and totalitarian movements have been entirely predictable. They . . . prey on the weak, the wounded. They will seek an unstable situation, and then move in to destabilize further."

*EIR* asked State Department spokesman John Hughes May 9 to comment on the Latin American Parliament's criticism of these policies as an attempt to "collect debt by strangling the debtor." (See article, page 7.) Hughes asked: "Are you saying U.S. policy is to strangle the debtor?" "Yes," *EIR* answered, "haven't you read the speeches given here yesterday to the Council of the Americas?" "I have," Hughes answered, "but I think that's a rather extreme statement of our position."



# IMF more subversive than Soviets, say Ibero-American lawmakers

by Robyn Quijano

The International Monetary Fund could soon be declared a subversive institution throughout Ibero-America. "If the IMF does not change its attitude, it could become a subversive organism much more dangerous than the Soviet Union," declared the executive committee of the Latin American Parliament, representing all of the continent's democracies on May 5.

On May 9, a delegation of eight of these lawmakers arrived in Washington to meet with senators, congressmen, and IMF officials to present a plan for overhauling the IMF and lightening the debt burden. They brought a message from Venezuelan President Jaime Lusinchi: "Debts are not paid by killing the debtor."

What is at stake is the very security of the United States, declared the Ibero-American officials in an 11th-hour appeal for some rationality from Washington. "Any worsening of this situation will lead to the collective impossibility of Latin American countries to pay their debt," they warned.

"Our position is not to repudiate the debt or to default on it, but no debt has ever been collected by strangling the debtor. . . . The Fund's policies mean stopping our countries' development, sowing idleness, and spreading frustration, which is the preamble to chaos. . . . A group of countries disjointed by crises of such magnitude would place the continent before a panorama fraught with danger," read the declaration released to the press in Washington.

But the delegation left Washington emptyhanded, with only another ½ point increase of the prime rate which will cost the continent nearly \$1 billion more on interest payments this year. Interest increases since the beginning of April will cost Ibero-America nearly \$3 billion, wiping out any gains from the IMF-imposed austerity that has brought deaths from malnutrition to the continent.

## The Kissinger menace

While the parliamentary delegation was in town, President Reagan announced to the U.S. population the terms of the strategic suicide of the United States. In fully backing the Kissinger Commission report on Central America, Reagan

told Ibero-America that Hong Kong drug havens and IMF strangulation would be backed by U.S. gunboat diplomacy.

Carlos Andrés Pérez, former president of Venezuela and current president of the Socialist International for Latin America, told *EIR* (see interview, page 9): "We repudiate the Kissinger report frankly and totally. We want to share responsibilities with the United States. We accept the United States' leadership of the Western world with which we are in solidarity," but U.S. domination is unacceptable. Carlos Andrés Pérez charged that the Reagan administration's reliance on a military response in Central America can only lead to "a strategic victory for the Soviet Union." The attempt to find a "military solution" in Central America would bring "regional warfare, in which the United States will not win, Central America will not win, and Latin America will not win," he told the *Washington Post* on April 30.

Lyndon H. LaRouche, candidate for the Democratic Party presidential nomination focused on the same theme: "The strategic function of Soviet presence here is to lure the U.S.A. into anti-communist crusades against non-communist, patriotic governments of Ibero-American states: Just as the U.S. State Department and FBI openly support the Soviet agents in Mexico (PAN, PSUM) in an 'anti-communist' insurgency effort against the government of Mexico. In the current vocabulary of the Reagan administration, 'communist' is any government in Ibero-America which opposes the policies of Henry A. Kissinger."

## Journey to Washington

Mexican President Miguel de la Madrid will arrive in Washington to meet with President Reagan on May 14. He will come as a spokesman for the continent, with much the same message as the parliamentarians brought. With the White House dominated by Henry Kissinger, he will leave not simply emptyhanded, but with his pockets picked and a gun to his head. Mexico was already hit by \$1 billion in capital flight traced to an article in the *Wall Street Journal* promoting the panic of devaluation.

The response to such treatment could be explosive. The

leadership of the continent has gone through a profound change in the past month. Four events have culminated in a militancy and mobilization that surpasses the continent's solidarity during the Malvinas crisis two years ago.

1) The tour of Mexican President de la Madrid to five nations put into motion both a debtors' cartel and an Ibero-American common market. The debtors' loan to Argentina formed a cartel "to pay, not to pay," but the debt was officially regionalized. The "political will" of the Presidents was mobilized, and since the trip, the Presidents have had several phone conversations, backing one another in moments of crisis. Such diplomacy has done more for the integration of the continent than dozens of bureaucratic conferences.

2) Trade unionists, the unorganized poor, and businessmen have jointly demonstrated against IMF economic policies during the month of April, leading to May 1 demonstrations in which millions marched in cities throughout the continent. Hunger, unemployment, and the destruction of the productive base brought these sectors together to demand an end to IMF rule.

3) Food riots in the Dominican Republic that left over 60 dead and hundreds wounded were understood by every leader on the continent to be the lawful outcome of the IMF conditionalities that had been imposed the previous day. Every head of state understood that his nation could be the next to experience such convulsions.

4) Colombian Justice Minister Rodrigo Lara Bonilla, responsible for the biggest cocaine bust in history, was assassinated on April 30. President Belisario Betancur's response, a new drive to wipe out the drug traffic with total ruthlessness, was backed by nearly every nation on the continent (see article, page 34). Dozens of political figures said out loud what *EIR* has proven for years: IMF conditions provoke destabilization and promote the drug traffic.

One day after the assassination of Lara Bonilla, on May 1, there was an attempt on the life of Mexican President Miguel de la Madrid.

"We know how to identify the enemies of the republic in time . . . to preserve the nation, to preserve sovereignty," declared de la Madrid, reporting on the attempt the following day. "We see that brother nations have become stages for international conflicts, and that those who carry out war in these countries do not hesitate to destroy nations. No one will destroy Mexico!" he warned.

It is this kind of determination to fight to preserve the nation-states of the region that has been awakened.

A call for "a military version of the Latin American Economic System (SELA)," to wipe out the drug trade continentally, also has its implication for continental defense.

Such an inter-American defense council could be used to impose the Drago Doctrine, which rejects the use of armed force to collect debts from Latin American governments. This doctrine, declared in 1902 by Argentine Foreign Minister Drago, has since been incorporated into the international law of the Western Hemisphere and was declared anew by

de la Madrid from Buenos Aires in April.

Such a joint military force could revolutionize the continent's capacity to defend its sovereignty. This is what the continent's leaders are doing as they appeal for reason from Washington.

But as one President said during the first week of May, in a private meeting: "Just as we got together to pay Argentina's debt; if things become impossible, we can get together not to pay."

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## Documentation

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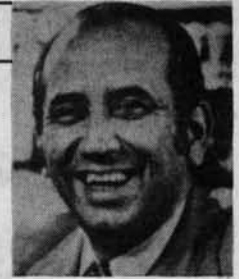
# The Latin American Parliament declaration

*The executive committee of the Latin American Parliament released this statement to the press in Caracas on May 4.*

We state here that the debt problem is not unconnected to democratic institutionality and our right to development and social justice. If the International Monetary Fund does not change its attitude, it could become a subversive organism much more dangerous than the Soviet Union. The events in the Dominican Republic highlight this danger. If these events are repeated in Brazil, Caracas, Buenos Aires, this will take on a really dramatic character. . . . This type of parliamentary diplomacy has as its objective to contact those who represent political opinion in the U.S. We want to stress . . . that relations between Latin America and the United States, hemispheric coexistence, are in danger. Relations have arrived at a critical point. . . .

We want North American political opinion to realize that what is at stake is the very security of the U.S. The debt problem cannot be untied from democratic institutionality, development, and social justice. . . . The development of our countries is at stake, and in danger of worsening to an intolerable level, the situations of extreme poverty which the vast popular majorities of Latin America suffer. The renegotiation of the debt in bilateral form and in accord with the strict demands of the Fund, by wiping out productivity, creates unemployment, and adds to misery and desperation: It does not resolve, but even negates the prospects of countries and creditor institutions which wish to recover their investments. Never has a debt been collected by strangling the debtor.

Therefore, we will direct ourselves to the U.S. Congress, to demand that, in the name of democratic solidarity and peaceful hemispheric coexistence, it show its political support for equitable solutions for the Latin American debt, because, if this is not achieved, it will result in a grave danger to the social peace, democratic order, and stability of the continent.



## “We repudiate the Kissinger Report”

*This interview with former Venezuelan President Carlos Andres Pérez, known as CAP, in his capacity as president for Latin America of the Socialist International, took place at the meeting of the Socialist International of Peru and the Caribbean in Lima, Peru May 9. The interview was conducted by Sara Madueño de Vásquez, EIR correspondent in Lima.*

**Madueño:** As president of the Socialist International for Latin America, are you prepared to call upon Mexican President Miguel de la Madrid—spokesman for our continent in upcoming talks with the President of the United States—to urge his American counterpart to join Ibero-America in rejecting the genocidal policies of the International Monetary Fund, given that these represent a security problem for the United States as well?

**CAP:** President de la Madrid, who will be visiting the U.S. President in the next few days, carries a clear mandate from all our peoples and all our governments to present to the American head of state the viewpoint of a united Latin America, determined to make its collective voice heard. On the economic question, the Latin American countries met in January in the city of Quito [Ecuador], and unanimously we produced the Declaration of Quito, expressing an unshakable solidarity in our points of view. De la Madrid carries the resolutions of Quito with him for his talks with Reagan.

On the political side, on the most pressing issue of the moment, President de la Madrid represents one of the countries that formed the Contadora Group. Contadora, however, is not the initiative of just four countries, but those four countries represent the feeling, the will, and the determination of all of Latin America and the Caribbean. Therefore, I am sure that President de la Madrid will be speaking in a plural tone and voice, making President Reagan understand the aspirations, the positions that all the countries of the region maintain.

**Madueño:** The Kissinger Commission Report on Central America makes clear that it is Kissinger and the forces he represents which are the main obstacles to achieving an understanding of peace and cooperation between the United States and Ibero-America. What do you think about this?

**CAP:** What we can neither accept nor share with the controversial Kissinger Report are its conclusions. They are con-

clusions meant to assert the pre-eminence, the hegemony of the United States of America. We wish to share responsibilities with the United States. We accept its leadership in the Western world, with which we stand in solidarity, but we can in no way permit the United States to interpret our sentiments, to supervise our interests. We demand our independence, our right to interpret our situation as we see fit and to lead our nations' destinies ourselves. In this sense, we totally and frankly repudiate the Kissinger Report.

**Madueño:** The assassination of Colombian Justice Minister Lara Bonilla is, in *EIR's* estimation, the opening shot of a new Opium War against Ibero-America. What is your opinion?

**CAP:** The problem of drug trafficking has become one of the most serious problems for our Latin America, not only because it enthrones a criminal mafia with great economic power and, therefore, with the diabolical capacity to interfere in the governance of our countries, but because it represents a powerful organized force that corrupts and destroys the youth of our nations.

But the drug trade doesn't only spell ruin for the developing countries. It does not injure us alone, but also the industrialized countries because they are the principal recipients of the drugs. The war against drugs is, therefore, of mutual interest, that is, of interest both to the United States and Western Europe and to the smaller nations of Latin America. We must pursue drug trafficking as the worst possible crime, the most abominable crime that can be committed against humanity. I think every country can unite on this question without any kind of resistance, the large and the small, the United States and Latin America.

**Madueño:** What is your view regarding the formation of an Inter-American Defense Council to fight drugs?

**CAP:** The Malvinas war triggered the vigorous awakening of Latin America's consciousness, and we have reached the conclusion that we are extremely vulnerable, both politically and economically. SELA has already approved a resolution on the economic security of Latin America, and I am certain that we will establish our own norms for the political security of our continent as well, be it within the framework of the Organization for American States or outside of it. A new Latin America is being created, and our friends throughout the world will soon know it.

# International post-industrializers plot against German steel

by Rainer Apel

In the winter of 1981-82, German steelworkers in the Ruhr region, the country's industrial heartland, fought against the policy of industrial shrinkage imposed by the European Commission under Count Étienne Davignon. They held demonstrations for the construction of a new oxygen-furnace steel plant in Dortmund which would secure their jobs, and they even sent a delegation of workers' representatives to Bonn to talk to Chancellor Helmut Schmidt. Since Schmidt was a Social Democrat like most of them, they expected him to act, and he promised to do so—but he did nothing. Instead, Schmidt sent one of his assistant secretaries in the government, Detlev Rohwedder (also a Social Democrat), to become the new head of the Hoesch steel plant in Dortmund, which was the center of the steelworkers' fight. A very dirty operation was launched against the steelworkers, an operation in which leading officials of the German metal workers' union (I. G. Metall) and the Social Democratic Party (SPD) played a key role.

Today, the I. G. Metall union is gearing up for strikes, with the union bureaucracy demanding a 35-hour week to spread the unemployment around. These union officials and SPD leaders have no intention of defending the living standards of the workers, nor do they have any desire to save the steel industry and expand its production. They have joined up with the social scientists in the think tanks who are mapping out the Brave New World of a "post-industrial society," the dismantling of the steel industry, the emigration of much of the labor force, and the transformation of the Ruhr into a bastion of the "information society."

One of the culprits behind this scheme is Wolfgang Roth, the economic policy spokesman of the SPD, who lifted the veil in a recent background discussion. "One thing is certain," he said. "We have an overcapacity of 30% or maybe even 40% in steel. This has to go." While characterizing the situation in Great Britain, where British Steel cut its total employment of steelworkers by more than 40% in no more than three years as a "brutal policy," Roth said that "at least the British have solved the problem of overcapacity, while we are still facing the problem." As far as the jobs of Ruhr steelworkers go, Roth said: "I learned that if you tell the workers the brutal truth, they are shocked at first, but then they have at least a chance to accommodate to reality. I've

had that experience several times, when I went to Hoesch and talked to the workers there." Roth stated that "speaking of a future for steel will only create false expectations, and heavy disappointment will ensue."

Despite Roth's recommendation to tell the "brutal truth," the Social Democrats and labor bureaucrats have lied to workers about their intentions. While I. G. Metall officials told protesting steelworkers in 1982 that "as many jobs as possible will be saved," that there would be a "tough fight against Davignon's plans to lay off 25,000 German steelworkers," the so-called "Steel Bureau" of the metal workers' union spoke privately of 33,000 that "will have to go." The eggheads in the regional ministry of economics even went beyond that and spoke of "45,000 or even 60,000"—but not in public, naturally, because that adds up to one third of the Ruhr's total number of steelworkers!

The steelworkers in the Ruhr, and at the Hoesch plant in Dortmund especially, were not told that their regional Social Democratic government was cynically maneuvering behind their backs. A delegation of "experts" visited England to get a personal impression of how British Steel had made it into the post-industrial era. These impressions were worked into a scheme for a post-steel era in the Ruhr, too, together with a program for the creation of so-called "technology parks," modeled on the plan for the dismantling of the Pittsburgh steel industry originally worked out by the Carnegie-Mellon Institute.

## The role of the think tanks

Contacts have been established between Carnegie-Mellon on the U.S. side and the Ruhr Research Institute for Innovation and Structural Policy (RUFIS) at Bochum University and the Social Democratic Friedrich Ebert Foundation in Germany, as well as between the Hudson Institute in New York and the Institute for Studies on the Economy and Society (IWG) in Bonn. These channels have allowed a flow of post-industrial ideas going back and forth across the Atlantic, shaping policy in Germany along the lines of the Pittsburgh model.

In December 1982, Prof. Erich Staudt of Duisburg University was the first to make the real plans public, when he advocated "mercy-killing for the steel industry" and pro-

voked a public outcry. Several weeks later, Dr. Meinhard Miegel, director of the IWG think tank in Bonn, said that "if industrial workers in the Ruhr want to find a job in the future, they will have to emigrate. There will be no jobs for them in the Ruhr." He said that the Ruhr will become "post-industrial—with sunrise industries," and that "about 3 million workers will have to emigrate with their families, if they want to make a living. . . . It is social-welfare standards which have made life too comfortable. It should not surprise anyone, therefore, that people stay here as long as it is comfortable."

The IWG, which was founded by a leading Christian Democrat, Kurt Biedenkopf, provides advice on "post-industrial" policy to the Christian Democratic Union (CDU), and since Chancellor Schmidt's SPD-led government in Bonn was replaced by Chancellor Kohl's CDU-led government in October 1982, the elimination of social-welfare standards has become official policy. This does not mean that if the SPD had remained in power, the situation would have been better for industrial workers in the Ruhr. As a matter of fact, the coalition of post-industrial interests cuts across party lines, and the SPD-run regional government of the Ruhr is taking advice from the same think tanks that advise the CDU-run

federal government. As a result, unemployment in the industrial production centers, in cities such as Duisburg, Dortmund, and Schalke, has hit the 16-17% level, and more and more industrial workers have left the Ruhr and tried to find a job elsewhere in Germany—in the non-industrial sector.

### Where are the 'new jobs'?

Meanwhile the dismantling of steel and mining in the Ruhr is proceeding apace, and "technology parks" or "informatics pools," modeled on the Pittsburgh Renaissance Center, are being established in most Ruhr cities. Gov. Johannes Rau, the head of the Ruhr regional government, visited Pittsburgh at the beginning of 1984, and upon his recommendation a gambling center was set up recently in the steel city of Dortmund, which he said is to "create substitute jobs for the children of the steelworkers."

While Ruhr government officials publicly state that these "technology parks" will create new jobs in post-industrial sectors, they privately confide that "none of those who will lose their jobs in steel and mining will find a job in these new industries. The qualifications required are completely different, and it is better not to create false expectations."

## A call for doubling Ruhr steel production

Despite the best efforts of the "post-industrial" think-tankers and the Social Democrats, not everyone in West Germany's Ruhr region has resigned himself to dismantling the steel production of the country's industrial heartland. The European Labor Party (EAP) held a conference and a demonstration in Duisburg on May 5 to rally the population of the region for "a fight against the assassins of the steel industry." The conference marked the opening of the EAP's campaign in the Ruhr region for the European Parliamentary elections, to be held in June.

Uwe Frieseke, the deputy chairman of the European Labor Party in the Federal Republic of Germany, emphasized that the only way out of the current steel crisis is to build a new world economic order that will industrialize the developing sector, generating millions of skilled jobs for European industry. Great projects already on the drawing boards, such as a second Panama Canal, the irrigation of the Sahara, and building a railroad across central Africa, will make it necessary to double the steel-making capacity of Europe, and of the Ruhr in particular, he said.

Delegations attended the conference from other European countries, and Jacques Cheminade, the general secretary of the European Labor Party (POE) in France,



Steel workers demonstrated in the Ruhr in 1980 against the shutdown of their industry. European Labor Party sign declares: "The World Needs Steel."

extended the support of the French steel workers and the 53 POE candidates for office from Thionville, located at the center of France's steel region of Lorraine.

Alongside the conference was a demonstration of over 100 steel workers, apprentices, housewives, engineers, and unemployed workers, with banners denouncing federal Economics Minister Otto von Lambsdorff and Johannes Rau, governor of the Ruhr, for allowing the deindustrialization of the region. "Jobs for Europe, Steel for the World," the marchers chanted.

New jobs have indeed been created—not for the workers, but for more eggheads in the think tanks: The aforementioned Prof. Erich Staudt, for example, is now the director of the Innovation Research Institute, set up with the support of the metal workers' union and the SPD-run city administration of Duisburg. His institute is now working on schemes for setting up "innovation centers." While thousands of steelworkers lose their jobs, hundreds of post-industrial "innovation experts" are employed at the universities in the region, to plan out the elimination of even more industrial jobs.

What is happening in the Ruhr is just what happened in Pittsburgh previously. Said one American analyst: "In Pittsburgh there is a decline of steel, a growth of the service sector, of corporate and administrative firms. The University of Pittsburgh has become the single largest employer." The person who gave this revealing description is Bernhard Holzner, the head of the University of Pittsburgh's Center for International Studies, which has advised European state and regional governments on how to "deal with their steel crisis imaginatively." As Holzner put it in a recent interview, what is required are "adaptive policies geared to the need to reduce employment in steel to a minor slice of the total economy. . . . We have a network of relations to institutions in Europe and are sponsoring a series of conferences. We bring our counterparts here to Pittsburgh to talk before the academic and business community."

### 'Crisis management'

One who was brought to Pittsburgh through this program was the former director of the Friedrich Ebert Foundation's branch in New York, Social Democratic parliamentarian Dietrich Stobbe—an admirer of Henry Kissinger, whom he met with on Feb. 8 in Washington, D.C., for a private discussion on the decoupling of Europe from the United States. Stobbe has helped to establish relations between Holzner's Institute and the headquarters of the Friedrich Ebert Foundation in Bonn, which will hold a conference on "Sectoral Crisis Management in Steel and Automobiles" on June 7-8 in Bonn. Professor Leonard Lynn of the Social Sciences Department of the Carnegie-Mellon Institute in Pittsburgh will be present at this conference, among other Americans.

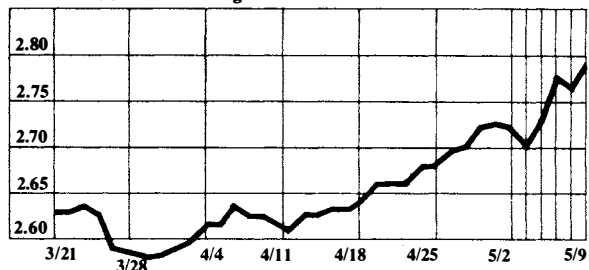
One conference participant, Tony Walters, a collaborator of Holzner's and Lynn's, described how this crisis management will work: "The question is not whether there will be problems, but only how they will be handled. I view steel as symptomatic of the industrial problems on the top of the agenda in the years to come. Steel is a model for the rest; it is the earliest to go through the wrenching process. Our job is to minimize the conflict. . . . Workers are angry, but they are divided on how to confront targeted institutions."

The current strike wave building in Germany, plus the organizing of the European Labor Party for "a fight against the assassins of the steel industry," indicate that the tranquilizers being handed out to steelworkers by the "post-industrializers" may not take effect for long.

## Currency Rates

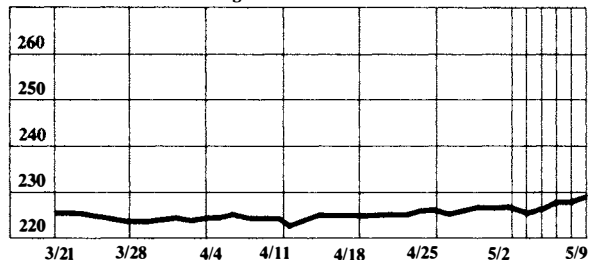
### The dollar in deutschemarks

New York late afternoon fixing



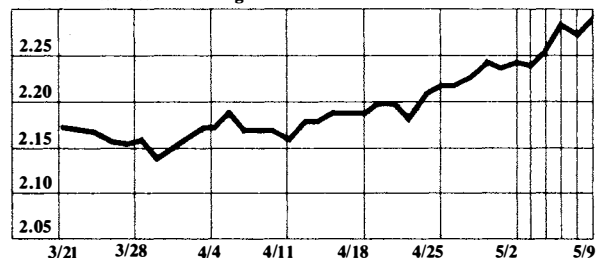
### The dollar in yen

New York late afternoon fixing



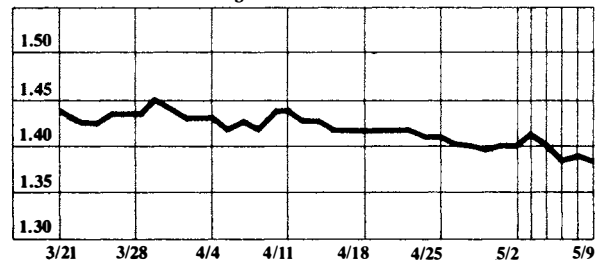
### The dollar in Swiss francs

New York late afternoon fixing



### The British pound in dollars

New York late afternoon fixing



# An oil-price drop: part of Soviet plan for 'Pearl Harbor'?

by Vin Berg

Both the deepening world depression and Soviet plans for a "monetary Pearl Harbor" against the United States raise the question of a major drop in oil prices.

First, Algeria's energy minister, Belkacem Nabi, warned other members of OPEC to expect strong pressure in the coming months for lower prices. In an interview with the official Algerian news agency, APS, Nabi said that the oil-price structure has been "in a delicate equilibrium." He pointed to several factors which have helped to prop up prices since January, including the Gulf War, the miners' strike in Britain, a decline in Soviet oil exports, and increasing technical difficulties in Britain's offshore field in the North Sea.

"But the next few months will be more difficult. . . . The possibility of new downward price pressures cannot be ruled out."

It is certain that the oil industry's first-quarter price surge, motivated by the super-mergers and fear of shutting of the Persian Gulf, has now attenuated, if not clearly broken.

Various commentators, such as syndicated columnist Elliott Janeway, are now predicting an oil-price bust. Apart from speculation concerning an enforced peace between Iran and Iraq, the factors usually cited are:

- Iraq's need to trade crude oil for imports in the absence of foreign exchange, especially with the Japanese trading companies;
- Nigeria's, Mexico's, and other Third World nations' financial problems;
- the surprising lack of movement in spot crude-oil prices when a Phibro-chartered oil tanker blew up in the Persian Gulf on April 26;
- continued flatness in oil consumption in the industrial nations;

- the beginning of seasonal slackness in oil demand;
- increased stocks in industrial nations. For example, American oil imports during the first quarter of 1984 were 41.4% higher than during the first quarter of 1983, although oil demand was only 4.9% higher. This suggests hedging against a possible cutoff of the Persian Gulf.

### Soviet objectives

View this from the Soviet strategic perspective. The Soviets have the capability through their surrogate, Iran, to shut the Persian Gulf, with the presumed objective of forcing Western Europe to depend on them for energy supplies.

However, an oil-price decline could accomplish Soviet objectives more subtly, and perhaps more effectively—without incurring the risk of American response. A drop in oil prices would constitute an enormous bribe to the Western Europeans (e.g., Thatcher, Genscher, and Andreotti) who are now discussing replacing the dollar as a principal European reserve asset with a basket of their own currencies.

In addition, American banks lent \$40 billion in March alone to finance speculative purchases of oil in the ground; this was the single biggest boost to U.S. liquidity during the first quarter. What happens if the oil price drops?

As Janeway notes, American banks "are sitting on sky-high reserves valued for collateral purposes at up to \$35 per barrel: outer space in current oil-market terms. If ever there was a classic case history of long-term market direction crowding out immediate considerations of market price, the over-borrowed, under-margined condition of the domestic oil-credit pyramid provides it. A markdown of a mere 25 cents per barrel is guaranteed to swing negative leverage against the domestic oil-patch banks—if only because it will end the winking by examiners at the loan-to-capital ratios of banks overloaded with sticky oil loans."

### Further reverberations

Add to this the devastating impact of an oil-price drop on heavily indebted Third World producers, especially Mexico, whose debt is held by American banks, as well as the impact of OPEC deposit withdrawals from the already tense Euro-dollar market. The result could be what former National Security Council economics chief Norman Bailey calls "a monetary Pearl Harbor directed at the United States."

On May 8, spot oil prices actually declined marginally, despite the Iraqi attack on two Saudi oil tankers the evening of May 5, possible confirmation that the Soviet Union has determined that a drop in oil prices would be even more devastating for the United States than shutting the flow of oil from the Persian Gulf.

Since the Soviets are calling the shots in this situation, through their enhanced influence in the Mideast, it is impossible to predict which option they will choose. *EIR* warned of this effect of the worsening Iraq-Iran situation in early January, just as the oil-stock runup began. It is time to seriously consider the opposite.

# Crash program potential: how U.S. aircraft output could zoom

by Richard Freeman and Vin Berg

At a time when the Soviet Union is massively expanding its military output, announcing militarization of its entire economy, and announcing that defense workers are "volunteering" to work long weeks, one hears U.S. congressmen and even military men arguing that the United States should slash its defense budget, that matching the Soviet effort is either not desirable, or not possible. *EIR* studies have shown that, at present, were the Soviet Union to attack, the U.S. Air Force's aging fleet of planes would be *no factor* in U.S. retaliatory capabilities. New *EIR* studies show that not only is upgrading that fleet necessary; it is very possible.

Two principal bottlenecks would loom under conditions of a national emergency mobilization for aircraft output. First, an extreme shortage of skilled shop-floor and engineering manpower; second, long lag-times in the supply of materials and components.

Nevertheless, *EIR* is convinced that the United States could increase the workforce four-fold and the present output of military aircraft six-fold *on the basis of full utilization of competently managed existing capacities*, provided these were placed on what the U.S. Defense Department currently classifies as "mobilization mode"—three shifts working a 48-hour week at all plants. Were the industry placed on what *EIR* itself would classify as a "mobilization mode," taking the 1939-43 period as a model of reference, output would go much higher.

On the other hand, should recent trends continue—should the U.S. government fail to change industrial and defense policy soon—this will quickly cease to be the case. The U.S.A. is currently losing capacities for the needed emergency defense mobilization, even in terms of the Defense Department's choice of meaning for the word "mobilization."

The U.S. aircraft industry is currently operating at a mere 56% of its capacity, when capacity is defined as the employment and output that would result from a one-shift, 40-hour work-week. Capacity utilization measured from the standpoint of recent "peak" years for various companies stands at 43-44%; from the standpoint of "mobilization" mode, capacity utilization is only 20-24%, i.e., unused capacity is 76-80% (depending on whether you measure airframe weight, sales, or employment), according to the Department of Defense.

Of the two constraints indicated above, of which the shortage of skilled manpower is the biggest obstacle. The second constraint, lag-time for materials and components, would be overcome quickly by subjecting suppliers to "mobilization mode."

## Collapsing capacities

The U.S. aircraft industry reached its postwar peak in the 1967-68 Vietnam war period. As the accompanying table shows, it has undergone a fairly steady decline since then, and was only slightly more than half of 1968 levels by 1975. Aircraft sales, output, and employment rose from 1977 to 1981, but then declined. That decline has accelerated.

The main reasons are commercial-airline "deregulation"—which put airlines under such profit pressures that capital outlays for new orders to the aircraft industry collapsed—and Paul Volcker's Federal Reserve's policy of usury. In the first eight months of 1982, the Boeing 767 and the McDonnell Douglas DC-10 failed to receive a single new order. McDonnell Douglas is rumored to be planning a shift out of commercial production. Lockheed announced that its commercial L-1011 program would be terminated in 1984.

In the same period, the multi-engine pleasure-craft airplanes like Cessna, Piper, etc., fell before Volcker's interest rates; production was cut in half between 1981 and 1982. The production of single engine planes—usually only four- to six-seaters—collapsed completely, from 14,382 in 1978 to 6,825 in 1981, and a mere 3,350 in 1982.

In sum, the civilian side of airline capacities, representing invaluable conversion potential for a military mobilization, is being wiped out rapidly.

The picture on the military side is also bleak. The number of military aircraft units of all types committed to the U.S. force structure remained at a fairly steady 500 to 540 per year between 1979 and 1982. In 1983, new additions fell sharply to only 220. By comparison, in 1942, at the height of the World War II mobilization, the United States turned out 96,000 military aircraft. Last year, the U.S. Navy reported great difficulty in fulfilling orders for only 30 new planes—at a time when the Soviet Union is doubling and tripling on U.S. output in every military field.

This low rate of addition has given rise to a situation in



which 64% of U.S. Air Force planes are 12 years old or more. Of 390 bombers, 326 are B-52s, at an average age of 22.9 years.

Constraints on a gear-up of aircraft output result from the same "post-industrial" government and financier policies that have produced the present loss-rate of capacity. The bottleneck most often cited by the industry and the government are supplier lag-times in filling orders for materials and components. Federal Reserve high interest rate policies, and financier-policies aimed at knocking out American production capacity in these vital areas, have left American forging, fastener, casting, and pumps industries in a badly damaged condition.

A January 1977 Defense Department study listed the following production constraints: engines, radar, landing gear, numerical control equipment, fabrication shop work, large forging capability, and shortage of tooling engineers. The industry estimates that under nominal, one-shift operation, it would take 29 to 32 months from receipt of contract to delivery of a fighter plane, up to 35 months for an attack plane, and up to 60 months for a transport craft, up to 24 months for a bomber. This is largely blamed on the fact major components delivery by suppliers can take up to 29 months for an engine, 38 months for landing gear, 19 to 31 months for radar depending on type, and so forth.

As a 1979 DOD report stated: "It is significant that all prime aircraft manufacturers are reporting that lead times have increased in recent years. The degree to which these lead times could be reduced . . . is certain to be substantial. For programs that were pressed for early deliveries during the Vietnam urgency, lead times for components . . . were about one-half the recent experience." In fact, during the 1967-68 period to which the report refers, scarcely more than a one-shift 40-hour week was in effect. Under a three-shift mode, lead times might well be cut to one-fifth of current levels, all the more if the mobilization goes outside what is defined as the current "defense industrial base"—i.e., selective auto-plant conversion, construction of new capacities, introduction of laser machine-tooling, quality improvement in the components produced by laser machine-tooling, laser diagnostics, etc.

The crucial bottleneck facing aircraft construction is the shortage of skilled workers and engineers. For example, the producer of avionics systems for the Lockheed F-18 is turning out only one such system per month. Asked why output was so low, a source reported that "the company is trying to find out the same thing," and suggested a labor bottleneck. "These jobs require engineers and workers of a very high skill level . . . soldering transistors and resistors, which are put under a five-power binocular microscope to be examined." The system must be put through a reliability test chamber and computer simulation stress tests. Reliability machines and computers can be increased in number without difficulty, but "the number of scientists and engineering teams needed to man these machines doesn't exist."

## Production and non-production employment in the U.S. aircraft industry

	Airframe production employees (1,000s)	Airframe non-production employees (1,000s)	Ratio of non-production to production employees	Constant dollar sales (billions)
1962	155	141	0.91	\$12.4
1964	155	126	0.81	11.3
1966	215	158	0.73	15.8
1968	248	182	0.73	21.4
1969	221	175	0.79	18.2
1970	168	147	0.88	17.0
1971	131	125	0.95	14.0
1972	127	120	0.94	11.0
1973	127	121	0.95	12.6
1974	125	120	0.96	12.3
1975	114	121	1.06	12.1

### A real mobilization: EIR's program

No government or industry publication reflects any conception of what a "crash program" is. A mobilization on the 1939-43 scale depends on both "tangibles" and "intangibles"—innovation, from policy-planning down to the shop-floor level, stemming from the sense of urgency imparted to the program. Sticking to foreseeable "tangibles," EIR has concluded:

- Moving from present underutilization to "peak" mode, i.e., the output-level of the peak performance year in the last 18 for each of the 17 major airframe-makers, we would double the workforce and more than double the output measured in millions of pounds of airframe built. According to the 1979 report, only seven of the major plants were operating at near their capacity during their reported "peak year." Therefore, "the actual capacity potential of the industry is greater than estimated."

- Were the U.S. to go to a "mobilization" mode—three shifts of 48-hours per week—workforce would quadruple and output sextuple.

- Were the United States to bring into play merely the small-craft general aviation capacities, 27,700 workers and 22 million pounds of output would be added.

- Were we to add the capacity of the auto industry or other industries, through conversion, we could at the very least double the maximum mobilization-mode output of the airframe industry, 262 million lbs. (240 million lbs. from the mobilization mode, 22 million pounds from the general aviation sector).

Thus, we are tangibly capable of achieving 524 million pounds of output, a twelve- to thirteen-fold increase over 1978 levels. To imagine what America would actually achieve, think about the "intangibles."

## Fat years, lean years

*Unfortunately, EIR's warnings of food shortages are being borne out by current farm trends.*

**T**he U.S. Department of Agriculture (USDA) has requested public comment by July 1 on its wheat-reduction program and its plans for 1985. The department should be read chapter and verse of the Biblical lessons of the seven fat years and seven lean years. The combination of the new interim 1984-85 farm law, in effect as of April 10, and USDA policies will bring down certain food shortages upon this nation, possibly by as early as 1985.

As of mid-May, most of the national crop sowings are retarded because of prolonged wet weather, except in the Southwest: in southern Texas and coastal California, drought has meant disaster for dryland farming.

Increased soil moisture was essential over the winter to counteract the record crop-destroying drought of 1983; nevertheless, spring plantings have gone slowly, and yields can be expected to drop under any adverse summer weather. Despite this prospect—and the need for vastly increased world food supplies—the USDA is continuing full force with its State Department-dictated policies of acreage reduction, crop reduction, and refusal to grant emergency measures to save farms.

As of May 1, the USDA reported that only 5% of the nation's corn crop had been planted, compared with a yearly average of 13% on that date. In North Carolina, about one-third of the crop was in the ground, where on average 69% is planted by May. Only 1% was planted in Ohio and Illinois,

where the average is normally 12-15%.

The new farm law seeks to induce or coerce farmers to take more acreage out of production. The sign-up period for the Payments in Kind (PIK) program for wheat was extended until May 4, and the USDA hoped for 60% of the nation's wheat farmers to participate in this agreement to contract production in exchange for entitlement to sell others' "surplus" crops. Cash premiums were added to PIK.

Meanwhile, target prices (crop price levels employed to trigger financial support payments to farmers when crop prices drop) were lowered and frozen for 1984 and 1985. Farmers can become eligible for such "assistance" and for loans and crop insurance by agreeing to idle crop acreage.

An estimated 24 million acres of grain will be taken out of production this year, over 11% of the U.S. grain acreage base. Compared with last year's PIK programs, which idled over 80 million acres—one-third of the national base—this may seem small. Yet national and international grain stocks are being depleted.

Corn stocks will drop to an estimated 520 million bushels at the end of the 1984 marketing year, as compared with 1,618 million bushels at the end of the 1980 marketing year. The United States in recent years has grown about half of all the world's corn, a key animal feed. Falling production and stocks in the United States marks a danger signal worldwide. Global meat consumption per capita is falling.

America's wheat yields per acre are expected to be down this year compared to last. Although fewer acres may be idled the total output—an estimated 1.98 billion bushels—will be less than last year. The crop in Kansas is estimated at 395.5 million bushels this year, compared to 448.2 million bushels last year.

Worldwide, grain output per person is falling from about 18 bushels per person to under 16 bushels, when there should be 24 bushels produced per capita globally to guarantee a healthful diet of cereals, meat, and milk.

According to the USDA and the national media, however, we are in for a "bumper crop" and more "problem surpluses." They predict a "whopping" 1.6 billion metric ton world grain output in 1984, which, in real terms, is *half of what the world really needs*.

This "bumper crop" is nothing but hype on behalf of the State Department and the international grain cartel companies (Cargill, Continental, Bunge, Louis Dreyfus, and the rest), which are bent on creating food shortages and at the same time paying farmers less for what they produce. It is expected that the price of wheat per bushel will drop to \$3.20 by the end of the harvest, from a low \$3.50 at present. A fair parity price—covering the farmer's production and investment costs—is at least twice this amount.

The added guarantee of national food crisis is the rate of farm bankruptcy now under way. Farmland values are collapsing, as dozens of farms go onto the market every week in counties across the farm belt. Farmland values have plunged at least 30% in Texas, for example. The rural suicide rate is soaring. What is being killed are not only once-productive citizens, but the nation's food supply.

## Conti Illinois: tip of the iceberg

*As EIR predicted, U.S. banks are being cartelized into a Canadian-style system.*

**C**ontinental Illinois Bank, with bad loans exceeding 110% of its capital, failed to apply for Chapter 11 bankruptcy on May 10, despite persistent rumors to this effect. The Controller of the Currency, the nation's chief bank regulator, issued a formal statement denying that it had met with Japanese bankers to arrange a foreign takeover.

The run on Conti was organized—out of London. A full month earlier, the nation's eighth largest bank had taken a hefty 6% profit drop in the first quarter on bad oil loans from the bankrupt Penn Square bank, and chairman Roger E. Anderson had resigned. But it was not until the week of May 7 that Conti experienced a "walk" by depositors, led by London Eurodollar investors. The bank was forced to pay 100-150 basis points more than other banks for large certificates of deposit.

Conti had stopped answering its telephones by late afternoon. Its lawyers cancelled long-scheduled appointments and went into a closed-door meeting. Stories of a merger with Citibank were rife. As *EIR* has reported, Manufacturers Hanover, itself in bad trouble, is the more likely candidate, since the Fed would prefer to keep both basket cases in the same bed.

It is unlikely that federal regulators would permit a \$20 billion institution to fail; a merger would be more likely. Conti is the least of the problem. The United States is headed for a major credit crunch which may well precipitate a big round of bank mergers.

In fact, we are now seeing the reorganization of the U.S. banking system, of which I have warned in this column since 1978, into a Canadian-style bank cartel. Instead of America's 14,000 regional banks and 5,000 S&Ls, which have provided credit to industrialize and house the nation since 1934, we will end up with a system like Canada's, where five giant banks run the market, imposing zero or negative growth.

During the past month, more than 5 of the top 15 banks in the U.S. announced that they will merge and expand to go national. Citibank, the lead dog in the cartelization scheme, announced plans April 10 to open 10 banks in nine states outside New York. Similar announcements were made by Chase Manhattan, Mellon Bank, U.S. Trust, Bank America, and Chemical Bank.

This move was made despite the fact that most of them took hefty profit drops in the first quarter. These include Citicorp, -2%; Chase, -3%; Bank of America -16%; and Mellon -14.5%. These figures do not even reflect the Latin American debt blowout, which was papered over in the first quarter. They were based entirely on domestic real-estate, farm, and other losses such as a \$6.2 billion S&L subsidiaries loss by Citibank.

What we will see, if the folks at the Bank of England, the Bank for International Settlements, and Citibank get their way, is a general consolidation. The London *Financial Times* editorially gloated May 12 that

there will now be a round of "consolidation" of U.S. banking, with smaller banks in particular being forced out of international lending and into bankruptcy.

To deliberately fuel panic, the *Wall Street Journal* May 9 also pulled out of the icebox an old story that the FDIC was filing charges against more than a half dozen big U.S. accounting firms for covering up the bad books of smaller American banks that eventually went bankrupt. The next day all hell broke loose around Conti.

In fact, the whole international banking system has fallen into massive illiquidity in a way that will force this development to a head sooner rather than later. The most revealing part of the Conti story is that during the 48 hours following May 9, London Eurodollar six-month interest rates jumped more than 2% to almost 13%, "the largest jump in history," according to one banker.

"Don't treat the Eurodollar rate as a real rate. It is a prohibitive rate," said another source, a rate set by London banks because they simply don't want to deposit money with other banks. "It signals 'investors beware.' Not many people are trading funds at that rate."

Following the run on Conti, the largest banks had put together a "lifeboat" operation, borrowing funds through Singapore and Bahamas bank cutouts. Evidence of the bailout could be seen in the spectacular increase in Eurodollar rates. Led by Conti, banks also began dumping their Treasury security portfolios to gain liquidity. This helped jack up rates by forcing the Treasury to pay more for funds.

Wall Street insiders expect a new round of bankruptcies of Treasury security dealerships, such as Drysdale Securities and Lombard-Wall. Commercial banks who deal with them will face hundred-million-dollar losses.

# Business Briefs

## Nuclear Power

### No financial aid for near-bankrupt utilities

Energy Secretary Donald Hodel announced May 8 that the Reagan administration would "help" the troubled nuclear power industry but would not give any economic aid to utility companies with severe financial problems, UPI reports.

"Let me emphasize that we do not support federal financial bailout assistance," he said. "Federal guarantees or payments are not the solution."

In a speech to the Nuclear Power Assembly, Hodel outlined a limited program of assistance to the industry. But when a questioner in the audience noted that some utilities are facing bankruptcy, Hodel replied that the administration's "initiatives are independent of the situation at any specific plant. . . . It is my hope that no such bankruptcies will occur."

The administration's program will include the following measures:

- encouraging the Nuclear Regulatory Commission to review plants under construction and identify potential construction problems early;
- providing resources to assist the Federal Emergency Management Agency's development of an emergency evacuation plan for the Shoreham nuclear power plant in New York;
- reviewing "whether and how the operating license procedure can continue for plants temporarily mothballed. We will seek to support rules and procedures which facilitate prompt removal of plants from mothballed status when appropriate."

## Defense Industry

### Jesuits corner Eastman Kodak on space research

Jesuit stockholders demanded that Eastman Kodak reveal the extent of its involvement with space weapons research, during the company's annual shareholders' meeting May 8.

UPI reports that Rev. William Miller, speaking for the Friars of Atonement, accused the company of sowing "technical and moral chaos." Suzanne Geaney, a church activist, stated that "we stockholders cannot sit by as spectators as the company develops this new weapon."

She and Miller said they represented the Interfaith Center for Corporate Responsibility.

Colby H. Chandler, chairman of the board, replied that Eastman Kodak's contracts with the government totaled only 3.6% of the company's sales last year, and most of that was commercial products like film and printers. "Setting a policy is a function of the President and Congress," he said. "Our policy at Kodak is to make technology at Kodak respond to the needs of this country as determined by the officials of government. We've done this many years and we've done it with pride."

The shareholders, meeting in Kingsport, Tennessee, voted down the Jesuit resolution, with owners of 96.8 million shares opposing it and owners of 5.2 million shares supporting it.

## Education

### LaRouche to issue TV economics class

The New York-based television producer Grand Design, Inc. announced May 4 that a two-and-a-half-hour TV special by economist and Democratic presidential candidate Lyndon LaRouche, titled "The Power of Labor," should be completed before the end of May.

The educational program presents the fundamentals of economic science, beginning from the 28th verse of the 1st chapter of the Book of Genesis. The American System of political economy, unlike the "free market" consumer fraud of Britain's Adam Smith, is based upon the moral and philosophical values of Western Judeo-Christian civilization, especially the requirement to progressively enhance the creative powers of the individual and the relative potential population density of society as a whole.

The release of the TV special is coordi-

nated with publication of a new textbook in economic science written by LaRouche, entitled *So, You Wish to Learn All About Economics?*

The video will include an important technological first: It will make extensive use of computer-generated animation. For the sake of laymen who are not familiar with the advanced mathematics of elementary economic science, LaRouche's televised lecture uses animated circular, cylindrical, and conical functions, to make the ideas of "energy" and "technology" comprehensible to citizens with no significant mathematics-training background.

LaRouche hopes that his use of these new teaching techniques will contribute to wider use of the same techniques in public-school and university classroom instruction.

## Agriculture

### Soil conservation bill approved by Congress

The U.S. House of Representatives approved a bill May 8 that will pay farmers to take "fragile land" out of production and deny benefits to those farmers who plow up grasslands.

The measure, approved by voice vote, would deny government price supports and other farm program benefits for farmers who plow up grasslands for crops. The so-called sodbuster provision was approved in response to the plowing of millions of acres of grasslands in the West for wheat production.

Another provision would authorize \$225 million over three years to pay farmers to take highly erodible land out of production under contract with the government for 7 years or 15 years.

## Protectionism

### Demand government limit on steel imports

Bethlehem Steel Corporation and the United Steel Workers of America have called upon the U.S. government to limit foreign steel imports.

## Briefly

● **THE SOVIET UNION'S** Foreign Trade Bank will sign a \$250 million loan with 30 Western banks in Luxembourg the week of May 13, the first such direct credit to Moscow, other than export credits, since the Russian invasion of Afghanistan in 1979. U.S. banks will not participate.

● **BRAZILIAN PRESIDENT** João Batista Figueiredo met May 7 with a delegation of six Soviet parliamentarians, headed by Central Committee Secretary Mikhail Zimyanin. The Soviet delegation also met with Finance Minister Delfim Netto to discuss increasing the volume of bilateral trade, particularly in the energy area and machinery. The delegation also met with Foreign Minister Ramiro Saraiva Guerreiro, extending to him an invitation to visit Moscow.

● **SERGEI KAPITSA**, son of the recently deceased Soviet physicist Pyotr Kapitsa, attended a conference on "The Global Possible" at the Aspen Institute's Wye Plantation in Maryland May 6. Participants in the meeting, sponsored by the World Resources Institute, released a joint statement calling for an "environmental stabilization" program which included: reserving at least 10% of the earth's land for park preserves; braking industrial development; reducing population growth, especially in the Third World; eliminating subsidies for energy consumption; and developing "renewable energy supplies."

● **GERALD FORD** called on physicians May 7 to cut medical costs by curtailing "the plethora of diagnostic tests" and hospitalization. "In the face of increasing federal government deficits, it is obvious that the government has no choice but to reduce its costs in every field and, undoubtedly, it must restrain the increases in Medicare and Medicaid," he said in a speech to the annual meeting of the American College of Obstetricians and Gynecologists in San Francisco.

During hearings on May 8, they asked the U.S. International Trade Commission to impose quotas limiting steel imports to 15% of the U.S. market for at least five years.

Imports were 25% of steel sales in this country during the first three months of this year.

"Temporary relief is needed now," said Donald Trautlein, chairman of Bethlehem Steel. "With relief, the domestic industry will be fully competitive within five years. Without relief, the industry will be denied the cash flow to finance the modernization recognized by all as needed."

Trautlein failed to mention that the steel giants have pursued a policy of "liquidating" the steel industry in favor of shifting investment into "post-industrial" speculative enterprises.

### Labor Market

#### **Black mayors endorse sub-minimum wage**

The National Conference of Black Mayors has endorsed a Reagan administration proposal for a sub-minimum wage for teenagers.

The proposal calls for a wage equivalent to 75% of the federal minimum wage of \$3.35 for youths aged 16 to 21. The administration introduced the proposal to Congress last year and is expected to revive it in June.

Organized labor is opposed to the measure on the grounds that employers would seize upon it to fire workers at the low end of the wage scale and replace them with youths paid sub-minimum wages.

### The Invisible Hand

#### **Tax shelter scheme bites the dust**

Adam Smith's Invisible Hand has dipped into the pockets of his unsuspecting followers once again. Noted "supply-side" economist Arthur B. Laffer and former NATO commander and Secretary of State Alex-

ander Haig were among the blue-ribbon group of investors in a tax shelter scheme that went awry, leaving the investors to pay many times their original investment to the creditors of the bankrupt enterprise.

The two partnerships, set up to generate tax losses, are Lion Capital Associates and Blackburn Associates. They were intended to speculate in government-backed securities and other debt issues, whose prices fluctuate with movements in interest rates. Losses accumulated through such means are deductible from gross income for tax purposes.

But the losses began to overwhelm the company in January, leaving the partnerships with over \$20 million in claims by creditors, including 30 New York City school districts that invested in Lion Capital Group. Other investors who were burned are: Harold B. Mayer (of Oscar Mayer & Co.), David C. Garfield (Ingersoll-Rand), and Donald C. Lowe (Pratt & Whitney's Canadian operation).

### Health Services

#### **Regan calls for cuts in medical care**

U.S. Treasury Secretary Donald Regan demanded cuts in social security and medical care in order to balance the budget in a May 6 interview on NBC-TV's "Meet the Press" program. "We have to do something," he said. "Costs in the medical field are running wild."

Regan said that the administration had already taken measures to cap health-care costs—apparently referring to increases in the out-of-pocket amount Medicare participants must pay—but "we must do more."

The Social Security program will have to be overhauled before the decade is out, Regan said, adding that it will probably be necessary to eliminate some recipients from the rolls. "When Social Security first started 50 years or so ago, it was designed merely to help people who would be destitute when they got older. Today, regardless of what a person receives in the way of a pension . . . or how much they've saved or how much wealth they have, they still get Social Security."

## Solomon's Temple: a pagan crusade against Israel

by Allen Douglas

On Jan. 27, six men were arrested in Jerusalem in an attempt to blow up the Dome of the Rock, the second most holy shrine in the Islamic world. As *EIR* documented more than a year ago, in March 1983, behind the plot to destroy the Dome of the Rock—and rebuild Solomon's Temple in its place—stands a conspiracy which stretches from Israel into the most elite occult branches of royal freemasonry in Great Britain, to Christian fundamentalists in the United States. The aim of this plot, *EIR* proved, is to destroy all the nations of the Middle East. Such an act of terrorism and desecration to the Islamic world would spark a *jihād* (holy war) against the state of Israel, engulfing the entire region in an endless bloodbath of religious warfare.

Now, 13 months after the *EIR* exposé, the Temple Mount plot is at the center of a bitter fight that has broken out in Israel—a life-or-death struggle for the security of the nation. On April 27, Israeli security forces removed bombs from seven Arab buses in Jerusalem that had just been planted by Israeli terrorists. On May 6, Israel's Independence Day, the security forces moved in for the largest crackdown on the Israeli "terrorist underground" yet. (See article, page 36.) This time the crackdown edged closer to those *EIR* had named as the terrorists' controllers. Those arrested or detained for questioning included associates of Yuval Neeman, science and technology minister; Ariel Sharon, minister without portfolio; "Dirty Rafi" Eytan, adviser to the prime minister for the War Against Terror; and much of the leadership of the Sharon/Neeman-organized Gush Emunin West Bank settlement movement.

The Temple Mount plot involves more than jeopardizing the physical security of the Israeli state. Behind the obsession with the temple and its rebuilding as the center for Judaism is a more deadly game: cultural warfare against the Jewish-Israeli sense of identity. The intent of that cultural warfare is to destroy the moral purpose of the state of Israel, a nation capable of acting as a powerful force for the progress of the entire Middle East, as reflected in the Israeli achievements in



*Two pagans committed to the destruction of the soul of Israel: Israeli politician and archeologist Yigael Yadin (left), father of the Masada death cult in Israel, and former U.S. Secretary of State Cyrus Vance (center), who helped bring Khomeini to power. Vance's Anglican Cathedral of St. John the Divine in New York recently put up a statue of "Christ" as a naked woman nailed to a cross.*

UPI/Bettmann Archive

"greening the desert." The purpose is to destroy that inner core of identity associated with the natural law tradition of Abraham's covenant with God, the laws of Moses, and the state-building tradition of David. These Christian and Jewish fundamentalists, like their British and Soviet sponsors, have declared war against the principles of Judeo-Christian civilization. The plot to blow up the Dome of the Rock is the plot to destroy the soul of Israel.

### **Revival of Kabbalism**

"What we are doing is creating a whole new Jew," declares Douglas Krieger, an official of the Jerusalem Temple Mount Foundation, which *EIR* exposed as funding the terrorists in Israel.

The fixation on rebuilding Solomon's Temple revolves around shifting the entire concept of the synagogue from a center for communal worship to the pagan notion of a temple: a center for astrology, black magic, and devil-worship; just like the pagan temples that Moses fought against. The pathway for this transition is the revival of kabbalism. Kabbalism is directly aimed at the concept of reason that was heralded by the Judaism of Moses and of St. Peter's collaborator Philo. As one of Kabbalism's proselytizers, Rabbi Herbert Weiner of South Orange, N.J., makes clear in his book, *Nine and a Half Mystics*:

This heretical upsurge is unconsciously aided by the fact that the mystic, in his rebellion against the

carefully demythologized classical concepts of his faith, opens himself up to the power of long-suppressed spiritual cravings. The Bible, later the rabbis, and most of all the Jewish philosophers of the Middle Ages, fought every evidence of pagan mythology. But this eagerness to achieve a completely de-mythologized, monotheistic faith paid a heavy price for its disdain of the primitive levels of human life. It ignored the terrors from which myths are made, as though denying the very existence of the problem. *This feeling for the reality of evil and the power of the demonic found its expression through the Kabbala, which also became a vehicle for the reentrance into Judaism of old pagan superstitions, theurgic rites, and gnostic heresies* [emphasis added].

It is therefore lawful that Israeli sources report that one of the next major projects of the Jerusalem Temple Mount Foundation is to move a leading Kabbalistic rabbi, the Rabbi of Safad, into Jerusalem, to train the priesthood for the new Temple. The priesthood, already gathered in the yeshiva Aretet Cohanim in Jerusalem, will learn from the rabbi about his life's work—instructions, from a model, on how to rebuild the Temple, stone by stone.

This preparation for the new temple is at the core of transforming Judaism into fundamentalist cultism. As reported in the *Philadelphia Inquirer* magazine on April 23, "People can be found in Jerusalem who are already weaving

the robes that the high priests of the temple will wear. Others can be found who are preparing the spices and incense to be used in the temple, and others are being taught the ancient rituals of animal sacrifice, in preparation for becoming priests of the temple. Everything is being taught down to the smallest detail—the exact knot of a garment, the precise mixture of incense, the angle of a slaughtering knife thrust—is found in Jewish law.”

*There is no difference, philosophically or in practice, between this kabbalistic fundamentalism and the Islamic fundamentalism of the Ayatollah Khomeini.* Is it any wonder then that the same political faction in Israel that is protecting the Temple Mount plot—the faction headed by former Defense Minister Ariel Sharon—is also known to be funneling arms to Khomeini?

### The string-pullers

As *EIR* developed in 1983, the Temple Mount plot is directed out of the household of the **Queen of England** as the Sovereign of the **Knights of St. John of Jerusalem**. The operations on the ground are carried out through the elite **Quatuor Coronati Lodge of Freemasonry**, whose mother London Grand Lodge is headed by the Duke of Kent, cousin to the Queen. Also involved are leading figures in the Anglican Church, who stated that blowing up the Dome of the Rock would cause “100 years of religious warfare in the Middle East.”

On a lower rung is the *Biblical Archaeological Review*, which carries out the propaganda for the Temple Mount plot, and finally the Israeli and American fundamentalist kooks in the **Jerusalem Temple Mount Foundation**.

Controlling the finances of the JTTF as well as in charge of acquiring the building materials for the new temple is **Edoardo Recanati** of the Venetian Recanati clan, which financed the infamous Italian-based Propaganda-2 Lodge of Freemasonry, whose formal mother institution is also the London Grand Lodge.

The involvement in the Temple Mount plot of **Yigael Yadin**, the Israeli general, politician, and archaeologist, points toward the “deeper secrets” of the plot. Yadin, who recently founded Hemdat, an acronym for Public Committee for the Freedom of Science, Religion, and Culture, maintains a studied pose as a defender of Western values. Yet this is the man whose book on the Third Temple is due out in English in the next few weeks, and who for decades has been propagandizing on behalf of death cults and Armageddon through his so-called cultural work. Beginning with his theatrically staged 1950s archaeological dig at Masada, scene of a mass suicide of Jewish Zealots surrounded by Roman armies in the first century A.D., his mission has been to shift the Jewish self-identity to that of the cult-organized kamikaze.

The attempt to transform Israel into a fundamentalist

irrationalist theocracy, following the rise of Islamic fundamentalism signaled by Khomeini’s seizure of power in Iran, points to a broader determination by the European and British oligarchy—in alliance with the Soviet Union—to execute a worldwide paradigm shift in culture permanently away from the ordering of republican nation states since the Renaissance, to the “Eastern” imperial cultural matrix—the world outlook of the Eastern cult religions that Judeo-Christian civilization was organized to combat. The organization of world politics is scheduled to shift back to what the oligarchy views as the “cradle of civilization,” a cradle rocked by the Whore of Babylon, or, in one of her modern incarnations, by Matushka Rus, Great Mother Russia. Under Russian domination, the Mideast would revert to the form of imperial domination it suffered under the long, dark centuries of Roman, Byzantine, and Ottoman rule: polyglot minorities controlled by priesthoods.

This is the higher ordering principle behind such tactical schemes as the the British Foreign Office-authored “Bernard Lewis plan” which calls for splitting up every nation-state in the area into ethnic divisions. It also exposes the evil or stupidity of certain “strategic thinkers” in Israel, like Oded Ginion, who wrote a paper for the World Zionist Organization arguing that Israeli national security requires Israel’s active role in breaking apart all her Arab neighbors.

On a deeper level, the oligarchy itself is organized in the evil cult orders of the Whore of Babylon, such as Freemasonry and the ancient Knights of St. John of Jerusalem (Knights of Malta). The Masons regard their spiritual forebears to be, not the Jews, but the Baal-worshipping Phoenician masons who were builders of the first Solomon’s Temple in the 10th century B.C. The Knights of St. John are based on the Templars, whose name reflects their headquarters around the Temple Mount during the Crusades.

The philosophical core of the great religions and of science is the expanding knowledge of a God whose goodness is the continuing creation of the universe and of man as an instrument contributing to that continuing creation through reason. The unifying notion of the cults is a *fixed* world order where change is accounted for either by the perpetual Manichean struggle of co-equal Good and Evil principles, or the Yin-Yang concept of expanding pulsations (empire), followed by breakdown collapse.

Hence, it is no exaggeration when Israeli President Chaim Herzog declared that the terrorists arrested April 26 for placing bombs on Arab buses were carrying out “treasonous acts” against the Israeli state. The outcome of the fight that has now broken out against the Temple Mount plot will not only determine the future of Israel, but the future of all the nations of the Middle East, and the future of civilization. It is only by fighting on that more profound level that the fight can be won.



# The Biblical Archaeology Review: child sacrifice and Isis cults

by Carole Greene and Allen Douglas

A central role in the paradigm shift planned for Israel is being played by the 100,000-circulation magazine, *Biblical Archaeology Review* (BAR). Not so much a magazine as a cult-building organization centered in its associated Biblical Archaeology Society, the ostensible purpose of the BAR is to popularize the latest archaeological finds.

Yet, since its inception in 1975, more than one professional archaeologist has accused it of "having a hidden agenda." In reality, its agenda is not hidden at all: Its purpose is to degrade its readership base of predominantly Christian fundamentalists and Israeli and American Jews into accepting the most perverse practices imaginable. The unstated argument goes as follows: "As this latest archaeological evidence indicates, our ancestors worshipped Isis and sacrificed their children, so why shouldn't we?" Given the tremendous emotional content of its Biblical subject matter and the fact that, as frequent *Review* contributor Yigael Yadin says, "Israel is the only country in the world where you could fill a stadium three nights running with people to hear lectures on archaeology," this is not an academic exercise. The BAR is consciously manipulating its readers into a new identity—paganism.

## Hershel Shanks: the man behind the message

The founder and chief organizer for the *Review* is Washington lawyer Hershel Shanks, who moonlights as an amateur archaeologist. Shanks, whose "hidden agenda" has made BAR circulation mysteriously soar from 0 to 100,000 copies in a few short years, has been roundly cursed by Israeli archaeologists for some of his inflammatory coverage, particularly of the Temple Mount issue.

Shanks's more "scholarly" work, his book *Judaism in Stone*, is explicit in displaying his Kabbalistic belief structure. As an example, Shanks relies for a crucial chapter, "Pagan Symbols in Synagogue Art—What's a Greek God Doing in a Synagogue?" on the work of another kabbalist, Prof. Edwin R. Goodenough:

Prof. G.'s thesis is that side by side with rabbinical Judaism as reflected primarily in talmudic literature, there existed another Judaism which was antagonistic to what eventually emerged as normative orthodox Judaism. For this reason, the rabbinical literature gives

no hint of the existence of this "other" Judaism. This "other Judaism" Professor Goodenough inferred from the nature of the archaeological remains. . . .

This other Judaism was complex, mystical, salvational . . . it emphasized a *mystical union with God during life on earth through which alone salvation was possible*. . . . These "other" Jews were neither idolators nor disloyal to Judaism. To the contrary they considered themselves loyal both to the Law and the observances. Instead they *added* something—a mysticism that they superimposed upon their Jewish observances, and adopted as an integral part of their religion.

What is added here is precisely what Khomeini added to Islam: irrationality.

## The drumbeat for the Temple

Since many archaeologists refuse to have anything to do with Shanks's paganism, it leaves him oftentimes featuring an assortment of cranks and weirdos. One such crank, though a dangerous one, is fellow amateur archaeologist and Jerusalem Temple Mount Foundation member, Asher Kaufman. Following 15 years of training by Quatuor Coronati Freemasonic lodge member and British Museum trustee T. E. Allibone, Kaufman was dispatched to Israel where he began poking around the Temple Mount area soon after East Jerusalem was captured in the 1967 war.

Kaufman soon developed a new theory on where Solomon's Temple originally stood, placing it 330 feet north of the universally accepted site now occupied by the Dome of the Rock. He based his theory in part on earlier work of the 1880s by Quatuor Coronati Lodge founding member, Sir Charles Warren (who was later fired as London police chief for covering up the Jack the Ripper murders, reportedly committed using freemasonic ritualism by a member of the royal family). Reached for comment in Windsor, Kaufman's controller Allibone was ecstatic: "Their [the Jews] sacred shrine is no longer under the Mohammedan site. All that's changed now. The Jew is no longer separated from the Mohammedan. For centuries we have believed that King Solomon's Temple was built over the rock where Abraham tried to sacrifice Isaac. It is one of the most beautiful sites in the world, but

the Jew is just not allowed in. But now, if he has a place other than the Mohammedan temple and the temple is not on the same spot, the Jew and the Mohammedan are reconciled to having two different places.”

The Jerusalem Temple Mount Foundation's Terry Risenhoover was a bit more blunt: "Asher's work is a minority viewpoint within the spiritual viewpoint. Asher's work may even be subterfuge. What more clever thing could you do than locate it with seemingly solid evidence outside where it really belongs?" Though "no one believes it," insiders report that the new location has had the desired effect of upping the pressure on King Hussein of Jordan and the Moslem Religious Trust controlling the Temple Mount to allow for rebuilding. Conveniently enough, shortly before he published his new theory, Kaufman's "evidence" disappeared during the course of minor alterations carried out around the Temple Mount area.

After finding a new location for the Temple, the *Review* is now finding the elements of ceremony used on the inside. It has published an article titled, "Probable Head of Priestly Sceptre of Solomon's Temple Found in Jerusalem." Any day now *Review* readers can expect to hear that the ashes of the sacrificed red heifers from 2,000 years ago have been found, along with the Ark of the Covenant.

## Recruiting initiates

The *Review* acts as a recruiting clearinghouse for initiates into the Temple Mount plot by sponsoring its own archaeological digs in the Holy Land, and also promoting brainwashing seminars at various institutions such as Keble College at Oxford University in England. Keble is otherwise notorious for its role in sponsoring meetings of female religious orders for the KGB-sponsored nuclear-freeze movement worldwide.

Keble's parent institution, Oxford University, was the crucial center for propagating much of the "fundamentalist tractarian" movement from the 1830s on—the Oxford Movement. Oxford has functioned as the "mother" of the fundamentalist cults over the past two centuries. As Jerusalem Temple Mount Foundation official Douglas Krieger noted on the roots of fundamentalism, "That was a whole new system of theology that had been developed in England, through John Nelson Darby."

Some of the *Review's* open promotion of paganism has raised controversy even among its readership. After recently advertising a series of Isis figurines which the reader could order to put in his living room, a debate broke out in the pages of the magazine as to whether the *Review* was pushing this, or whether these were just quaint artifacts "that no one really believed in any more, anyway."

## From animal sacrifice to child sacrifice

In its January/February 1984 issue, the *Biblical Archaeology Review* featured the article, "Child Sacrifice at Carthage—Religious Rite or Population Control?" The article is an apologia for the Carthaginian practice of mass infanticide. It describes Tophet, a place on the south side of ancient Jerusalem, as a place

where the Israelites sacrificed their children by fire. It may refer to the altar on which the sacrifices took place. The book of the prophet Jeremiah describes it. . . . From a comparative cultural perspective, child sacrifice, or ritual infanticide, is simply a special form of infanticide. The "non-institutional" form has appeared in Graeco-Roman society and in the Christian West with more regularity than we usually are comfortable in admitting. Unwanted or abandoned children have been subjected to exposure, drowning, starvation, strangulation, smothering, and poisoning, but the most

common and lethal way of disposing of unwanted children has been simply neglect. . . .

Infanticide was often preferable to abortion because birth order and sex selection could be taken into account for economic reasons. Infanticide was also less dangerous to the mother. What effects it had on her is another matter. This probably varied with the "cultural distance" that was established between mother and infant.

Ritual infanticide at Carthage served some of the same ends as informal infanticide did from antiquity till now in other societies. For the Carthaginians, this religious institution was immensely important. Of course, it had the overt support of the state. We feel discomfort with the ostentation of the Carthaginian cult, its special precinct, the painted urns, the inscribed monuments. *It is repulsive, but then so, too, is the way so many children in our tradition have perished in less obvious ways. Perhaps the Carthaginians would have gotten a better press in the West had they concealed their practices more subtly* [emphasis added].

The article concludes with a discussion of "Burning Babies—The Offerants and Their Professions," drawing on the experience of 25 "learned societies."

# Yigael Yadin: the theoretician of Israel's Masada death cult

by Carole Greene and Allen Douglas

Unlike some of the cranks featured on the pages of *Biblical Archaeology Review*, Yigael Yadin is one of the best-known figures in Israel, and one who has been most important in steering Israel away from David Ben-Gurion's conception of a technology-proud independent nation-state toward becoming an Oriental cult-territory.

After having served as chief of staff in Israel's first post-independence army, Yadin, deploying his teams of archaeologists, became the game-master for the most insidious brainwashing operation in the country's early history: the fetishism of the site of Masada, the place where Jewish Zealots committed mass suicide in the face of a Roman invasion in the first century A.D. Yadin had thus from early days of Israeli history been the proponent of that conception of "Jewish survival" that is diametrically opposed to the principles of moral and cultural excellence that have allowed Jews, and the state of Israel as well, to survive.

The fact that Yadin was lavishly praised in a May 8 *New York Times* feature has relevance to his active role in Israel's political process. Highly placed Israeli sources report that Yadin is active in behind-the-scenes discussions in Israel's Knesset, or parliament, shaping the government that will emerge after Israel's July elections.

There is a dangerous precedent for Yadin's involvement in such negotiations. In the mid-1970s, at the same time that Yadin was composing a Hebrew-language cult-compendium on "rebuilding Solomon's Temple," he was putting together a political movement under the Hebrew acronym DASH, or, Democratic Movement for Change. This anti-growth, proto-fascist party, which recalls the work of George McGovern and Gary Hart in the United States, drew together high-level military-intelligence and British-connected political figures, with the purpose and result of smashing the three-decades-old Labour Party-centered coalitions that had ruled Israel since 1948.

Yadin's chief collaborators then and now include Ariel Sharon, former Defense Minister Ezer Weizman, and Yuval Ne'eman. These men represent the hard core of British influence in Israel, committed to turning Israel into an inferno of blood-and-soil cults modeled on the projected fantasies of the British ruling class.

This is the passion behind Yadin's pagan worship of the Third Temple.

Through popularizing the Dead Sea sect—the Essenes—and their Manichean vision of a "War of the Sons of Light Against the Sons of Darkness," Yadin has in effect proposed dividing the Middle East into two armed camps, with the Israelis prepared for a holy war strengthened by the knowledge that they are the "Sons of Light." It was Yadin's popularization of Armageddon that lay behind the recent statement by a terrorist, arrested trying to get into the tunnels under the Temple Mount to sacrifice a one-day-old lamb, that he was motivated by his desire "to bring about the War of Gog and Magog."

## Pagan roots

Yadin's role in replacing Judaism with pagan fanaticism was prepared for him by his father, E. L. Sukenik, who was employed on behalf of British Museum circles and their associates in the United States to gather evidence to prove that ancient synagogues in Greece and Palestine were representative of the surrounding Mediterranean culture of paganism at the time, featuring the Zodiac of astrological signs and other symbols of idol worship. Sukenik's argument was that not only were the symbols of Isis-worship present, they were present at the *express consent* of the elders, the Sanhedrin. He argued that since the Sanhedrin were on good terms with the Romans, they could have removed these pagan symbols without political penalty. Giving the Schweich Lectures before the British Academy in 1931 (as his son was to do 30 years later), Sukenik elaborated his vision of early Jewish culture as reflected in synagogues:

The motifs occurring in synagogue art are included for the most part under the categories of Biblical, astral (Zodiac), or magical, and prophylactic (hexagram, pentagram, Heracleian knot . . .) motifs. Although it cannot be proved that the latter were consciously employed as *apotropaia* [a ritual designed to avert evil], there is a considerable amount of probability in its favor, for the prevalence even among official Jewish circles in the Talmudic period of beliefs in evil spirits

and black magic, and in means of frustrating and escaping their actions, requires no proof for anyone familiar with the Rabbinical literature. And Holy Places are notoriously a particularly attractive target for devils and sorcerers.

It is true that from Biblical times to the Talmudic era . . . the doctrine tried to gain acceptance that Israel, or at least the pious Jew, was not subject to the influence of the heavenly bodies, but such influence was not denied in principle.

Sukenik's leading employer was Cyrus Adler, the American expert on Assyrian and Babylonian paganism. The founder of the American Jewish Committee, Adler's "theoretical work" was reflected during the 1930s when he led that organization in a bitter fight against American Jews organizing a mass boycott of Hitler.

Adler was otherwise an important adjunct in America of British *Hofjuden* ("court Jew") circles such as Baron Edmund de Rothschild, Solomon Schechter, and Claude Montefiore, with whom he would stay for extended periods on his frequent visits to London. At the advice of these same friends he launched the *Jewish Quarterly* to create a "revolution in Jewish culture in America." To the same ends, he founded Dropsie College in Philadelphia as a "non-denominational" school, specializing in Semitic culture.

Yadin writes a eulogy to his father's work in an introduction to Hershel Shanks's book, *Judaism in Stone*. Shanks and Yadin have spent hours in meetings at Yadin's house planning out the next phases of the operation to "rebuild Solomon's Temple."

### Yadin's excavations

The three nodal points of Yadin's cultural career are his excavation of the Masada fortress; his popularization of the Dead Sea Sect, whose manual is "The War of the Sons of Light Against the Sons of Darkness"; and his most recent, post-1967 work on the Temple Scroll, a manual for reorganizing Israel around a rebuilt Third Temple.

The first of these projects developed after his early 1950s retirement from the military. During a year-long stay in London at the house of Lord Sieff, the plans were laid for the 1955-58 Edmond de Rothschild dig of the mountaintop fortress of Masada—the expedition being named after its financial angel. The dig relied heavily on the logistical backup of the Israeli Defense Forces. It was conducted as a mass spectacle involving a substantial portion of the Israeli population. To this day, elite units of the IDF are sworn in on Masada.

The procedure Yadin used, digging and reconstructing on a large scale at the same time, was most unorthodox, prompting some observers to ask: "Why dig at all? Just rebuild." And as one professional archaeologist noted about all of Yadin's work: "There are yet to be any scholarly writings

about Yadin's activities, in a way that would let other professionals go over them, check their accuracy, and perhaps develop them further. As soon as he's finished with one place, he charges off to another."

In 1961, Yadin began to concentrate on his "War of the Sons of Light against the Sons of Darkness" project.

The *Jewish Encyclopedia* has this to say about the Dead Sea Sect, who considered themselves to be the Sons of Light:

Also called the Judaeen Desert Sect. Name given to a Jewish community that existed in the period of the Second Temple . . . adopting a strict and separatist way of life, espoused a fundamentalist religious world outlook.

*Its views*—the sect was an extremist offshoot of the Jewish apocalyptic movement, whose basic doctrine was the expectation of the end of days. Until that time wickedness would prevail under the "dominion of Belial," but preceding the advent of the "final era," God would raise up for himself a community of elect who were destined to be saved from the divine visitation and this elect was the "righteous" and the nucleus of the society of the future.

According to its doctrine, God had decreed not only the end but the division of mankind into two antagonistic camps called "those in the lot of light and those in the lot of darkness . . . each camp led by a superhuman figure"; the "prince of light" and the "angel of darkness" respectively.

According to their Manual of Discipline for the Future Congregation of Israel, the sect would be the "leaders and princes." The people would be purged of their wicked leaders who misled it. At the head of the future ruling class would be two Messiahs: the priest and the prince.

The future community of *Israel would be a fighting society which would execute the divine plan.*

The name of Ezer Weizman's heavily military party, which may command a crucial swing margin in the upcoming July elections precisely as Yadin's DASH party did in 1976-77, is the Yahad—the term signifying the community of the elect of the Sons of Light, who, it should be noted, were as fanatically opposed to those regarded as traitors in their own faction as they were to the Sons of Darkness.

In 1967, Yadin took this outlook directly into the realm of the Third Temple, acquiring the so-called Temple Scroll, one of the Dead Sea scrolls dealing with the rituals and physical dimensions of Solomon's Temple. His translation and comments will be issued in English in book form this year, intersecting the efforts of the Jerusalem Temple Mount Foundation—a group Yadin claims to abhor—to rebuild the Temple.

# Training priests for a rebuilt Temple of Solomon

by Allen Douglas

The core of the plot to rebuild Solomon's Temple, at least on the ground level, revolves around the activities of the Yeshiva Aretet Cohanim in Jerusalem. Comprised of over 150 students, this yeshiva's reason for existence is to constitute the priesthood for a rebuilt Temple.

In his initiating address for the founding of Aretet Coan-him, Rabbi A. I. Kook, Chief Rabbi of the Holy Land, declared: "Though the divine spirit certainly dominates all our secular activities, yet, behold, instead of hearing a blast of a trumpet announcing the great revival, we do perceive only quite a faint, mute voice due [to] the temporality and materialism that surround us. The aspect, however, changes as soon as we approach and listen attentively to the beats of Israel's soul. Now we hear already the great trumpets blowing, proclaiming the best tidings of redemption.

"The main pillar of our present revivalism is based on a deep-rooted hope of old to see once more the Priest, and Levites performing their sacerdotal rites while all the Israelites [are] beholding from their position. . . . God's message concerning the rebuilding of the Temple and the renovation of the sacerdotal rites will certainly be fulfilled very shortly. That great and glorious day is drawing nigh."

## Expulsion of the Arabs

The Aretet Cohanim is one of the two main yeshivas in the Arab quarter of Jerusalem. The other is Birkat Avraham, which is substantially comprised of ex-convicts who specialize in beating up Arabs as well as Jews who are targeted for expulsion from coveted apartments.

The Aretet Cohanim (Cohanim means "priest" in Hebrew) allegedly leads a more placid existence. However, the *Philadelphia Inquirer* magazine let the cat out of the bag in its April 23 story: "The Arabs in the neighborhood get along with the Aretet Cohanim members, but if the Arabs understood why they were there, they would fear them more than they fear the wild-eyed men of Birkat Avraham. For the real purpose behind Aretet Cohanim is not just to establish a Jewish presence there; it is to prepare for the rebuilding of the Temple."

This means driving the Arabs from the city. The Aretet yeshiva is currently buying up buildings in the Arab quarter with the fairly massive funds pumped to it by the Jerusalem Temple Mount Foundation's chairman, Stanley Goldfoot. Reportedly Aretet and perhaps also Birkat Avraham are funded by the Israeli government, as part of its general support of yeshivas at an annual level of close to \$100 million per year.

"As a Jew who believes in God I have a deep-down desire to see the temple rebuilt. In general, the way to achieve this as far as the Temple Mount is concerned is to *repopulate Jerusalem*," says Aretet member Gershon Portnoy. "It is not in the hands of individuals. It all depends on the state of the Jewish people, the state of the nation, in a religious and moral sense." His fellow kook Josef Eldbaum, a Hasidic who has been working full time weaving robes for the new priesthood over the last two years, is a bit more active in his plans: "If the Arabs don't want to leave the Temple Mount we will ask, nicely at first, then perhaps use force. To this country we were not allowed for many centuries. Until '67 we could not go to the wall. Little by little we will get there. If people can go to space, we can go to the Temple."

Chief spokesman and fundraiser for Aretet, Menachem Bar-Shalom, adds the possibility that it will not be Jews who destroy the Dome of the Rock at all, but Arabs. "Perhaps there will be an earthquake, or another war; there will be another war, and a Syrian or Jordanian missile will hit it." This option is not to be taken lightly, given British Arab Bureau and Nazi International control of Islamic terrorism.

## Back to animal sacrifice

In preparation for the priesthood at Aretet Cohanim, its students are "being taught the ancient rituals of animal sacrifice, in preparation for becoming priests of the temple," the *Philadelphia Inquirer* reports. There have not been animal sacrifices in Judaism since shortly after the destruction of the Second Temple in 70 A.D. According to Jewish theology, such sacrifices are morally prohibited until the Third Temple, which itself is an issue for God to determine, not for man.

It is noteworthy that the most zealous promoters of animal sacrifice are the Christian fundamentalists in the Jerusalem Temple Mount Foundation. Foundation "scientist" Lambert Dolphin, in a letter to Jews in the United States, declared that "renewed Jewish comment on the sacrifices and the priesthood cannot help but be of inestimable value to both communities. . . . I continue to be puzzled by the priorities of some of my religious Jewish friends. . . . For instance, *since the destruction of the Second Temple there appears to be virtually no discussion among the Jews of the theme of sacrifice, nor of the priesthood*. As a Christian I have come to believe that men may enjoy a relationship with the Holy One of Israel apart from the Law of Moses, but that no man can come into the personal presence of his Creator apart from suitable sacrifice."

# The British monarchy's cultural warfare against the state of Israel

by Allen Douglas

Following the highly publicized visit of Britain's Queen to Jordan in March, the Queen and her consort entertained the President of Israel and his wife in a private luncheon at Windsor Castle in April, an intimate tête-à-tête unprecedented in Israeli-British relations. The stage is now set for a visit by the Queen to Israel some time in the future.

The Queen's projected visit to Israel will, in the ancient memories of the Royal Household and associated institutions like the Anglican Church, signal the return of the British monarchy to the Holy Land for the first time since the 1862 visit of Prince Edward of Wales. For the Sovereign of the Knights of St. John of Jerusalem, it signals a spiritual return to the seat of the gnostic heresies from which, as we shall show, she traces her history. Without understanding the belief structure of the British ruling families and the crucial role that the Knights of St. John and the London Grand Lodge of Freemasonry played in the establishment of the nation of Israel, one cannot grasp the full significance of the work of Yigael Yadin and the Israeli "orientalizers" or the true strength and capabilities of the circles behind Ariel Sharon and Ezer Weizman.

Certain facts are granted by all, such as that British evangelical mystic Orde Wingate was the trainer for key Israeli military figures like Menachem Begin, Moshe Dayan, Sharon, Weizman, and Yadin. It was Wingate who, when not out killing or torturing Arabs, used to sit naked on the floor in the throes of ecstatic visions. Wingate's heritage is felt and acknowledged today; yet the more subtle issues to which this points are overlooked.

## The gnostic heresy

For over a century, the British monarchy and its associated freemasonic secret societies have looked to the Holy Land as the center for their cult-creation activities. A journalist who inquired last year at Buckingham Palace to find out who in the Royal Household was most knowledgeable about the fundamentalist drive to rebuild Solomon's Temple was promptly directed to Commander Sir Richard Buckley, chief aide to the head of the British Freemasons, the Duke of Kent.

The Royal Family traces its own ancestral roots to the Holy Land: The monarch is sprinkled with water brought from the Jordan River, crowned on an old stone reputed, by

some legends, to be the stone on which Jacob rested his head, and by others to be a stone from the original Solomon's Temple. These cult beliefs were outlined in the film *Holy Blood, Holy Grail* (later released as a best-selling book), a propaganda piece for the gnostic heresy.

The gnostic argument presented is that the Royal Family and associates today are the continuation of a bloodline begun by the marriage of Jesus Christ (who, according to this heresy, was never crucified) to Mary Magdalen! This secret bloodline allegedly continued unbroken throughout history, through the Merovingian Dynasty in Europe and the crusading orders such as the Templars and Knights of St. John of Jerusalem. (The Templars were said to have been headquartered at Solomon's Temple while in Jerusalem—hence their name.) Grouped around the bloodline are orders such as the Freemasons. The official Bible of the Freemasons in the United States begins with a full 20 pages of pictures of a reconstructed Solomon's Temple. In London, the Temple Church was built on a circular design, modeled on the Dome of the Rock in Jerusalem.

## The monarchy's Palestine Exploration Fund

There were earlier stirrings, but the first major push for a Jewish presence in the Holy Land came as part of the issue dominating European politics during the second half of the 19th century and the first two decades of the 20th—the Eastern Question, or what to do with a crumbling Ottoman Empire. Though many players had their fingers in that game, orchestrated in large measure from Venice, the British viewed a Jewish presence in Palestine as crucial to staking a claim to the Ottoman territories, and more crucially, protecting the path to the Suez Canal and the jewel of the Empire, India.

The opening shots of the colonization plan were fired with the 1862 reconnaissance mission of Prince Edward of Wales to the Holy Land, accompanied by a huge entourage of churchmen, intelligence operatives, and military figures. The tour led to the establishment of the Palestine Exploration Fund (PEF), the institution which was to become the colonial overseer of British interests, a key instrument of cultural warfare against the region—and against the world—for the next hundred years.

The official patron of the PEF was—and remains today—the British monarch. Founded on June 22, 1865 at a meeting



Investiture of the Knights of Malta at the Cathedral of St. John the Divine in New York City.

chaired by the Archbishop of York, the Fund included the very core of the British oligarchy: Lord John Russell (grandfather of Bertrand Russell) and Lord Shaftesbury, among others—the same crew who tried to destroy the United States by backing the South in the Civil War, and who launched the second major Opium War against China.

Today's Israel Exploration Society, as well as the Biblical Archaeology Congress, which concluded a high-profile 11-day meeting in Jerusalem in April, are direct spin-offs of the PEF. Until the Israelis captured East Jerusalem in 1967, the PEF under British intelligence figure Dame Kathleen Kenyon was the official organization running the Jerusalem digs. PEF members include leading figures in U.S. and Israeli archeology, among them Lambert Dolphin, a conspirator in the Jerusalem Temple Mount Foundation.

The goals of the PEF were described by the 20-year secretary to the Fund, Walter Besant, brother of Theosophist-kook Annie Besant:

The objects and intentions of the founders were the prosecution of systematic and scientific research in all the branches of inquiry connected with the Holy Land, and the principal reason alleged for conducting this inquiry was the illustration of the Bible which might be expected to follow such an investigation.

Or, as stated in the original Prospectus of the Fund:

Even to a casual traveller in the Holy Land, the Bible becomes in its form, and therefore to some extent in its substance, a new book. Many an illusion which

hitherto had no meaning, or had lain unnoticed, starts into prominence, and throws a light over a whole passage.

The nature of the "light" thrown on the Bible, of course, was determined by the cult beliefs of the centrally deployed archaeologists, surveyors, and freemasons who set out to excavate the ruins of the Holy Land, to discover minutiae about King Solomon's Temple and other sites, and to rename towns after their Biblical names. This British archaeology provided the weapons for that cultural warfare which continues against Israel today, and which is elaborated by Yigael Yadin, the *Biblical Archaeology Review*, et al.

The British monarchy viewed the PEF's activities as a military question as well, and the digging and surveying were overseen by the Royal Engineers under War Department direction. Funding came from the Royal Family and its entourage: The Queen put up £150 from the Royal Purse, the University of Oxford gave £500, Cambridge University £250, the Grand Lodge of Freemasons £105, and the Syria Improvement Committee £250.

### The Quatuor Coronati Lodge

In 1884, after the PEF was well established and the whole face of Palestine altered, another institution was spun out of these same circles with the explicit purpose of myth-making and cult control: the Quatuor Coronati Lodge. The circumstances of the founding of the freemasonic lodge are instructive: Its two key figures were Sir Walter Besant and Sir Charles Warren, the kingpins, along with Claude Conder, of the PEF. The founding was put off some months so that Warren, regarded as the real "soul" of the Lodge, could return from South Africa to attend the ceremonies. There were nine founding members of the Lodge, because according to Templar legend the original Templars were nine in number and wandered for nine years before they were able to launch their Order. The Quatuor Coronati Lodge has rarely numbered more than 40 full members, as befitting its elite character, although there are 30,000 corresponding members all over the world.

### The danger to Israel

Although the specific features of the British monarchy's belief structure would hardly sell in Israel today, certain core features are being pushed with a vengeance to become the organizing principles of the Israeli nation, including Kabbalism, with its associated myths of holy blood and holy soil. *Sometimes these beliefs, or aspects of them, are accepted devoutly by the very circles who genuinely think they hate British imperialism the most*, such as circles around former Prime Minister Menachem Begin. The solution is for Israeli leaders to go about the business of developing Israel as a modern, technology-proud nation-state committed to the development of its own people as well as its neighbors, leaving the "holy blood, holy soil" notions to those kooks who invented them in the first place.

## Arch-decoupler Genscher comes to Washington

by Christopher White

Henry Kissinger's latest plan to sell out the United States, and the Western world as a whole, surfaced during the early May visit to Washington, D.C. of West German Foreign Minister Hans-Dietrich Genscher. The two long-time accomplices in chicanery and deceit are reported to have met over breakfast on May 6 to work out the details of their scheme. Kissinger then flew off to Bonn in a surprise, previously unscheduled move, to back up Genscher's influence over the government of Helmut Kohl.

The broad outlines of what both had discussed in detail were then surfaced through press conduits on both sides of the Atlantic. In the American newspaper *U.S.A. Today*, Kissinger presented his call for a return to the kind of détente arrangements between the United States and the Soviet Union that had characterized the early 1970s. This was, of course, the period when Henry sold out U.S. strategic interests in the notorious SALT I-ABM treaty package.

### Back to détente

Kissinger's arguments in *U.S.A. Today* were presented as a rebuttal of charges made on U.S. national television this spring by Democratic presidential candidate Lyndon LaRouche. "The danger of nuclear war is not greater now than it was 5 or 10 years ago," Kissinger said, contradicting LaRouche's statement that the Soviets had embarked on a global showdown strategy to break the United States as a superpower. True to form, Genscher presented exactly the same views as Kissinger to the German media.

To restart the "détente process," on Russian terms, be it understood, Kissinger and Genscher are prepared to sacrifice

the Reagan administration's directed-energy weapons anti-ballistic missile program, now known as the Strategic Defense Initiative (SDI). It is Genscher, for example, who has organized the West German government around the lying and incompetent thesis that the implementation of the SDI by the United States would result in the decoupling of Western Europe from the United States. In his visit, Genscher emphasized that the United States, to demonstrate its willingness to restart negotiations with the Soviets, "any time, any place" should be prepared to make such discussions as "broad" and "wide" as possible, and thus should include everything from the SDI down to the level of infantry deployed. Genscher was floating such proposals to prepare for his imminent departure to Moscow.

Not content with extracurricular planning sessions with Kissinger, Genscher was also caught lobbying for his treachery with opponents of the SDI inside the administration, such as the notoriously unscientific and fraudulent Office of Technology Assessment, which has recently lent its name to a Massachusetts Institute of Technology report attacking the national missile defense effort as "impossible." In addition to meeting with Genscher, these saboteurs were also caught plotting with Soviet visitors to Washington, D.C. such as Academician Velikhov.

But such proposals, to anyone who knows anything of the lying, back-stabbing practices of both Kissinger and Genscher, are not intended for, or directed to, the Russians. They are designed to keep forces in the West off balance as Russia moves for domination on a worldwide scale.

Apart from the fact that Genscher's treacherous activities





Carlos de Hoyos/NSIPS

*German-American Friendship Day last June in Wurms: the odd couple, Kissinger and Genscher.*

in Washington were denounced immediately by the Russian news agency Tass, let's look at the case of Berlin. There is presently an ongoing Berlin crisis, reported by LaRouche on national television to be worse than that of 1961. The Berlin crisis is being employed by the Russians as a lever for terror and blackmail to accelerate the decoupling of the Federal Republic and thus Western Europe as a whole from the United States.

Yet Washington and Bonn both pretend that this is not going on. Thus, insofar as is known, the situation was covered up by Genscher and the administration officials he met with, in favor of repetitious, pious sophistry about the need to resume arms talks with the Soviets.

Neither is the crisis being reported by the United States media, despite the fact that it is believed by some circles here that the ongoing crisis is smoldering away, set to erupt around the time of the party conventions, perhaps.

Meanwhile, it is reported from within the Federal Republic that Russian interventions against Western air traffic into West Berlin are now running at the rate of 25 per month, that is to say almost daily, up from an average of 4 to 5 incidents a month over the last five-year period. These incidents involve Russians in the Four-Power air traffic control center instructing Western air traffic controllers to clear the corridors to make room for Warsaw Pact military flights, change the altitude and flight path of planes on regularly scheduled civilian flights, and so on. East Germany, which in principle has nothing to do with this question, since it does not control Berlin, has meanwhile announced repeatedly in its press that it does not consider the Four-Power agreement on air traffic

binding, but only "provisional." Russian military aircraft are now deployed, terror-tactic style, to unleash sonic booms over West Berlin, day and night. The addition of such nocturnal antics is reported to be new. The airborne terrorism is otherwise again increasing in intensity. Meanwhile, maneuver patterns of Russian and East German ground troops around West Berlin have been stepped up.

This Berlin crisis is the leading edge of a global Russian confrontation course. It is backed up by an increasingly virulent set of threats in Russian newspapers such as *Pravda* and *Red Star*, in which allies of the United States who argue against Genscher for support of the Strategic Defense Initiative and the Atlantic Alliance are being branded almost daily as "resurgent Nazi revanchists" planning to re-establish the Third Reich within the borders of 1937, and then proceed with the reconquest of Austria, Czechoslovakia, and parts of Poland, including those parts such as Kaliningrad that were assimilated into the Russian empire under the terms of the Hitler-Stalin pact.

### **Preventive strike against Germany**

The format of these attacks, while Genscher was peddling his nonsense in Washington D.C., leads, according to the German newspaper *Die Welt*, "to the inescapable conclusion" that the Russians are preparing the basis for a so-called preventive strike against the Federal Republic. Such articles have been featured in the Russian army paper *Red Star's* May 5 edition by Lieutenant-Colonel Kasyuk, and by Ernst Ghenry in *Pravda* of the same day. The latest issue of the semi-official publication of the Soviet Foreign Ministry, *International Affairs*, features a selection of letters to the editor calling for a Russian preventive strike against West Germany.

The pattern of terrorist intimidation and threat is overwhelming and massive. And in default of a firm answer from Washington, D.C., where heads are too busy with the election campaign to notice the world slipping away, it is succeeding. Even as Genscher arrived in the United States, the Danish parliament voted up a resolution to outlaw nuclear weapons on Danish soil, whether in peacetime or in war. And Dutch Prime Minister Lubbers wrote to President Reagan to report that his country was no longer prepared to accept the stationing of U.S. cruise missiles on its soil during peace-time conditions. (See article, p. 32.)

It would have been better had Genscher been humiliated than given the courteous hearing he was afforded. Then at least a signal would have been sent to his opponents within the Federal Republic that the United States was on their side, not backing Genscher's duplicitous sell-out to Moscow. Such action could have helped to strengthen the alliance. But those kinds of measures will not be taken as long as Henry Kissinger is tolerated around the White House and the State Department, and his lies about the Russians continue to find a hearing.

## Cabinet crisis hits on NATO flank

by Dean Andromidas

The deployment of U.S. cruise missiles in Europe is threatening to bring down the center-right government of Netherlands Prime Minister R. Lubbers and to inflame the entire "Euromissile" issue throughout the North Atlantic Alliance. The current Dutch cabinet crisis is being manipulated by circles working toward decoupling Europe from the United States and crushing support for President Reagan's Strategic Defense Initiative for the development of an effective anti-ballistic-missile system for the United States and Europe.

The Dutch crisis follows Denmark's refusal, despite previous NATO agreements, to deploy any nuclear weapons on its territory. It follows official recent statements by the foreign ministers of West Germany and Italy attacking U.S. beam-weapons defense and calling for a greater European role in NATO, at the expense of the United States. A move to de-nuclearize the Netherlands would leave NATO's northern flank dangerously weakened at a time when the Soviets have been escalating their provocations aimed at northern Germany, Norway, Denmark, and neutral Sweden.

### Cabinet battle

The current crisis was triggered following French President François Mitterrand's speech in February before the Dutch Parliament calling for a Europe-wide effort, in cooperation with the United States, to acquire a European space station and space-based ABM system. Eager to interest Holland's advanced electronics industries in the ABM effort, Mitterrand is said to have avoided the cruise missile question in an effort to persuade the Dutch to focus on the ABM project. But almost before Mitterrand's speech could be translated into Dutch, the appeasers forced an anti-"space wars" resolution through parliament, authored by Maarten Engwirda, faction leader of the leftist Democrat 66 Party.

Soon after the resolution was passed the cabinet crisis broke out, the pretext being opposition to the NATO Euromissile deployment. Defense Minister De Ruyter of the Christian Democratic Appeal Party headed up the opposition within the cabinet, and other cabinet members from his party

were also said to oppose deployment. Public debate on Mitterrand's proposal and the U.S. beam-weapons program has been dropped as a result, as potential supporters of these ideas are being silenced with the threat that the government could not weather new elections, and a Socialist-backed government, which would de-nuclearize Holland, would come into power.

The government has managed to postpone the parliamentary vote until the latter half of June. Meanwhile it is floundering, and airing various equally unworkable proposals, including the Danish proposal for a ban on the deployment of nuclear weapons in peacetime. A diplomatic source was quoted by the *Washington Post* May 11 that the parliament will almost certainly not accept the full quota of 48 missiles without a compromise.

Jan van Houwelingen, second-ranking official in the Dutch defense ministry, stated in Washington May 11 that the Netherlands will not accept all 48 cruise missiles. Houwelingen, according to the *Washington Post*, said that the United States had to be more understanding of the need to compromise if any missiles are to be deployed. "It is impossible to say that the only possibility is saying yes to 48 missiles," said von Houwelingen. He was in Washington to promote European arms sales.

The government's paralysis is very much to the liking of those participants in the East-West disarmament forums and One World planning sessions of the Pugwash Conferences. Prof. Hylke Tromp, the leader of the Dutch delegation to Pugwash, gloated that "a collapse of the missile deployment in Holland would lead to questions being raised in Belgium; look at the situation in Greece and Italy." Uncertainty about whether President Reagan will win the elections, he said, "reinforces a tendency among the middle-of-the-road politicians not to be 'more Reagan than Reagan.'" Calling the Strategic Defense Initiative "star-wars madness" and a "divisive issue," he claimed that opposition to the Euromissile deployment was rampant in the cabinet and that he himself had spoken with Prime Minister Lubbers last November on the missile issue.

Professor Tromp, who is also head of the War Studies Institute at Groningen University, is close friends with members of the nuclear freeze movement in the United States—including Admiral Eugene LaRoque of the Center for Defense Information and Bill Arkin of the Institute for Policy Studies—and is a top controller of the powerful Dutch peace movement. Nonetheless, his alternative to NATO's nuclear strategy is a conventional buildup, putting him in the same camp as Henry Kissinger and his business partner Lord Carington, the NATO secretary general.

*EIR* will intervene in the Dutch debate directly through a seminar on beam weapons to be held in The Hague May 23. European and American experts will present an evaluation of the scientific prospects for beam defense, the strategic importance of the program, and the political debate around it in the United States.

# Ambassador exposed as KGB general

by Clifford Gaddy in Stockholm

The ambassador of the U.S.S.R. to Sweden, Boris Pankin, is a top-ranking KGB official who was until his appointment to the Stockholm post—and possibly still is today—head of the powerful Department A (Disinformation) of the KGB's First Chief Directorate. This sensational revelation was published in West Germany in early May in the newspaper *Die Welt*. It has so far been ignored in Sweden.

Consider the following timetable of events:

On Sept. 19, 1982, Olof Palme emerges as the winner of the Swedish parliamentary elections, bringing him back into power after an interlude of six years. Only days later, the new Soviet ambassador to Sweden, Boris Pankin, arrives in Stockholm. On Sept. 30 Pankin is officially accredited as ambassador. At 12:50 the next day, Oct. 1, two Swedish army recruits on duty observe the periscope of a submarine on its way into Haarsfjaerden. The submarines are trapped inside Swedish waters. An intensive hunt begins.

On Oct. 7, the Swedish Navy reports that a trapped submarine may be about to break out from the northern part of Haarsfjaerden. Seven depth charges and three mines are detonated before a "cease-fire" order is suddenly issued. The trapped submarine escapes. According to military sources, the cease-fire order was given by Olof Palme personally.

The next day, Oct. 8, Palme formally takes office as prime minister.

## The Greek connection

The exposé of Pankin's rank as KGB general came on May 2 in *Die Welt* in an article tracing the story of how the KGB's Disinformation Department had financed a new newspaper in Greece, *To Ethnos* (*The Nation*). Founded in 1981, *To Ethnos*—ostensibly a "bourgeois" newspaper—quickly became the largest-circulation newspaper in Greece, contributing to the election victory of Socialist Andreas Papandreou.

Meanwhile, however, the blatantly pro-Soviet views presented in *To Ethnos* aroused the suspicion of investigative journalists and one of them—New Yorker Paul Anastasi—discovered that East bloc intelligence had channeled millions of dollars to the paper through dummy companies in Switzerland, Luxembourg, and Sweden. The Swedish connection

included prominent members of both Moscow-controlled communist parties, the VPK and the APK, in Sweden.

In his recently published book, *Parte to Tee Ethnos sta Cheria* (*Take the Nation in Your Hands*), Anastasi describes how the two main Greek figures coordinating the *To Ethnos* operation, Georgios Bobolas and Yannis Yannikos, established contact with Moscow for the project back in 1977-78. Writes Anastasi: "One of the participants in some of these first conversations, which were led on the Soviet side by the then head of the KGB's Disinformation Department and currently ambassador to Sweden, Boris Pankin, was the current party boss Konstantin Chernenko [emphasis added]."

## Pankin the 'journalist'

In a specially arranged interview in the "Magasinet" TV program on March 15 (moderated, appropriately, by Annika Hagstroem, herself a member of the Communist Party, APK, and formerly a journalist at the communist newspaper *Norrskensflamman*), Pankin reported the following:

During the 1960s and until the early 1970s, Pankin was editor of *Komsomolskaya Pravda*. He then became head of the Soviet Copyright Commission, spending a great deal of time in Geneva and Paris. He was appointed as ambassador to Sweden in 1982.

According to Anastasi's new information, therefore, the post as head of the Copyright Commission was merely a cover for Pankin's actual status as head of the Disinformation Department of the KGB. Pankin thus took over the Disinformation Department at precisely the point when the whole department was being upgraded in importance. The KGB's Disinformation Department (formally, "Department A" under the First Chief Directorate, or Foreign Operations Directorate) has always been one of the most important, but "détente" opened up totally new opportunities for Soviet penetration of the West. Consequently, Department A, which is responsible for the planning, coordination, and support of all Soviet propaganda operations abroad, was expanded and elevated in status to a "service." It is likely that Boris Pankin was promoted to rank of KGB major general when he became head of Service A.

To answer the question of Pankin's role in Sweden, the reader might reflect once more on the pattern of events surrounding the submarine incursions in Swedish waters since Oct. 1, 1982 and compare this pattern to the designated special function of Service A, what the Russians term *aktivnyye meropriyatiya*, or literally "active measures." According to one source on the Soviet intelligence services, the book *KGB* by Brian Freemantle, "active measures" include: "written or oral disinformation, forgery, the creation of false rumor, manipulation and control of foreign media, the manipulation of political action in foreign countries, the use of agents of influence, the use of clandestine radio stations, use and manipulation of foreign communist parties and international front groups, support for international revolutionary and terrorist groups and if possible political blackmail."

# Ibero-America launches battle against drug traffic

by Valerie Rush

In one short week, Ibero-American leaders have issued a call for the formation of a continent-wide military structure to battle drugs and terrorism, denounced the International Monetary Fund as "subversive," and charged Henry Kissinger with being a murderer. All this in the immediate aftermath of the April 30 assassination of Colombia's justice minister and anti-drug martyr, Rodrigo Lara Bonilla.

During the burial services for Lara Bonilla, Colombian President Belisario Betancur called for "a crusade" against the narcotics mob and the crime and violence it spreads in its wake. Patriots across the continent have responded. Betancur's angry call to arms over the grave of his slain minister has been taken up by a close collaborator and friend of Lara Bonilla, the president of the Colombian Anti-Drug Coalition, Fausto Charris Romero. Charris has embarked on a tour of the continent to forge an Ibero-American Anti-Drug Coalition that can realize Betancur's objective.

On May 4, speaking to 20 media representatives in Mexico City, his first stop, Charris declared, "I am responding to the call of my President, Belisario Betancur, for all Colombian citizens to participate in this battle, in this war, against the drug trade.

"Our war against drugs in Colombia and throughout the Ibero-American continent is a battle against a new Opium War. The British war that forced China in 1839 to pay its debt by destroying its population with the consumption and production of opium is being waged again. This time, it is the IMF and Henry Kissinger who want to collect the continent's debt by the trafficking of drugs.

"Here, in Mexico, I reiterate my totally confirmed charge that Henry Kissinger is responsible for the assassination of Lara Bonilla."

## A common defense against drugs

Speaking to the multi-nation Andean Parliament that day, Bolivian congressman Rodolfo Gremiger called on the nations of the continent to form an Inter-American Defense

Council, "a military version of the Latin American Economic System" (SELA) to forge a common defense against their mutual enemies of drugs and terrorism.

Peruvian Senate leader Ricardo Montegudo echoed his sentiments, asserting that "drug addiction is growing in every country as a result of the economic crisis provoked by the banks' high interest rates. We need a common front to defeat drugs and terrorism." A commission created in the Organization of American States after the Lara Bonilla assassination has proposed a hemispheric conference on methods to defeat the drug trade.

Venezuelan Justice Minister Manzo González, who had met with Lara Bonilla not long before his murder, declared, "I believe the best homage that we can make to the memory of the distinguished Colombian political leader is to continue undaunted the battle against those who not only threaten the health of our populations but who weaken the sovereignty of our lands and attack our national defense."

The Venezuelan government has now created a specialized "Center for Drug Information" which will coordinate the forces of its justice ministry with the police and other law-enforcement agencies in an escalated war on drugs. Manzo González noted that Lara Bonilla had been fighting for a unified Andean anti-drug command, and called for common anti-drug legislation among the Andean nations as a first step in that direction. The Venezuelan Congress is considering legislation mandating up to 20-year sentences for drug traffickers.

## The IMF question

The drug traffic in Ibero-America is protected not only by corrupt local politicians but by the International Monetary Fund and its controllers, who insist openly that "moralistic" anti-drug efforts would cut off the revenue required to pay foreign debt.

An executive delegation of the Latin American Parliament arrived in Washington on May 7 to issue a final warning to the IMF and the Reagan administration. The delegates declared: "We state here that the debt problem is not unconnected to democratic institutionality and our right to development and social justice. If the IMF does not change its attitude, it could become a subversive organism much more dangerous than the Soviet Union. . . ." One of the delegation members, Humberto Celli of Venezuela, added that during their meetings in Washington, the delegation "will also make contacts to show how this [debt] problem bears upon destabilization and also upon the problem of drugs and drug-running." (See article, page 7.)

Despite the warnings, the Reagan administration clings to the IMF policy. In his nationwide speech on Central America the evening of May 9, President Reagan repeatedly praised the recommendations of the Kissinger Commission's report on Central America, the same report which holds up the drug-trafficking United Brands Company as a "model" of private

initiative and which recommends converting Central America into another "Singapore or Hong Kong," the drug capitals of the world.

### Betancur's escalation

Since the Lara Bonilla assassination, a vast dragnet under the extraordinary state of siege decreed by Betancur has turned up scores of drug-linked criminals from all levels. While some of the "godfathers" of the mafia have reportedly managed to escape Colombia, cocaine kingpin Carlos Lehder has reportedly been surrounded in a jungle hideout and his capture and extradition to the United States is considered only a matter of time. The vast assets of known drug traffickers like Lehder and the billionaire fugitive Pablo Escobar Gaviria are also now liable for expropriation under the law.

All drug-related cases are being handled under military jurisdiction, and a special corps of 100 military judges has been selected and given extraordinary security protection to enable ruthless prosecution of drug criminals without fear of mafia retaliation. The Colombian Air Force has orders to shoot down or destroy in the air any unauthorized (non-commercial) flight across Colombian borders, and new raids in the southern department of Meta have yielded busts against another eight giant cocaine laboratories comparable in size to the "Tranquilandia" busts earlier this year which set a world record in cocaine seizure.

On May 10, the government ordered the destruction "by any means necessary" of some 200 identified "clandestine" airstrips used by the drug traffickers, and a special session of the National Drug Council has been convoked by the president to make a final determination on the use of the herbicide paraquat for the eradication of Colombia's still vast marijuana crops. Until now, the use of paraquat—which had been fought for by Lara Bonilla—has been "experimental." It is widely expected that full-scale application of the herbicide along the Mexico model will be approved. The interim justice minister, Nazly Aljure, went public in favor of widespread use of the herbicide, and U.S. Ambassador to Colombia Lewis Tambs has pledged financial and technical aid for a paraquat program.

A new justice minister was named on May 8, chosen from the ranks of the "New Liberalism" political faction which Lara Bonilla had represented. Enrique Parejo González took up his weighty responsibilities with a pledge to "continue the extraordinary work of Rodrigo Lara Bonilla. I sincerely believe that one must continue with the same courage, the same valor, in the war against drugs. He left us an example, a lesson. This is a battle that requires the support of the entire Colombian nation."

Asked if he feared the same fate as his predecessor, Parejo González answered: "Above any fear that I might feel is my elevated sense of duty, the necessity to pay homage to Rodrigo Lara with the same courage that he himself demonstrated."

## Special Report

# The Terrorist Threat to the 1984 Olympics

For the past three years, **EIR's** counterintelligence newsletter **Investigative Leads** has published detailed evidence of a growing terrorist infrastructure in the United States—funded and supplied by Soviet client state Libya, by KGB-linked fundamentalist movements like the Muslim Brotherhood, and by the Swiss-based Nazi International apparatus. These terrorists are targetting the 1984 summer Olympics in Los Angeles.

The FBI maintains that there is no serious threat of terrorism to the Olympics, while local law enforcement and U.S. military agencies continue to discover evidence of a planned bloodbath.

In the Special Report, "Terrorists Target the 1984 Olympics," **IL** details:

- The activation of Soviet- and Libyan-backed terrorist and separatist assets against the United States;
- The U.S. "window of vulnerability" to counterterrorism and the failure of FBI intelligence on KGB terrorist operations in the United States;
- The ties of the Olympics Organizing Committee to organized crime;
- The terrorist infrastructure's interface with the international peace movement and its Eastern Establishment figures such as McGeorge Bundy.

**The Special Report is available for \$250.**

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For further information, contact Robert Greenberg or Richard Spida, **Investigative Leads**, (212) 247-8291 or (800) 223-5594 x818 304 West 58th Street, fifth floor, New York, New York 10019.

# Israeli terror crackdown leads to Sharon and the Temple Mount mafia

by Paolo Serri

In a Independence Day speech described as the harshest ever by any Israeli leader, President Chaim Herzog blasted the Jewish underground terrorist movement in the West Bank, describing the planners behind the projected April 27 bombing in Jerusalem of six buses as “irresponsible and insane.” “Unbalanced men would have brought disaster on the people of Israel, the state, and the Zionist enterprise. Treasonous acts like these endanger the independence we celebrate today.”

Israeli Prime Minister Yzhak Shamir stated that the security forces intervention “prevented a [national] catastrophe.” What emerges from still tight-lipped Israeli investigators is that these planners are extremely highly placed in Israeli and international politics and business. For the first time, they implicate names in terrorism that so far only *EIR* had the courage to print.

## The April 27 arrests

The outcry from Israeli authorities was motivated by the latest and biggest terrorist attempt, and by the escalation of Jewish terrorism as a whole in recent months.

On the morning of April 27, Shin Beth (Israeli internal security forces) and police deployed en masse in Jerusalem, discovering bombs under six Arab buses, bombs planned to explode simultaneously at 4:30 p.m., just after the Friday prayers at the Islamic holy shrine of the El-Aksa Mosque on Jerusalem’s Temple Mount. According to Israeli specialists, the bombs could have caused “hundreds of deaths” and unleashed Arab riots in the occupied territories and terrorism internationally. The 16 explosive charges of the type used by the Israeli army (Tsayal) were placed in a very professional fashion in the engine, gas tank, and chassis of the buses.

The police immediately arrested some 30 suspects, three of whom confessed their involvement in the terrorist operation. Another two confessed their participation in the killing of three Arab students in July 1983 at the Hebron Islamic University. Among the arrested were a commander and two captains still active in the Tsahal, another reservist commander, two active police officers, and one specialist in ex-

plosives. On May 8, Radio Jerusalem broadcast that among the arrested there was also an “active high-ranking military officer” who was providing the terrorist group with intelligence. Ensuing investigations showed that the terrorist network has also been involved in plans to blow up the Dome of the Rock and El-Aksa Mosque (see Special Report).

This crackdown follows the arrests in early April of four TNT (the Hebrew acronym for Terror Against Terror) members: the brothers Ami and Zvi Deri, their cousin David Deri, and Uri Ben Ayun, arrested before, according to Jerusalem police sources, for “yet another sabotage attempt against one of the mosques or churches in the Jerusalem area.”

Furthermore, according to the Israeli and West German press of April 9, the Shin Beth cracked down again on Jan. 21 on a fanatical terrorist group called Bal Nishkach (“Never Forget”), headed by the Polish Christian Andrej Kielczynski, recently converted to Judaism and responsible in the last months for 14 terrorist attacks against German institutions in Israel, including the “kidnapping” of an employee of the Goethe Institute. Shin Beth moved in the nick of time, after information was received that Bal Nishkach planned an attack against West German chancellor Helmut Kohl at a public event in Tel Aviv on Jan. 26. The group aimed at “killing, wounding” the German chancellor, “or at least blackmailing him” with the threat that one of its members would blow himself up with a grenade.

## The Ariel Sharon connection

Even more significant than the actual crackdown are the revelations in Israeli and international media around the ongoing investigations. As reported around the Bal Nishkach crackdown, this group enjoyed a “very warm relationship” to the former Begin government. The relationship was so warm that, as quoted in the *Süddeutsche Zeitung* of April 9, “some of its actions were even planned and organized in the prime minister’s office.”

Ariel Sharon’s key man in the current government is Rafi Eytan, known as “Dirty Rafi,” special adviser to the prime

minister on the war against terrorism. Eytan, the 1977 campaign manager for Sharon's election for the Knesset (parliament) seat, has long been linked to the former defense minister and Agriculture and Settlements Minister, and in contact with Israeli mafia. Uri Dan, another of Sharon's men, formerly his press spokesman at the defense ministry and now a mayor in the West Bank, became known internationally with his laudatory biography of the late head of international organized crime, Meyer Lansky.

Eytan replaced as anti-terror adviser Amihai Paglin, a close Begin friend who had died in a car accident in January 1978, and one of Begin's companions in the Irgun underground organization. Paglin was one of the few people Israeli founder and early premier Ben Gurion did not allow in the Israeli Defense Forces. In 1972, after the Munich Olympics massacre, Paglin was arrested in Israel, together with Rabbi Meir Kahane, head of the terrorist Jewish Defense League and the Kach Movement in Israel, for "smuggling weapons to fight Arab terror." Paglin, also known for his contacts to the Lansky network, was sentenced to a one-year suspended sentence, and became a top Begin adviser.

Sharon's name started to come up around the investigation with "deafening insistence," according to the *Jerusalem Post* of May 4. A Reuters dispatch from Israel on the same day stated: "Israeli security agents investigating an anti-Arab Jewish underground organization have questioned veterans of the disbanded Unit 101, a commando force once headed by the former defense minister, Ariel Sharon." The French weekly *L'Express* added: "There is a big temptation among his [Sharon's] opponents—and those are not lacking even in the government coalition—to implicate him in the plot." On May 7, the French daily *Le Figaro* reported the arrest of a "renowned land speculator in the West Bank associated with the government adviser on the fight against terrorism, Rafi Eytan." The next day, Radio Jerusalem explained that Eytan's speculator friend functioned as the "banker" for the terrorist group.

As *EIR* exposed in a world-wide scoop in November 1982, a secret meeting took place in the summer of 1982 in Lebanon between Ariel Sharon and the old Lebanese Christian warlord Camille Chamoun, at Chamoun's residence. A follow-up meeting was held in London with Henry Kissinger, Lord Harlech, the old CIA Middle East specialist Miles Copeland, and others: The subject of the two meetings were the creation of an international multimillion-dollar fund for a land grab in the West Bank.

After each terrorist operation against the El-Aksa Mosque and in the occupied territories, the shares of this secret fund skyrocketed.

### **Background: 1980-83**

The anti-terror crackdown in Israel, the accompanying revelations around the Sharon mafia, as well as the scandal

around the suspension of Assaf Hefetz from his job as the Tel Aviv Police Central Unit detectives chief, must be seen in the context of the July national election. Nationalist forces in both the Likud and opposition forces, as well as intelligence and police agencies, have recognized that the escalation of terrorist actions, like the repeated attacks against the Islamic mosques, the threat against Chancellor Kohl, and the bus plot, would undermine the future existence of the Israeli state.

The battle began in June 1980 after Israeli terrorism against four Palestinian mayors in the West Bank, two of them maimed by the bombs. At that time, as *L'Express* recalls in early May, "without any precedent, the head of the Shin Beth, Avraham Akhitev, resigned from his position with big clamor, during his [vain] investigation on the responsibility of the Gush Emunin in the attempts against the Palestinian mayors."

In the summer of 1983, Akhitev once again stated publicly that the Gush Emunin was the "psychological hothouse for terrorism."

Again in June 1983, as reported by Erich Follath in his book *The Eye of David*, a group of young Mossad (Israeli foreign service) officers wrote a secret report on the necessity of new directives for the service. Already recognizing the threat represented by the Khomeini regime—with which Ariel Sharon has maintained a friendly and profitable business relationship—the Mossad report states:

"As a last point we would urgently recommend that the Shin Beth also take care of the Jewish terrorist underground. After the events of Ramallah and Hebron we think it goes without saying that the Shin Beth should not only be concerned with Arab terrorists. Our international reputation is being damaged enormously and we must be able to make clear to everybody that we did everything to crack down on terrorist actions.

"Conclusion and Thesis VI: In the particular situation in the aftermath of the West Bank events, internal counter-espionage also has to be deployed against Jewish citizens—otherwise Israel loses its credibility in the world."

The same concern was expressed in a December 1982 internal report by Tel Aviv detective chief Assaf Hefetz on Jewish terrorists, among them the later-famous Shimon Barda, planning to sabotage Islamic centers in Jerusalem. This report was basically frozen in some desk drawer and not acted upon by Hefetz's superiors. One year later, the story broke on the pages of the popular *Ma'ariv* newspaper and Hefetz was suspended from his job, suspected of leaking the story. A court case is still ongoing, but already many top-ranking police officers have sided with Hefetz in what was described as "almost a mutiny" by Israeli commentators.

National rage provided the security and police investigators with the political backup for the crackdown the higher-level fundamentalist and terrorist structure in Israel that we have witnessed since late April.

# Egyptian elections foreshadow a post-Camp David Middle East

by Thierry Lalevée

Two major decisions hang on Egypt's May 27 parliamentary elections: the re-establishment of diplomatic relations between Cairo and Moscow and the future of the Camp David peace treaty. Compared with Israel's buildup toward June elections, which has already given rise to internal political crisis, Egypt's campaign has been quiet. Despite the lack of international headlines, the elections are sufficiently important for the Egyptian leadership to postpone all major international decisions until the results are in.

## Sour U.S.-Egypt relations

The decisions on Soviet ties and Camp David are of course closely intertwined. The chief issue is Cairo's sour relationship with the United States. Indeed, the last session of negotiations between U.S. Secretary of State George Shultz and Egyptian special presidential adviser Osama al-Baz led to shouting matches on all issues, insiders report. The issues included America's relations to Egypt under the treaty, as well as the outrageous conditions imposed by the State Department's Agency for International Development (AID) and the Treasury Department upon financial and economic assistance to Egypt, such as demanding that all food shipments be delivered only by American ships at a very special price.

Only a few weeks before the elections, the State Department network of Henry Kissinger and George Shultz zeroed in on the Egyptian authorities and threatened to stop the AID program as well as the vital food deliveries if *EIR* founding editor Lyndon LaRouche and his wife, Helga Zepp-LaRouche, chaired a conference of the Club of Life on African economic development scheduled for April 25-26 in Cairo. Cairo had to bow to the pressures.

With such treatment, Washington will have only itself to blame when diplomatic relations with the Soviet Union are fully re-established, probably very soon after the parliamentary elections. It is no secret that Cairo is already looking toward for a post-Camp David treaty era. The treaty was never ratified by the parliament; a new parliament may find it unconstitutional.

The real reasons lie elsewhere. Cairo openly hopes for a

victory of the Labour Party in Israel's elections, and it is no secret either that Labour's Shimon Peres considers Camp David a Likud creation and would be eager to scrap it in favor of a Labour Party peace initiative which, as Peres revealed last month, might involve direct negotiations with Syria, Jordan, and the Palestinians.

Wide-ranging discussions have already taken place between the Egyptians, the Palestinian Liberation Organization (PLO) of Yasser Arafat, and Abba Eban of the Labour Party during Eban's recent stay in Cairo. At the behest of the Egyptians, the PLO even presented King Hussein of Jordan with a new peace proposal "to be immediately implemented after a Labour victory." What a post-Camp David era would look like is far from being defined, but rumors are circulating that the 1973 Geneva conference for a comprehensive peace settlement would be reconvened. No matter who is in the White House in 1985, say diplomatic sources in Cairo, he won't be able to oppose such a plan, as Moscow becomes the dominant force in the region—thanks to Kissinger.

## The economic dilemma

None of these issues was raised as such in the election campaign, but they have been uppermost in the minds of government leaders as well as of the numerous politicians who are campaigning. The question dominating the campaign itself has been Egypt's economic future. This was underlined in *Le Figaro* of May 4 by a cynical Egyptian businessman who commented, "we do not need elections . . . but election campaigns lasting the whole year. It is the only way to force the government to implement concretely the numerous projects it finances." This was a reference to daily inaugurations by the government of new hospitals, new public works, bridges, and plants.

Egypt's economy has had a 7.1% growth rate since the new Five-Year Plan was launched in 1982. In a recent study, Egyptian economist and government adviser Dr. Galal Amin predicted continuous high rate of growth for the next year, but warned that the services sectors would take the lead, though industry is expected to grow (from a small base) by



10% a year. Apart from its dependency on the United States for food supplies, Egypt relies on the "Big Four," as they are dubbed, for its national income: oil, Suez canal taxes, tourism, and remittances from Egyptians working abroad. Little revenue is expected from these sources, and this forces Cairo to walk on a very high tightrope; any mistake could provoke a social explosion.

### **Political liberalization**

In order to face such problems, Mubarak took the challenge of reversing the policy of his predecessors toward parliamentary elections, and decided to allow many parties to participate and to ensure that vote fraud would be limited as much as possible. Mubarak decided that the creation of a national consensus through democratic elections was the best immediate remedy for the nation's problems. In January, the ruling party, National Democratic Party, lost in a local election to the opposition. A few weeks later, the governor of the province of Daqhaliyya was dismissed for obstructing the campaign of Ibrahim Shukri, leader of the Socialist Labour Party. Running in the elections are no fewer than six parties, including several new ones. The smallest are the Umma Party, a traditionalist Islamic grouping created by Ahmed al-Subahi Awad in late 1983; the Liberal Socialist Party of Kamel Murad, established with Sadat's approval; the Labour Socialist Party of Ibrahim Shukri; and the left-wing Unionist Progressive Party of Khaled Mohieddin. Directly competing are President Mubarak's National Democratic Party (NDP) and the new "Neo-Wafd" party of Fuad Saragheddin.

By allowing the Court of Justice last January to authorize the old royalist Wafd party to recreate itself—for the second time since 1952 after the unsuccessful experience of 1977—President Mubarak has taken important political risks. It is no secret that Mubarak's calculation was to create a new political power within the parliament which would allow him to counterbalance the influence within the NDP of the old Sadat mafia which still dominates the party and opposes the president on many domestic and international issues.

The fight between the president and this mafia is especially bitter on economic questions when it comes to the "Open Door" policy inaugurated by Anwar al-Sadat, as well as Egypt's relationship with the International Monetary Fund and the United States. The mafia, which saw a few of its members sent to jail immediately after Mubarak became president, overlaps the drug and real-estate mafia. Mubarak's new problem is the opportunism of the new leaders of the Wafd, who didn't hesitate to throw away a good part of their original party program in favor of secularism, to strike an unholy deal with the official Muslim Brotherhood of Omar al-Talmissani by accepting on the Wafd electoral list such luminaries as Sheikh Mohammed al-Ghazali, Sheikh Salah abu-Ismael and Hassan al-Gamel.

Talmissani's group has had official recognition since 1982 but is no less dangerous for that. Talmissani has made clear

that, while joining the Wafd for the elections, he was not changing his fundamentalist program. As a result, the Wafd has been immediately factionalized, and its secretary general, a Copt, resigned in protest.

Though Talmissani claims loyalty to Egyptian institutions as they exist, there is little doubt that his group represents the legal cover for more radical and clandestine groups. A recent study made by American University professor Saad eddin Ebrahim underlines that all Islamic terrorists arrested over the years have been at one point or another members of the "legal" Muslim Brotherhood. Legalization of the Muslim Brotherhood as well as the introduction within the regular columns of most newspapers of debates on Islam, has had the effect, not of taming the Islamists, as fundamentalists are called, but of giving them an official framework within which to grow further.

### **A wider network**

The danger was underlined last Easter when security forces were forced to arrest several dozens of radicals responsible for very violent actions. One little-known group, the Al-Tawaqof wal Tabayan, created in 1980 by Mohammed Abdel Baqi, formerly a member of the Brotherhood, had committed numerous acts of arson in the region of Fayoum against Copt properties such as setting on fire cars, a movie theatre showing the life of Jesus Christ, and several religious Coptic shops, as well as an unsuccessful assassination attempt against a Coptic lawyer. At the same time some 50 members of Al-Jihad (Holy War) and of Al-Takfir Wal Hijra (Repentance and Flight) were arrested.

Investigations then picked up the trail of a wider network than usual. These groups had substantial funding supplied by the Cairo branch of a recently created Saudi bank, the United Arab Islamic Bank Ltd., among whose shareholders can be found Geneva-Muslim Brotherhood International leader Said Ramadhan, son-in-law of Brotherhood founder Hassan al-Banna. Involved in the same operations were Salem Azzam of the Islamic Council of Europe and Ismael Farouqi from Temple University in Philadelphia. A Palestinian whose family sold its lands to the Jewish Agency in the 1920s, Farouqi is a prominent ideologue on behalf of the "Islamization" of the Palestinian struggle. More ominous was Teheran's rapid publication of all the names and biographies of those arrested. In early February, members of Al-Jihad and Al-Takfir as well other Islamist groups had been present in Teheran for the creation of the Islamic International or Fifth International, reported at the time.

However impressive, diplomatic observers remarked that this was nothing unusual: "It is daily routine for the Egyptian security to round up these guys, even by dozens. They are not an immediate danger." The fact of these arrests says more about the capacities of Egyptian security than about the potential for an Islamic coup by these groups. Yet Mubarak has not yet overcome that danger.

# Nakasone visits India

*Asia's two most powerful democracies agreed to collaborate on questions of peace and development, reports Susan Maitra from New Delhi.*

By any measure, Prime Minister Yasuhiro Nakasone's May 3-6 visit to India was a historic event. The effort to establish an active relationship with India caps a series of foreign-policy initiatives taken by the Japanese prime minister in the past year to make Japan "an international state," as Mr. Nakasone expressed it to the press at the conclusion of his stay in New Delhi.

"I have been determined to use Japan's economic power to make a contribution to the world," Mr. Nakasone told reporters. "India is an influential member of the non-aligned and neutral countries' group. Japan is an advanced democratic country in Asia. The potential for dialogue between our two countries having an effect on world politics in the future is great. I believe the talks served as a starting point in that direction."

Mr. Nakasone's diplomatic initiatives have taken him on a tour of the Southeast Asian nations and, most recently, a visit to China. Predictably, some here have already moved to discount the Japanese leader's initiative toward India on the grounds that the pledge of \$2 billion in credit to India, equivalent to the amount already extended to China, was not forthcoming. But while the actual accomplishments of the visit will only be measurable in the months ahead, there is no question that Prime Minister Nakasone's talks in New Delhi were, in a different way, equally ground-breaking.

In the first place, the talks between Nakasone and Indian Prime Minister Indira Gandhi, a leader of the 101-nation Non-Aligned Movement of developing countries, were frank and extensive. There were two official sessions and several informal discussions—covering the basics of each government's perceptions of programs in foreign, defense, and economic policies. Though elementary, this exercise was vital for the leaders of two such important Asian countries which have had virtually no contact or concern for each other for decades.

A commitment was made "for constructive cooperation" in the international arena, as Prime Minister Nakasone phrased it to the press. The cooperation will focus on world peace, in particular nuclear disarmament, and the North-South dialogue.

The third area of cooperation, the extension of bilateral economic ties, has also been given a big boost. In promising

an increase in the yen-credit assistance this year, a second high-level investment mission within months, and an experts' forum from the two countries on science and technical cooperation "at the earliest," Prime Minister Nakasone put his weight behind the naturally slow and cautious decision-making wheels of Japanese foreign investment.

Gandhi, calling the Japanese prime minister's visit a "turning point," has accepted Nakasone's invitation for a state visit to Tokyo in the near future.

## **Economic cooperation potential**

Prime Minister Nakasone arrived in India on May 3 following a three-day visit to Pakistan. His delegation included Foreign Minister Shintaro Abe, Deputy Foreign Minister Toshihiro Nakajima, and other senior officials, as well as four senior members of the Diet (parliament) representing the major factions in the Liberal Democratic Party and its coalition partner, the New Liberal Club. Tomoharu Tazawa, Morizoshi Sata, and Akira Fukuda, representing the Nakasone, Tanaka, and Fukuda factions respectively, and Takashi Kosugi of the New Liberal Club held a meeting with Congress-I General Secretary Rajiv Gandhi and also met with Prime Minister Gandhi.

For the Japanese prime minister, the visit had multiple significance. At the dinner hosted by Mrs. Gandhi in his honor on May 4, Nakasone recalled his first visit to India in 1957 as a member of parliament accompanying then-Prime Minister Kishi.

In statements to the press on May 5, the Japanese prime minister underlined his admiration for the "very drastic changes" that have taken place since he last visited India. Nakasone pointed to the fruits of the successive Five-Year Plans which have guided India's attainment of high-technology industrial capabilities and to the monumental success of the Green Revolution program. He also hailed the very ambitious programs of the sixth Five-Year Plan now being implemented.

India has made no secret of its desire for Japan to play a greater economic role here. In her own remarks at the banquet for Nakasone, Prime Minister Gandhi emphasized that the phenomenal progress made by Japan had compelled other

countries to rethink their views on the motive force of growth. India, she added, would like to learn Japan's technological advances, while India's own growth provided opportunities for Japan and other industrialized nations.

In their official talks, Mrs. Gandhi made it a special point to review and explain India's economic development plans, and, according to Nakasone, specifically expressed her hope that Japan would extend greater economic cooperation to India against the background of the liberalization policy (for technical collaboration, technology import, and investment) adopted by her government.

Japan is a powerful member of the Asian Development Bank to which India has applied for a \$2 billion loan, and also has a voice in the councils of the International Monetary Fund and World Bank where there has been an effort of late to bar India from the concessional loan window and force her into the commercial market for credits—a move some argue will end up throwing India into the position of the large Ibero-American debtors.

In recent years, moreover, Japanese industry has become increasingly interested in the prospects for investment in India, with its huge domestic market potential, as cumulative development programs provide the basis for a broadening of India's industrial base and jumps in standard of living. Presently, Japan's pace-setting investment is the high-profile joint venture to produce a small new Indian automobile, the Maruti. Japan's Suzuki firm signed the agreement in 1982 with the Indian public-sector undertaking, Maruti, formed by the late Sanjay Gandhi, to manufacture the new car. Late last year, the first Marutis drove off the assembly line with the blessings of Prime Minister Gandhi and Deputy Foreign Minister Nakajima, generating widespread enthusiasm for industrial collaboration with Japan.

### **Obstacles to overcome**

India has also been quite straightforward in recent years about its desire for increased scientific and technical cooperation with Japan. Indian leaders are aware of the tremendous untapped potential in a pooling of the two countries' formidable scientific and technically skilled manpower, and India has forwarded numerous proposals for such cooperation to Tokyo. There they have apparently fallen victim, along with other foreign scientific cooperation agreements, to jurisdictional battling among the various Japanese ministries.

In his speech to the parliament, Prime Minister Nakasone referred to the strides India has taken in broad areas of science, particularly space and the sciences related to Antarctica. In his concluding remarks to the press, Nakasone put on the record the commitment to convene an experts' forum on science and technology cooperation in diverse areas—"such as nuclear science, materials science, and the sciences related to Antarctica."

An experts' group under the direction of Prime Minister

Gandhi's principal secretary, Dr. P. C. Alexander, and his Japanese counterparts meanwhile reviewed the status of the 1984 yen credit, i.e., the foreign aid Japan extends through the Aid-India Consortium. India has submitted a number of projects for assistance, with a natural-gas pipeline from the Bombay High field to service fertilizer plants in Gujarat at the top of the list. The various projects as well as proposals for collaboration in transport and electronics, among other things, were reviewed by the experts, which from the Indian side included the secretaries of the Commerce, Steel, Petroleum, Finance, Science and Technology, Heavy Industries, and Agriculture ministries.

### **'Constructive cooperation' internationally**

In the official talks at all levels, a detailed review of the respective nations' evaluation and policies was conducted. As Nakasone reported it to the press, he explained to the Indian prime minister that Japan is a country with two important positions: first, it is a member of the so-called free world, and second, it is a member of the Asian group of nations. Nakasone explained in detail Japan's defense policy and the basis for its security pact with the United States—a perennial source of misunderstanding and suspicion here.

Nakasone explained to Mrs. Gandhi that because Japan was a part of Asia, and in view of "troubles" it caused neighboring countries during the Second World War, as well as the fact that it had only recently emerged from a developing to a developed country, Japan was doubly determined to use its economic strengths on behalf of the developing nations.

Both sides were candid from the outset about the fact that there are areas of disagreement, for example with regard to the evaluation of the Soviet role in the global political situation. Referring to the Bandung principles of the Non-Aligned Movement with respect to sovereignty and peaceful co-existence, Nakasone reiterated that "we have no major differences over these." Differences arose, he explained, over how to implement these principles. On the subject of India's friendly relationship with the Soviet Union, Nakasone simply stated that "we have deeply understood the basic position of India and on the basis of this recognition we shall respect that and continue with our discussions."

The two nations' foreign ministers and their aides undertook what appeared to be a region-by-region review of the world, explaining and comparing analysis and policies in each case, and exploring the potential for cooperation. In particular, Indian Foreign Minister Rao briefed his Japanese counterpart Abe in detail on the historical background and current status of India's relations with China. The newly formed South Asia Regional Cooperation Group was also discussed, and the possibility of Japan's establishing a dialogue with this group analogous to its relationship with ASEAN was put on the table. While cooperation in the areas of nuclear disarmament and North-South relations was pledged, no specific joint measures were discussed.

# India-Japan economic ties: a fresh start

by Susan Maitra

Economic cooperation between India and Japan has grown painfully slowly over the last three decades. While the magnitude of cooperation is still quite small, both in absolute and relative terms, the potential is great.

In spite of a three-fold rise in the trade volume over the last decade—from \$914 million in 1973 to \$2.75 billion today—India's share in Japan's global trade is still less than 1%. On the investment front, the case is similar. Out of global Japanese investments amounting to \$58 billion, over \$10 billion are presently in the ASEAN countries while India receives only \$58 million, or 0.1%. Although India's GNP is equivalent to that of the entire ASEAN community, India enjoys only 0.5% of the Japanese investment in ASEAN. Japan's aid to India, at \$160 million annually, is also much less than that to many small nations in Asia (the Philippines, Thailand, and Indonesia each receive about \$340 million annually).

## Past obstacles

There are many reasons why Indo-Japanese trade has faltered for so many years, reasons that are usually dumped in a barrel marked "communication gap." One is the difference in outlook between Indian and Japanese businessmen in earlier days. At the time of India's independence in 1947, when Japan, already technologically far advanced, was emerging from the devastation of World War II, India had very few businessmen with a commitment to high-technology-based manufacturing. Indian businessmen were basically traders in the tradition of their British rulers, and as a result of the colonial relationship were also oriented toward Europe rather than the East. Besides giving Indian businessmen a lesson in how to build a bureaucratic monster, the British had also deliberately misled them about Japan's "militaristic intentions."

The other factor that retarded Indo-Japanese economic relations is purely political. When Japan concluded its security agreement with the United States in the mid-1950s, the dominant socialist faction in India labeled Japan "a mere appendage of the United States." At the same time, mistrust of India began to develop in Japan. India's efforts to promote Mao's China as the most important nation in Asia ended in catastrophe with the outbreak of the Sino-Indian war in 1962.

On geopolitical issues, India displayed growing favor to the Soviet Union and the East European countries; soon these nations became India's more important trading partners. Japan developed the technology, manpower, and management to challenge the developed world's economy.

In subsequent years, too, India developed itself enough to absorb advanced technology. It has indigenously developed nuclear power for commercial use and space research for communications, and is now looking for the latest know-how in the field of electronics, automobiles, and heavy carriers, machine tools and precision instruments, oil exploration, and chemicals. A new breed of entrepreneurs has emerged who are committed to increasing production using advanced technology.

## The potential for rapid expansion

By all indicators, a new era in Indo-Japanese economic cooperation has already begun. The numbers of Indo-Japanese joint ventures has jumped from 12 in 1979 to 51 in 1982 and 58 last year. Although Indian firms are still signing more collaboration agreements with the United Kingdom, the United States, and West Germany, the percentage of growth is the highest with Japan.

At the moment, the Japanese move into India is concentrated in the automobile and associated industries. Japanese auto manufacturers are now collaborating with all three Indian car makers. Big names such as Mitsubishi, Toyota, Masda, and Nissan are now in joint ventures with top Indian manufacturers to produce commercial vehicles of all types. This has prompted link-ups down the line as the auto ancillaries compete to supply top-quality parts.

In the field of basic engineering, Japanese firms are also showing interest. Hitachi tied up with the Tata Engineering and Locomotive Company (Telco) for the manufacture of excavators; Unitika has signed with Modpon for manufacturing of nylon industrial yarn; and the Mitsubishi mining and cement company has negotiated a technical collaboration with the Cement Corporation of India for the design and engineering of million-ton cement plants.

While the thrust of the Japanese ventures is now associated with advanced technology manufacturing, the Japanese are conscious of India's weak infrastructure, and have argued that the yen assistance should increasingly be devoted to infrastructural projects where the gestation period is high and the profitability low. Schemes financed through yen assistance over the years include the Durgatur alloy and special-steel plant, numerous fertilizer plants and projects, the Coch-in shipyard, the Nagarjunsagar hydroelectric project, the Assam petrochemical project, and the Calcutta Metro Railway.

In contrast, Indian manufacturers are finding it increasingly difficult to penetrate the Japanese market. While 75% of Japan's exports to India consist of metals, machinery, and equipment, 75% of India's exports to Japan consist of food products and raw materials.

## 'Ties will promote peace and prosperity'

*The following are excerpts from Prime Minister Nakasone's address to the Indian Parliament on May 4.*

I have come to India to build a new cooperative relationship, befitting the coming centuries, between the two most powerful democracies in Asia, Japan and India. I have come to forge closer Japan-India relations that will promote the development of our two countries, and will contribute to the peace and prosperity of Asia and the world. . . .

Allow me to reminisce on a personal note for a moment. I met with Prime Minister Gandhi's father, the late Prime Minister Nehru, when I visited India for the first time 27 years ago, in 1957. I was in my late 30s at the time, and Prime Minister Nehru told me that when he was young, he was much encouraged by Japan's victory over Czarist Russia in the Sea of Japan. It showed him, he said, that even a developing Asian country could defeat a great European power in the cause of preserving its independence and culture. I was deeply struck with Prime Minister Nehru's warm compassion on that occasion as he sought to comfort us Japanese who were still spirited and miserable from the devastation and defeat of the Second World War. . . .

Drawing on the creativity and vitality of the Indian people, India achieved through a single "Green Revolution" near self-sufficiency in foodstuffs, a goal once thought impossible. India has also tackled the task of upgrading her industries and has now become a nation of major industrial capacities, producing domestically all her consumer goods. India has also made many noteworthy achievements in such advanced high-technology fields as space development and Antarctic exploration. . . .

If I may, I should like to take a few minutes here to explain my thoughts and Japan's policies on the issues of peace and security, of problems on international relations—issues which figured prominently in my talks with Prime Minister Gandhi. Central to my beliefs is my deep conviction that mankind must never, and for all time, allow a third world war to occur. . . .

The situation has totally changed from what it was after World War II. First, a large number of nations that were once colonies became independent states. Independence gave birth to economic and political activism in all corners of the world.

Awakened peoples have come to criticize sharply those elements of the postwar global structure that are not necessarily in accordance with justice and equity, giving rise to what we call the North-South problem. . . .

Reflecting deeply on the excesses of World War II, Japan has made utmost efforts to devise a strategy for attaining a lasting world peace and prosperity. . . .

Therefore, we are seeking to build international cooperation as well as to provide for our country a modest and minimum necessary self-defense capability. We have security arrangements with the United States, and are pursuing a policy of comprehensive security for the nation. . . .

Next, we know that our economic survival demands that we make free-market principles the core of our domestic and external policies. Needless to say, dependent as we are on overseas resources and overseas markets, we well appreciate that the maintenance of world peace and free trade is the very foundation of our national survival.

Japan has been especially anxious to strengthen its friendly relations with the Third World and non-aligned countries, and to improve and enhance our economic cooperation with developing countries. . . .

The area most demanding and deserving our cooperation, needless to say, is that of preventing nuclear war. If we can abolish nuclear weapons, achieve disarmament, and devote the surplus thus generated to the development of the developing countries, we can hold out the promise of a better world for generations to come. . . .

At last year's Williamsburg summit . . . I stressed that North and South are two wheels of the same vehicle and that the world economy is not going to get very far unless both are vitalized. I intend to maintain this position at the London summit next month.

We in Japan have long felt that it is one of our responsibilities to cooperate with the developing countries in their nation-building effort. We have made special efforts despite our own severe financial constraints to promote official development assistance and other cooperative efforts on behalf of these countries' economic development and human livelihood. This is another area in which I feel we need a strengthened dialogue with India.

Third, I would like to speak about promoting bilateral economic and industrial cooperation. As India has consolidated the basis for its economic development with its steadily increasing petroleum production, there has been increasing industrial collaboration in automobiles and other fields between Japanese and Indian companies—investment, technical collaboration, and other forms of private-sector industrial cooperation based on each company's independent and rational assessment of economic conditions. In this sense, the economic liberalization currently being undertaken by the government of India have been welcomed by the Japanese government and industry alike. We hope that you will continue to move in this direction.

### Another nuclear power milestone

*Test-burning of U-233 fuel, made indigenously from India's large thorium deposits, will begin soon.*

India's nuclear scientists have announced a new milestone in the country's nuclear power program. At a press conference held here on May 7, Dr. P. K. Iyengar, director of the Bhabha Atomic Research Center (BARC), revealed that the nuclear scientists have built a tiny experimental reactor, Kamini, which will use man-made fuel processed from the thorium-rich sands of the Kerala Coast.

Dr. Iyengar said that the reactor, which will use 500 grams of U-233, will be commissioned in the next three months at the Kalpakkam Research Center near Madras. Kamini is the precursor of future Indian power reactors which will use the thorium-based U-233 as fuel instead of U-235 (natural or enriched uranium) or plutonium. The fuel will come from research reactors in Trombay, where U-233 has been produced by irradiating thorium over the last several years.

There is no commercial reactor in the world based on U-233 at this time, but since India has the largest deposits of thorium in the world, its nuclear power program for the next century has been designed to rely almost entirely on U-233 and thorium.

The press conference was also called by the Department of Atomic Energy (DAE) to announce the formation of the Nuclear Power Board. Addressing the conference, Dr. Raja Ramanna, chairman of the Atomic Energy Commission, said that the board has been established to supervise all nuclear projects, to increase nuclear power capacity to 10 GW by the end of the century.

Before the press conference, one leading news daily had serialized a five-part "investigative report" attacking the Atomic Energy Commission for its "failure to manufacture heavy water successfully."

The articles were deliberately slanted to portray the AEC as an incompetent body investing huge amounts in projects doomed to fail. A year ago, the same author had accused the AEC of "inept" operation of the Tarapur Atomic Power Station and exposing the workers to a "dangerous level of radiation." This accusation was firmly refuted by the then-AEC chairman, Dr. Homi Sethna.

Answering newsmen's questions, Dr. Ramanna pointed out that difficulties in the area of heavy-water manufacture could be traced to a lack of power, uncertain supply of synthetic gas from the coal-based fertilizer plants with which the heavy-water plants are coupled, the plant's own engineering problems, and in one case, even the disappearance of distillation towers from the high seas while en route from the West.

Nonetheless, Dr. Ramanna insisted, "our confidence in the technology has been vindicated and we are in a position to adopt it totally for future plants."

The Indian nuclear program depends on efficient heavy-water production, since the nuclear reactors India uses require heavy water for neutron moderation. India is now in the process of mastering this technology.

The first heavy-water plant with an annual capacity of 14.11 tons was

commissioned in 1962 at Nangal. The plant, whose technology is based on distillation of hydrogen obtained from the electrolysis of water, is now under full production. Since then, four more heavy-water plants have been installed, based on several different production processes.

The plant at Kota, with a capacity of 100 tons per year, is based on a hydrogen-sulfide/water exchange process. By contrast the heavy water plant at Talcher is based on a hydrogen-ammonia bi-thermal exchange process. The two plants at Tuticorin and Baroda are both based on an ammonia-hydrogen mono-thermal exchange process.

Dr. N. Srinivasan, director of the DAE's Heavy Water Division, said that the Tuticorin heavy water plant is a success story, now running at a high 80% of capacity. In fact, the technology at the Tuticorin facility has been determined to be the best, and future heavy-water plants will be designed using the Tuticorin facility as the model, he said.

Dr. M. R. Srinivasan, DAE Director of Power Projects, pointed out that in order to install 10 GW of nuclear power by the year 2000, India will build first 12 units of the 235 MWe size and then another 10 units of 500 MWe each.

The units will be built in clusters of four, or added to existing nuclear power sites so that the time and cost to build the infrastructure associated with the power plants can be reduced.

BARC director Dr. P. K. Iyengar also reported that deep shafts of the Kolar Gold Fields in Karnataka are now being explored as a possible site for permanent disposal of radioactive wastes produced by the nuclear facilities. He said a technology had been developed to store the wastes, but only for 25 years.

### IMF to blame de la Madrid?

*The same population-control fanatics that forced the 85% peso devaluation in 1982 are now forcing a drastic new one.*

In early 1982, the International Monetary Fund, Bank for International Settlements, Probe International, Wharton School, and then-World Bank president Robert McNamara launched the operation to "Iranize Mexico," forcing the López Portillo government to drop its plans to industrialize Mexico and devalue the peso. They then orchestrated an international campaign blaming the administration for the catastrophe.

Today, the same voices repeat the same litany: Crush Mexico.

During the first ten days of May, on the eve of Mexican President de la Madrid's trip to the United States to meet with Ronald Reagan, total economic warfare broke out. Not only did the *Wall Street Journal* print a provocative article against the peso in early May, but in the same days the international creditors' cartel met secretly and decided to raise interest rates (See *Economics* lead article, page 4).

These actions have provoked a new round of capital flight in Mexico and are forcing the devaluation of the peso. It is already in progress in the north, along the U.S. border. According to the *Journal*, the Bank of America refused to sell dollars in Mexico City and got out of the market. This was interpreted immediately as "fear for the fate of the Mexican peso."

Internally, Mexico has responded in two ways. From the patriotic side, Ricardo Cavazos, the head of the Finance Committee of Congress, blamed the *Journal* for provoking capital flight. And on May 8, top labor leader

Fidel Velázquez charged that more than \$1 million illegally left the country in recent months. He urged the government to take tougher measures.

But the boosters of Mexican destabilization let no grass grow under their feet. On May 7, a big headline in the evening paper *Ultimas Noticias* blared that the Mexican peso was at 200 to the dollar at the border (the official rate is 175). That night, the TV news on the official Channel 13 carried denials of a new devaluation.

Fanning the panic, Chamber of Commerce vice president Fernando Canales Clariond said May 8 that "the dollar fluctuations at the northern border are the result of the uncertainty and distrust motivated by the disturbance during the May Day parade" (when grenades were thrown at the President's reviewing stand). He admitted that there may have "even been some capital flight over the border."

The Mexico City financial press is churning out articles on the peso devaluation in the northern states and the frantic activity in Texas and California money exchange houses.

The anti-Semitic columnist of the daily *Excelsior*, José Pérez Stuart, called for opening the border to imports and speeding up devaluation. The right-wing business paper *El Heraldo* wrote that "history is repeating itself. . . . The phenomenon is presented now with the same character as under the last government, an insufficient devaluation and a drastic increase in the money supply. . . . But as yesterday, the authorities are never

going to tell us that the peso is at its limit until the day they take the decision to fix it at its real parity. This has happened in the past, and now there are similar things going on."

In a March 1982 special report on "Mexico After the Devaluation," *EIR* published several interviews documenting the real motives of the conspiracy—the determination in Anglo-Saxon "Establishment" circles to decimate Mexico's population.

Robert McNamara revealed in one of those interviews that he was eager to sabotage U.S. export industries in order to drive Mexico into backwardness: "When Mexico overvalues the peso, then it can afford to import too much high-technology capital intensive goods from the U.S. They also pay wages that are much too high in the oil sector, which seeps into other industries and causes inflation. The devaluation will encourage instead less imports and more self-reliance on more labor-intensive jobs."

George Ball, senior partner at Lehman Brothers Kuhn Loeb investment house of Wall Street, said that high interest rates for Mexico mean "a slowing of their rate of growth of consumption. Many of these countries are using protectionism to maintain artificially high levels of import consumption and growth. This means a need to slow the unbridled growth of industry in the Third World, which is more than many of these countries can handle. It creates political instability. . . . Overpopulation in the Third World is the single most important strategic issue facing the U.S. today."

History is indeed repeating itself—a political decision has been made to assault the Mexican economy. The only question is whether de la Madrid will accept, as López Portillo did, the consequences of fighting against the financial warfare in time.

### A dialogue with 'inconvenient' regimes

*Will Genscher's support for terrorist dictatorships lead to the development of an "Iranian bomb"?*

**F**oreign Minister Hans-Dietrich Genscher's diplomatic calendar is full these days. Apart from his upcoming trip to Moscow, preparations are underway for visits to Libya and Iran, the bastions of terrorism and Islamic fundamentalism.

Why does Genscher maintain friendly ties to the most brutal regimes in the world today? A spokesman for the foreign ministry explained to a worried journalist: "We think that a dialogue should also be maintained with inconvenient regimes."

But there is more to it than mere "dialogue." Genscher has built up extensive economic and political ties, as well as personal friendships, with these outlaw governments.

When Libyan zombies shot at demonstrators outside of the Libyan embassy in London and killed a female police officer, Genscher was making plans to visit dictator Qaddafi in Tripoli. This trip was called off upon special British request, but spokesmen from Genscher's ministry said that "the trip has been postponed, not canceled. It will take place at a more convenient time."

The Libyan foreign minister, Jalloud, following a meeting with Genscher in Bonn May 10, announced at a press conference that he regretted the postponement of Genscher's visit, and hoped it would occur soon. In case there is any reluctance on the part of the West German government to go ahead with the trip, the foreign minister added the not-so-veiled threat that there are German citizens living in Libya whose lives are in danger.

Meanwhile, Genscher is preparing to visit the Khomeini regime in Iran, which has erected concentration camps that use the Nazi-manufactured Zyklon-B poison gas, and which is slaughtering children in kamikaze missions against Iraq.

Genscher has good friends in high circles in Teheran, like Ruhollah Khomeini's son-in-law, Sadegh Tabatabai. In 1981, Genscher personally intervened to stop German court investigations into a Swiss-Iranian weapons deal involving Tabatabai. He claimed that Tabatabai was to be kept out of the case because he had a "special diplomatic status."

In February 1983, Genscher intervened in another German court case involving Tabatabai, who had been caught red-handed trying to smuggle 1.5 kilograms of raw opium through customs in his "diplomatic luggage." When all efforts failed to convince the court that Tabatabai deserved diplomatic immunity, Genscher decided to smuggle the Iranian into Switzerland on a German Lufthansa airliner.

But now the court has decided to re-open the case, and again Genscher got on the phone with Tabatabai in Teheran. His spokesmen in the Bonn foreign ministry put out the word that "investigating Tabatabai would interfere with his chances to win the election for prime minister of Iran—and he is a moderate, compared to others."

Why is Genscher so interested in Iran? For one thing, trade is booming. Iran and the East bloc are now the key customers of West Germany, which in 1983 regained the pre-1978 level of

trade with Iran (valued at about \$2.4 billion). A team of German nuclear power experts is currently in Iran to examine the prospects of resuming construction on the uncompleted nuclear power project at Buser. The project, run by the German company Siemens, is said to have won Khomeini's interest because he hopes it will enable him to build a nuclear bomb.

This is staunchly denied in Bonn, but Genscher's aides remain silent on the fact that Iran is already being supplied with conventional weapons from Germany. Iranian crude oil is being shipped to the Soviets, they sell it to the West Germans (5 million tons in 1983), use the earnings to buy German weapons through Switzerland, which are then delivered to Iran.

Asked about the evidence of Iranian crimes against humanity, and especially the use of children for kamikaze missions, Genscher's aides shrug their shoulders: "One should protest, but on what basis? There is no article in international law that explicitly outlaws the use of children in armed conflicts."

What a fraud! Article 77 in the International Convention on War (the 1946 Code of The Hague) outlaws the misuse of children as soldiers. It was passed because of the Nazis' mass slaughter of German children in the Hitler Youth at the end of World War II. The article has not been signed by Iran, however, nor by the Warsaw Pact countries, nor by the West German government.

Genscher's support for Libya and Iran is no surprise to anyone who knows his stand on Kampuchean mass murderer Pol Pot. As the news of Pol Pot's crimes against humanity began to leak out, Genscher—like the U.S. State Department—opted for the "pragmatic approach," and voted to give the dictator's representative a seat at the United Nations.



### Who's behind the steel shutdown?

*The "technetronic" fanatics from the Club of Rome have recruited Mitterrand.*

At the beginning of April, after returning from the United States, President François Mitterrand decided to impose a drastic austerity policy.

The first step was the Steel Plan adopted by the government, which means 35,000 jobs lost in French steel industries by 1987 and the death of the Lorraine region, with 25,000 jobs lost in the steel plants alone, not to mention the fact that three other jobs are eliminated for each steel job that disappears. Mitterrand called these shutdowns a necessary evil, a preparatory "restructuring" for the age of computers and technetronics.

The background: in the United States, a "pedagogical" visit was organized for Mitterrand to California's Silicon Valley, Stanford University, and the University of California at Berkeley, and also to Pennsylvania—notably the Carnegie-Mellon University in Pittsburgh, which has so much experience in the "reconversion" of the Pittsburgh steel industry to the post-industrial society.

This tour was arranged by some of Mitterrand's close friends, "technetronic" fanatics very close to the Club of Rome: special presidential adviser Jacques Attali; Jean-Jacques Servan-Schreiber, the former chief of the weekly *L'Express*, and now head of the Paris Centre Mondial de l'Informatique; and international lawyer Samuel Pissar.

The Carnegie-Mellon Institute works with the Centre Mondial de l'Informatique in Paris on plans for

social control of the dismantling of the Lorraine industrial region. Indeed, the Centre's scientific director is Raj Reddy, the chairman of Carnegie-Mellon University. The Centre was created in November 1981 by Jean-Jacques Servan-Schreiber with the support of Mitterrand and Attali; in 1982, it received 35 million francs from the state. The Centre trains a little group of students and unemployed workers in the use of technetronic technology and studies the "social impact" of such technology.

Last summer, the mayor of Marseille, Gaston Defferre, attended a seminar at the Carnegie-Mellon Institute with a delegation of "urban experts." The veteran Socialist mobster Defferre's reaction is not known, but the group came back with a project of technetronic conversion for the Marseille region, a project in which the Centre has its fingers.

All these plans enjoy the patronage of the powerful chief executive of Schlumberger Ltd., Jean Riboud. Riboud had been a stockholder in Servan-Schreiber's weekly *L'Express*, which has played an important role in promoting the Club of Rome's post-industrial society for more than 20 years. It was he and his friend Lazard Frères banker Felix Rohatyn who presented Jacques Attali to François Mitterrand in the 1970s. Riboud himself has dinner with the President once or twice a month and advises him on economics.

And the counsel of Riboud and Rohatyn—the latter has been appoint-

ed a "consultant" to the Elysée Palace—has more and more weight because the two are in charge of negotiating international loans to the French government, and thus will determine whether the Socialists are bailed out or not.

Jean Riboud's financial connections go further than the New York banks. As a *comi fidei* of the Swiss Schlumberger family, he is an intermediary for the Swiss financial market. France, with an officially reckoned \$50 billion in foreign debt, needs to raise loans to pay the debt service (according to *Fortune* magazine, the real foreign debt may be more than double that).

Riboud's condition for raising new loans is harsh austerity, incurring unemployment in the range of 2.75 million by the end of the year. To make this acceptable to the population, the New Left, otherwise named the Christian Left, will deploy with all the social control schemes it has received through Jesuit and Club of Rome channels, from the "quality of life" to the "right to more leisure time."

The man the government has placed in charge of transforming the Lorraine steel center into a technetronic wasteland is Jacques Chereque, the second in command at the left-Christian CFDT union federation. Finance Minister Jacques Delors, the International Monetary Fund's man in the cabinet, was trained for years in the CFDT. The industry-wrecking effort is also mobilizing the Socialist faction of New York Council on Foreign Relations pet Michel Rocard, and the circles around the fascist-founded Futuribles group, whose treasurer was previously Jean Riboud. Then there is the Fondation Saint-Simon, where one finds Riboud's brother Antoine, as well as the people who prepared actor Yves Montand's recent show touting the advantage of the economic depression.

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# International Intelligence

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## *Iran throwing Afghan refugees at Iraq*

The upcoming Iranian offensive against Iraq will be based on the sacrifice of several hundred thousand Afghan refugees, according to Afghan and Iranian sources. Already 10-15,000 of these have been massacred in past Iranian offensives. Teheran has given the 600,000 Afghan refugees in Iran the choice: Either join Iran's army or be sent back to Soviet-controlled Afghanistan.

Tens of thousands have already reportedly been enrolled by force, given summary military training, and then sent to the front. The genocidal mullahs have made no secret that they intend to use the Afghan refugees as cannon fodder: The Iranian population has been increasingly enraged at the use of Iran's children for "human wave" military assaults. Reportedly, local mullahs have been opening the doors of the jails where Iraqi prisoners who refuse to convert to Shi'ism are being held, and inciting the population to avenge their children.

Other reports, now circulating in Israel, charge that the Khomeini regime has been using poison-gas chambers for the mass extermination of its opponents—including, but not limited to, Jews.

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## *Ustinov: United States 'hatching new wars'*

"We want to live in peace and do not seek military superiority over anyone," said the Soviet defense minister May 9, "but we shall not allow anyone to upset the achieved military-strategic balance." Marshal Dmitri Ustinov's words came in a message marking the 39th anniversary of the Soviet Union's victory over Nazi Germany.

Ustinov, responsible for the armed forces of the most militarized economy on earth (see *EIR*, April 10), accused the United States of "hatching plans to unleash new wars" and seeking to eliminate socialism. "With this aim in mind, Washington is out to upset the existing military strategic parity, come what

may, to attain military superiority over the U.S.S.R. and the socialist countries," he said. Ustinov did not specify what he meant by the existing strategic balance.

In a separate message to soldiers, Ustinov said that the United States' deployment of nuclear missiles in Europe had led to "the further aggravating of the international situation."

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## *Qaddafi survives commando attack*

Muammar Qaddafi has announced that he will launch an international wave of retaliations against those who helped stage the May 8 assassination attempt against him. Qaddafi made the threat in an interview published in the French daily *Le Monde*. It seems that the notorious Eric Rouleau (real name Eli Ruléf) happened to run into Qaddafi at the racetrack a few hours after the attack on the dictator's Al Aziziya fortress outside of Tripoli.

*Le Monde's* Rouleau is a former Egyptian communist well known as a controller of Islamic fundamentalist groups, who is connected to intelligence services East and West, starting with the terrorist Henri Curiel networks.

In the interview, the Libyan accuses the United States, Sudan, and Egypt of providing military training to opponents of his regime, and threatens that "these people, as well as all the other Arab countries which are protecting terrorism, will pay dearly."

*EIR* has indications that the attempt failed because Libyan intelligence officials had been forewarned. Libyan exile sources believe that certain intelligence services wanted to both warn Qaddafi, and to egg him on to further Libyan-sponsored terrorist actions.

According to Tunisian government reports, a commando of the Libyan armed forces entered Tunisian territory and kidnapped three border guards patrolling the area May 9, after Qaddafi denounced Tunisia for having allowed his exiled opponents to use its territory.

Meanwhile Qaddafi's brush with revo-

lution drew sympathetic telegrams from the Iranians, followed by similar gestures from Hafez al Assad of Syria, Ethiopia's Mengistu, and Upper Volta's new military strong man Captain Sankara. Less expected were the telegrams from Lebanon's President Gemayel and Saudi Arabia's King Fahd.

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## *East and West Germans make ideological whoopee*

Discussions at a recent meeting in Schleswig-Holstein between the West German Social Democratic (SPD) and East German Communist (SED) parties "proceeded well, in spite of remaining ideological differences," said an SPD leader on the scene.

The gathering, the first such between West and East on a party level, was coordinated with the national SPD executive—especially through chief "decoupler" Egon Bahr, a collaborator of Henry Kissinger's since the late 1950s.

The SPD and SED resolved that "all U.S. nuclear missiles must be withdrawn to create the preconditions for a Soviet return to the negotiating tables," and that "a nuclear-free zone shall be established in Middle Europe." The latter proposal is supported by the Soviets, and said to be under intense discussion in East Germany. It was originated in the West by a Norwegian foreign ministry official, Arne Treholt, who was jailed earlier this year when it was discovered he was a colonel in the Russian KGB.

Further "dialogue," including cultural exchange, is expected.

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## *Who needs all these U.S. troops?: Schmidt*

Former German Chancellor Helmut Schmidt, in a panel organized by the liberal weekly *Die Zeit* in Hamburg, has repeated his idea (borrowed from Henry Kissinger) that "the French President should state that he will extend the French nuclear umbrella over Germany" to permit the continent's de-

## Briefly

coupling from the U.S.A. The conference was attended by Deutsche Bank head F. W. Christians, European Commission chairman Gaston Thorn, and the director of the London School of Economics, Ralf Dahrendorf.

Schmidt said he was sure France could be won to his scheme, "because of the decisive temptation of playing a world-power role—however, one to be shared with the Germans," and added that "once the French and Germans make up their minds to go in that direction, we don't have to care about U.S. protests. . . ." France should build seven to eight additional conventional army divisions, according to Schmidt, which together with an improved West German army, "would suffice to deter the Soviets from attack." This, plus retaining "some Pershing II missiles here, some U.S. surveillance satellites and some U.S. combat units," Schmidt said, would allow a reduction of U.S. troops stationed in Europe down to "120,000 or even 85,000."

Schmidt also wants France to cut down its nuclear strike force to allow a sufficient number of conventional troops for "deployments in areas out of Europe." Listing hot spots such as Lebanon, Angola, and Nicaragua as symptomatic of the potential for future wars, Schmidt added that "you can't intervene with 1,000 French nuclear warheads in Lebanon or in Chad."

### *Cologne court forbids slander of LaRouche*

West Germany's European Labor Party (EAP) won a court victory May 3 in Cologne over a federal official charged with slandering the political party by calling it a "dangerous cult." The Cologne court of appeals ruled that Irmgard Karwatzki, undersecretary in the Federal Ministry for Family, Youth and Health Affairs, is not allowed to repeat a series of slanders made in a statement to the Christian Democratic Union (CDU) press agency in December 1981, calling the EAP a dangerous cult.

After a two-year trial, the court decided

that if Karwatzki repeats her slanders, she faces a fine of several thousand deutsche marks or a jail sentence. The judgment is irreversible.

The EAP is headed by Helga Zepp-LaRouche, wife of *EIR* founder Lyndon LaRouche. Similar slanders of Lyndon LaRouche in the United States, mostly originating with the Anti-Defamation League and drug-lobby stringer Dennis King, were the basis of Karwatzki's defense, along with an April *Der Spiegel* slander also based on the ADL's defamation of the LaRouches.

### *Sharon still a threat in Israel*

Israel's Herut Party placed former Defense Minister Ariel Sharon in the fourth spot on the party's electoral list on May 10, higher than the ninth spot Sharon should have received based on his poor showing in delegate voting by party officials a week earlier.

While this puts Sharon in a weak position to demand the defense minister's post in a new Herut government, the decision is still a dangerous compromise with the unstable terrorist supporter. Herut-connected sources in the United States say that Israeli Prime Minister Yitzhak Shamir is reluctant to crack down completely on Sharon, because Shamir maintains a strong ideological sympathy with the Sharon-backed Gush Emunim crazies' desire to create new settlements on the West Bank.

Israeli Minister of Science and Technology Yuval Ne'eman, a top Gush Emunim protector and head of the fanatic Tehiya Party, put out a statement May 10 praising Jewish extremist terrorists for having blown up the car of two Palestinian Arab mayors in May 1980. Ne'eman claimed that action "had its positive implications."

One Israeli parliamentarian, Mordechai Virshubski, has demanded that Neeman be immediately removed from the government: "If the government's vow to combat terrorism means anything, it cannot keep within its ranks a member who preaches terror," he declared.

● **MAXIMILIANO LONDOÑO**, secretary-general of the Andean Labor Party (PLAN) and vice-president of the Colombian Anti-Drug Coalition, received a death threat the evening of May 6. Londoño and his associates have been subjected to intense threats and harassment in recent months, particularly since the Colombian justice ministry escalated its war against the drug mafia.

● **MANHATTAN** District Attorney Robert Morgenthau has reportedly agreed to head a legal defense fund apparatus in New York for the Gush Emunim fanatics of Israel. Morgenthau recently attempted a discrediting of Israeli Defense Minister Moshe Arens, to clear a path for his friend Ariel Sharon's takeover of that post.

● **STATE PROSECUTOR** Antonio Albano in Rome requested indictments against four Turks and three Bulgarians May 9 in connection with 1981 attempted assassination of Pope John Paul II; he said it may take several months for Judge Ilario Martello to rule on request.

● **POLICE** and paramilitary forces in India's Punjab state laid siege to three Sikh shrines the second week of May. Communal strife sparked by the Nazi International-sponsored Sikh separatists claimed over 200 lives in the preceding nine-week period, including a leader of the state's Congress-I party. Sikh shrines have been refuges for the terrorists, but until recently the Indian government has held back on any attack on the shrines for fear of alienating the rest of the Sikh community. It has instead attempted to negotiate a settlement with the moderate Sikh party.

## LaRouche Democrats win 20-30% in primaries

by Don Baier and Kathleen Klenetsky

For more than four months, the U.S. presidential elections have been conducted as a dog-and-pony show in which the major candidates reported on by the media—Democrats Walter Mondale, Gary Hart, and Republican Ronald Reagan—have all been controlled by Henry Kissinger and associates. Only a Kissinger-approved candidate ready to submit to a Neville Chamberlain deal with the Soviet Union could win major office, the American Establishment has told the world.

That fix is coming apart. When the May 8 round of Democratic Party primaries was concluded, the citizen-candidates' movement led by the fourth major candidate, Lyndon LaRouche, had broken out to command 20-40% of the electorate in Democratic primary races, and forced its Eastern Establishment opponents to commit massive, obvious election fraud. A LaRouche Democrat, Don Scott, won a bitterly contested race for the party's nomination for Congress in Ohio's 7th district; two other LaRouche Democrats won uncontested congressional nominations, in Texas and Ohio; and dozens of others won party positions or piled up significant minority votes. Trying to forestall a situation in which hundreds of LaRouche Democrats take over the party apparatus, and LaRouche himself is swept to the presidential nomination, Kissinger's sponsors tipped their hand.

Spokesmen for the LaRouche campaign announced May 9 that the U.S. Department of Justice had been requested to immediately open a federal investigation of widespread vote fraud in the recent round of primary elections in the states of Maryland, Ohio, Pennsylvania, and Texas.

"On the basis of evidence in hand," said LaRouche campaign treasurer Edward Spannaus, "it is clear that the recent round of primaries was permeated with fraud and that the

official results are meaningless." Spannaus cited areas in Maryland, Ohio, and Pennsylvania where LaRouche campaign workers obtained dozens of affidavits from voters whose votes were not counted on election day.

"I have therefore sent a telegram to the Criminal Division of the Justice Department requesting the opening of an investigation of voting machine rigging in these states, to the end that these elections be thrown out and rerun under honest conditions," said Spannaus.

Less than 24 hours after the Spannaus statement was released, on May 10 Judge Martin Greenfeld of the Maryland State Court for the Circuit of Baltimore issued an order sequestering all voting machines and voting materials in five "trap" precincts in Baltimore City and Baltimore County, where affidavits of those who swore they had voted for LaRouche in some cases were twice the number of votes recorded for him on the machines. On May 11, the head of the Baltimore Board of Elections was discovered to have withheld certain of the designated voting materials in violation of the judge's order.

"Lyndon LaRouche received an announced vote in the Maryland primary of merely 2%, but we have the evidence that he actually received a vote of 15-25%," declared LaRouche supporter Warren Hamerman, chairman of the National Democratic Policy Committee. "We are prepared to eventually force a rerun of the entire Maryland Democratic primary as well as to seek criminal indictments against any individuals who were caught in the act of violating the law and committing one of the most heinous of all crimes—vote fraud."

LaRouche spokesmen say their candidate won 10-16%

of the vote in the April 10 Pennsylvania race, and approximately 15-25% in other state primaries in which he's run. But the Eastern Establishment families who control U.S. finance, the mass media, and Kissinger, have poured tens of millions of dollars into operations to contain LaRouche's political influence—media blackout, slanders, attempts at physical intimidation, and now, El Salvador-style election-fixing. Now, the whole story threatens to blow up into a “bigger than Watergate” national scandal.

### **The attempted political fix**

For most of 1983 and 1984, Henry Kissinger and his Trilateral Commission sponsors—the same crew which put Jimmy Carter in the White House through documented vote fraud back in 1976—have been doing their best to rig the Democratic nomination for Walter Mondale. But again and again, American voters have refused to cooperate. First, came Mondale's stunning defeat in New Hampshire and every other primary in the New England states during February and March, by the synthetic “new age” candidate Gary Hart. AFL-CIO president Lane Kirkland, the “muscle” behind the Mondale drive, managed to pull enough cash and bodies together to orchestrate the appearance of a Mondale “come-back” in Pennsylvania and New York in April.

Then, in early May, former party chief Robert Strauss and current Democratic National Committee chairman Chuck Manatt, both agents of the party's Averell Harriman wing, planned to wrap up the nomination for their hand-picked candidate through “unity discussions.” But Jesse Jackson and Gary Hart refused to cooperate. And on May 8, Mondale started losing again—going down to defeat in Indiana and Ohio, two Midwestern industrial states the political pundits had confidently predicted he would win because of his “strong labor support.”

LaRouche ran a high-profile campaign in Ohio that emphasized his support for the U.S. strikewave against austerity and unionbusting. But the Establishment media claimed victory for the rabid “post-industrial society” advocate Hart in this heavily unionized and industrialized state!

### **The true vote**

Trying to hide the LaRouche citizen-candidates' movement is now something like trying to cover up an elephant with a nightgown—it's just too much to conceal.

In Pennsylvania, the first primary where LaRouche's name appeared on the ballot, the 12 congressional candidates running as LaRouche Democrats averaged 25% of the vote and four scored over 30% in their districts. (LaRouche was credited with only 1% of the total vote.)

On May 5-May 8, in Texas, North Carolina, Ohio, Maryland, and Indiana, LaRouche Democrats scored 20-40% of the vote. Three LaRouche congressional candidates won their primary contests: Don Scott in Ohio's 7th Congressional District, William Sutton in Ohio's 4th C.D., and Bill Willi-

bey in Texas's 7th C.D. Willibey and Sutton ran unopposed. Other LaRouche candidates scored victories in races for state representative and in other local contests.

In all, according to official tallies, over 400,000 voters cast their ballots for LaRouche candidates in the latest round of primaries. But LaRouche himself was still being given under 2%. Some elephant!

### **LaRouche movement's strength**

The biggest problem which the LaRouche candidates' movement represents for the Eastern Establishment “families” is the *quality* of the people involved. Mobilized to run for office out of a sense of urgent moral responsibility to save the nation, they represent a level of political awareness of moral commitment not often seen in the United States—or any other country, for that matter. Witness Don Scott, the farmer who won the congressional primary race in Ohio's 7th C.D. At a press conference May 10 where he announced his acceptance of the Democratic Party nomination, Scott said his vote totals showed an “overwhelming victory against

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*Trying to hide the LaRouche citizen-candidates' movement is now something like trying to cover up an elephant with a nightgown—it's just too much to conceal.*

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Henry Kissinger,” and described his platform as being based on the Biblical command in Genesis to “be fruitful, multiply, and subdue the earth.”

Asked about his connection to LaRouche, Scott replied: “I support his policies. I support his policies for parity and debt relief for farmers. I support his economic program. Under the present agricultural policies, my farm will only last one year, so it's Congress or bust.”

When asked, “Does your connection with LaRouche help or hurt you?” he answered: “I think it helps, but help or hurt, I'm with him all the way.”

The citizen-candidates' movement was launched by Lyndon LaRouche to mobilize patriotic Americans to take personal responsibility for the survival of their country by running for political office. As LaRouche told a Baltimore campaign rally May 6, “We are now at the point . . . where the Soviet Union could win a thermonuclear war against the United States” or where the world economy could be brought to a shuddering halt by a blow-out of the international financial markets. . . .” Our job, he said, “is to mobilize 7 to 8 million voters as a bloc, whether these votes are counted or

not," to wield the political power to *force* the U.S. government to implement the only policies that can rescue the United States and the world.

At a May 10 press conference in Lincoln, Nebraska, to kick off the next round of LaRouche primary contests, the candidate added that "Our job in general is to reverse the 1968-72 period of the Democratic Party—the so-called McGovern revolution. . . . We've got to make the Democratic Party into what it used to be. . . . We need to return to the policies we pursued during World War I and II and immediately thereafter."

This message has fallen on very receptive ears. So far this year, over 2,500 individuals have signed on as LaRouche candidates and are now actively seeking elected positions on the local, state, and federal levels. They are advertising themselves as LaRouche candidates, using LaRouche campaign literature, and running on the LaRouche platform, whose main planks include: reviving the American System of economics to produce a global industrial boom; launching a national emergency defense mobilization centered on the rapid development and deployment of a beam-based defense against nuclear war; and ridding U.S. policymaking of Henry Kissinger and his crowd, once and for all.

The campaign has brought this platform to millions of American voters through a series of six half-hour nationally broadcast television addresses by LaRouche, numerous locally aired TV spots, thousands of radio ads, and millions of leaflets and other printed materials.

In spite of assassination threats and the denial of Secret Service protection to LaRouche by the Reagan administration, the candidate has conducted a series of campaign tours in Ohio, Pennsylvania, Maryland, Nebraska, Oregon, and Louisiana in the last month. The tours have had the double effect of electrifying the local citizen-candidates' campaigns and making voters aware that a viable alternative to the Mondale-Hart-Jackson crew does exist.

### **Breakdown of returns**

The impressive growth in the political strength of LaRouche candidates' movement is evidenced in the returns from the early-May round of primaries. A LaRouche slate of 340 candidates was up for election in the states of Ohio, North Carolina, Maryland, Texas, and Indiana, although LaRouche himself was only on the ballot in Maryland, Louisiana, and Ohio. The preliminary results appeared as follows:

**Ohio:** LaRouche Democrats *in toto* polled 124,232 votes, with 9 of the 14 LaRouche congressional candidates garnering between 10 and 47%. Two congressional candidates, Don Scott and William Sutton, won. As in Pennsylvania, LaRouche's own vote, estimated to be around 20-30%, was dumped through the rigging of voting machines.

The most significant victory was Scott's in the 7th Congressional District, a high-tech farm area described by *Newsweek* magazine as the typical American community. In

his first political campaign, Scott bested his opponent Dennis Gehan, after Ohio Democratic Party chief James Ruvolo, acting on behalf of Democratic National Committee chairman Chuck Manatt, had sent out a letter to party voters smearing Scott for his affiliation with LaRouche.

The district's Democrats showed what they thought of Ruvolo when they gave Scott, a farmer, 60.6% of the vote—in Ruvolo's home district. Scott spent only \$1,100 on his campaign.

LaRouche Democrat Peter Schuller of Hamilton County, Ohio won 47.2% officially and is contesting the election. Hamilton includes the northern suburbs of Cincinnati, where Schuller is a philosophy professor at the University of Miami. His opponent, John Francis, ran scared throughout the primary, concentrating on a vicious slander campaign against Schuller for his association with LaRouche.

Another highlight of the Ohio campaign was the race of Toledo congressional candidate Carol Winters, who led LaRouche's campaign of support for a strike against the Sun Oil company's union-busting drive. Winters' official 7.7% of the vote does not reflect the depth of her support. She

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*LaRouche is telling a very receptive America that it doesn't have to tolerate the wholesale destruction of the country's defenses which Henry Kissinger and his accomplices have been carrying out.*

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received massive publicity in the old union town for championing the cause of unionists fighting for their very existence.

**Maryland:** LaRouche's five congressional candidates in Maryland were credited with a range of 4.7 to 8.6% of the vote, although slate leader Debra Freeman had polled 20% in her 1980 campaign against Rep. Barbara Mikulski, a loud-mouthed member of the KGB appeasement faction on Capitol Hill, in a race marked by massive irregularities. This time around, Freeman and other LaRouche candidates "laid a few traps," as National Democratic Policy Commission chairman Hamerman put it; and when Freeman was given under 10%, and LaRouche under 2%, the traps were sprung.

The campaign filed suit in Maryland State Court on May 9, and the next day, Judge Martin Greenfeld of the Maryland State Court for the Circuit of Baltimore issued an order sequestering all voting machines and voting materials in five precincts in Baltimore City and Baltimore County.

At a press conference outside the Maryland state courthouse in Baltimore, Hamerman told reporters, "In each of the five precincts where the judge sequestered the evidence,

we have many more affidavits from citizens who swear they voted for LaRouche in those precincts than the totals that were printed off the machines and announced by the election judges. The judge's order will prevent or at least help to render more difficult any attempts by the criminals who committed vote fraud to try and cover up their foul misdeeds."

LaRouche campaign spokesman emphasize this is the first step in an effort to rerun not only the Maryland primary, but every primary since Pennsylvania where LaRouche and/or his candidates have had their vote stolen.

**Texas:** The LaRouche slate consisted of 190 candidates running for offices from U.S. senator to precinct chairman and averaging 30% of the vote. Of the 25 vying for Democratic Party county chair, five won over 40% of the vote, another five won over 30%, and four garnered over 20%. LaRouche candidates won 42% in the home county of Texas State Chairman and LaRouche foe Bob Slagle, sending a clear signal to the ultraliberal faction of the state party that their days are numbered.

In Harris County, where Houston is located, county chair candidate Susan Director placed second in a three-way race, outpolling the reputedly popular machine Democratic leader Tony Dupont. Director's vote was particularly significant because she was widely identified with LaRouche as a result of her city council campaign last fall. In this race, she won 19%, or 16,068 votes.

The same high degree of recognition for LaRouche was apparent in Nick Benton's congressional campaign. Benton received an official 24% of the vote; he has demanded a recount because of massive election-day irregularities.

Humbert Naranjo, the LaRouche candidate for country chairman in Bexar County (San Antonio), campaigned in a unique way by simply distributing "LaRouche for President" literature on which he stamped his own name and the position he was seeking. He scored 40%—24,874 votes.

Forty-five of the 70 LaRouche Democrats who ran for county executive committee in Harris County were declared the winners by the county clerk's office. But the Harriman-Manatt forces in Texas were so appalled by the LaRouche victories that they moved to invalidate them by claiming they resulted from spelling errors!

In response, LaRouche Democrat Claude Jones, who was elected to the executive committee of the Harris County Democratic Party, introduced a "Resolution Against Corrupt Practices" to the executive committee at its May 8 meeting. In an embarrassing self-exposure, the executive committee voted to table the resolution.

**North Carolina:** LaRouche Democrat Tom Allred, running for Senate against Gov. Jim Hunt and a third contender, polled 123,000 votes, coming in at 15%. This puts Allred in a strong position to influence the outcome of the upcoming race between Hunt and nationally known Kissinger-hating Republican Jesse Helms.

**Indiana:** With a full slate of congressional candidates,

but without LaRouche on the ballot, LaRouche Democrats won up to 12% in some instances, with the average in the 4-7% range. Results from the state legislature races being waged by LaRouche Democrats are not yet known except in District 15 and District 16, where LaRouche candidates Mark Parker and John Smith, respectively, were running unopposed.

## Breakout problems

As more and more LaRouche Democrats rack up double-digit percentages of vote totals, it is going to become increasingly apparent to the American electorate that they are being disenfranchised. That is a "wild card" whose effects the Eastern Establishment can't discount. Through the candidates' movement and his own presidential campaign, LaRouche is telling a very receptive America that it doesn't have to tolerate the wholesale destruction of the country's defenses which Henry Kissinger and his accomplices have been carrying out; nor does it have to accept the deep decline in its living standard that is now occurring.

Instead, LaRouche is laying out a series of alternatives that hold out the promise of restoring America's economic vitality and military security. At his Lincoln, Nebraska, press conference LaRouche pointed out that, "The issue in this campaign is who knows how to get us out of this strategic and economic collapse. Nobody else has even addressed the real issue. The real issue is Henry Kissinger, his influence and his policies. . . . Voters in Nebraska who are looking at our nation's crisis and care about the path our country takes will vote for me. They'll look at Mondale and Hart and know this bunch is no good. Jesse Jackson is another matter; he's not a serious candidate. He's just running for a bargaining position. . . ."

"I'm the only candidate who's addressing reality and people have to vote on the basis of what's going on out there in the real world. Most of these other candidates go from the beginning of a campaign to the end of it and never once seriously discuss a single issue. And most Americans sense that on one level or another."

This contrasts dramatically with what the other presidential candidates are telling the voters. As LaRouche has repeatedly pointed out, Reagan, Hart, and Mondale are all controlled by the Kissinger crowd, and are pushing basically the same policies of unilateral disarmament and "post-industrial" depression.

This is due in part to something LaRouche described in his Lincoln press conference, where he noted that as a result of the so-called "McGovern reforms" which handed the Democratic Party over to the gays, lesbians, bombthrowers, and weirdos during the 1970s, "The Democratic Party leadership today appears to most people as something from outer space. . . if you look at them, they look like something that just stepped off a flying saucer." Walter Mondale's recent appearance on the cover of *Penthouse* magazine seems to be a case in point.

# Congressional report: FBI sting operations threaten Constitution

by Don Baier

On May 1 the House Judiciary Subcommittee on Civil and Constitutional Rights released the findings of its four-year investigation of Federal Bureau of Investigations undercover operations, including the notorious Abscam and related entrapment operations in which the FBI "created crime" to secure the convictions of Sen. Harrison Williams and several members of the U.S. Congress. The FBI's modus operandi was to set up criminal activity, then contrive the appearance that the victim was involved in it. The 100-page subcommittee report blasted the FBI's conduct in Abscam-style sting operations, charging that the Bureau has taken actions that have seriously undermined the nation's "political, judicial and financial institutions."

The House Judiciary Subcommittee, chaired by chairman Don Edwards (D-Calif.), himself a former FBI agent, documented instances in which the FBI had fixed elections, bankrupted businesses and defrauded innocent people of large sums of money, ruined the reputations of the innocent and protected the criminal activities of the guilty, and altered "political power structures, careers of politicians, and thus, history itself," ostensibly in the interest of fighting corruption.

"Yet in many of these operations," the subcommittee report concluded, "the evidence, when finally presented, failed to support the conclusion that corruption had been ongoing or even that the fictitious criminal proposals created by the government had been accepted."

None of this was exactly new. These charges were aired repeatedly during the Abscam trials initiated under the Carter administration, particularly in the case of Harrison Williams, a New Jersey Democrat and 24-year member of the Senate. During 1981-82, the Williams case became a cause celebre and subject of a nationwide political mobilization led by *EIR* founder Lyndon LaRouche and the National Democratic Policy Committee to stop Williams's impeachment by the U.S. Senate.

## The Harrison Williams case

Williams, the target of an outrageous FBI criminal enterprise, was eventually forced to resign and was railroaded to prison on charges that he accepted a bribe from an FBI agent posing as an Arab sheik. Last month, millions of Americans saw the evidence that Williams had done no wrong—that he had in fact *refused* the phony sheik's bribe—when LaRouche, now campaigning as a presidential candidate, in-

cluded a videotape of the FBI's bribe attempt in his April 27, 1984 national television broadcast, which showed the senator responding, "No, no, no, no!" Some people in Washington, D.C. thought it was not exactly coincidental that it was only four days after the LaRouche broadcast that the House subcommittee report, reportedly "sat on" for nine months previously, was suddenly released.

Since then, the FBI has come in for sharp criticism from presidential candidates Jesse Jackson and Gary Hart. Hart has criticized the FBI "entrapment" methods used during Abscam, and vowed to replace FBI Director William Webster for his role in the sting operations against Congress. Jesse Jackson, campaigning in Memphis, Tenn. April 30 at the site of civil rights leader Martin Luther King's assassination, went further: He hinted that the FBI had taken part in a conspiracy to murder King.

It was Williams himself, however, who delivered the single most explosive bombshell in the new round of attacks on the Bureau. On May 4, the Senator's attorneys filed court papers citing tape-recorded evidence that the FBI ran a sex-with-children blackmail ring to set up U.S. Senators and other elected officials in "sting" operations. Among the names mentioned in this shocking document: Anthony Amoroso, the FBI special agent who had played the role of the phony sheik with Williams and other Abscam victims.

The Williams court papers summarized the Bureau's activity: ". . . the claim made of gross *outrageous conduct* has reached the point where the . . . FBI and Justice Department have become dictatorial in nature and placed themselves above the law. The vile, degenerate and illegal actions engaged in by the agents and informers . . . when coupled with all the other acts of outrageous conduct . . . prove . . . that the government has not only engaged in [such] conduct, but has been party to and condoned actions that are abominations and have violated numerous laws . . . to the point where they must stand accused of . . . crimes of a most degenerate nature."

The FBI's flagrant violation of everything that is decent—let alone legal—was brought up repeatedly by witnesses during Williams' trial. The new court documents also point to how this testimony was undermined by Thomas Puccio, Assistant U.S. Attorney, in charge of the Organized Strike Force in Brooklyn, in order to convict Williams.

Witnesses Ed Plaza and Robert Weir, both former assis-



tant U.S. attorneys in New Jersey, had testified to the fact that the FBI's tactics in the Abscam operation had been rampant with violations of due process of law. Williams's new affidavit cites a Justice Department memo of Jan. 6, 1981, which claimed that the two witnesses had lied during testimony.

### Anathema to constitutional values

When Williams was railroaded and the Senate refused to defend him back in 1981-82, LaRouche warned that the lawmakers' gutlessness had freed the FBI to "manufacture crime" against any and all political targets. The House Judiciary subcommittee's report sketched a picture of expanded FBI "stings" that confirmed that diagnosis:

"Increasingly the FBI is relying on so-called 'stings' in which the criminal activity itself is bogus. In such operations, the agents themselves establish a criminal enterprise, which is supposed to provide criminal opportunities, and thus attract, those 'predisposed' to engage in those opportunities. . . . The FBI budget for undercover work has jumped from \$1 million in 1977 to \$12.5 million for 1984. Undercover operations have climbed from 53 in 1977 to over 300 in 1983."

The House subcommittee termed this activity a serious threat to the American system of government. "The infiltration by government agents, or criminals who are financed by the government, into the private lives of citizens, the spectacle of the U.S. government spending large sums of money to tempt people into committing crimes and the atmosphere of fear, suspicion, and paranoia which develops as the use of the technique expands are all anathema to the values protected and cherished in our Constitution," the report declared.

The subcommittee expressed concern that the agents "hold the power to create the *appearance* of guilt," and reported that "there is some evidence that undercover operations may actually increase criminal activity." Further, the subcommittee found that the Justice Department's ballyhooed "checks" and "safeguards" were useless, because "It is clear that the FBI and Department of Justice are incapable of adequately implementing and enforcing their own safeguards and guidelines."

Whether intended or not, the picture that emerged from the subcommittee's report was of a national secret police which apparently judges itself responsible to no one but those private circles who, unmentioned in the committee's report, are picking the FBI's targets.

## The FBI is implicated in sex-with-children ring

Court papers submitted by former U.S. Senator Harrison Williams in U.S. District Court on May 4 show evidence that the FBI ran a sex-with-children blackmail ring to set up U.S. senators and other elected officials in "sting" operations. Williams, himself framed up and convicted in the FBI's notorious Abscam sting, filed the new evidence in papers that seek a reversal of his conviction.

Williams's affidavit specifically cites "a tape-recording made by an FBI agent while involved in the Goldcon and Abscam investigations with avowed and admitted homosexual paid FBI informer James W. Brewer (reported to have been a member of the North American Man-Boy Love Association—Nambla)." Brewer had been a witness against Williams, and testified before the U.S. Senate that he was involved in Abscam, along with another FBI informer, Anthony Cavanaugh. He was accompanied by FBI agent Anthony Amoroso, one of the leading actors in the Abscam scenario.

The Williams court papers report that on the FBI tape recording relating to the activities of FBI homosexual informer Brewer and Cavanaugh, there is evidence of "transporting young children, 12-17 years of age, from Denver, Colorado to Houston, Texas, for purposes of

prostitution; that a 14-year-old girl was to be set up as a 17-year-old to have sex with a 'senator' and the sex act videotaped for blackmail purposes; that Cavanaugh had taken 'the whores' who he described as just 'babies, kids' to Los Angeles; that they would get a 12-year-old boy to have a sex act with a senator by 'licking his [the senator's] ass' and videotaping this action in furtherance of another blackmail scheme; that a sheriff and his entire department would be bribed; and on and on."

The new and extraordinary evidence in the Williams case demonstrates the degree to which the FBI is involved in lawless and immoral activities. The revelations that the FBI is using members of Nambla as "informants" put the Bureau at the center of the most depraved racket in the country, the child kidnapping-and-sex operations which have victimized thousands of families. Members of Nambla, the group formed in 1978 as a defense committee for radical pederasts facing prison in Boston, Massachusetts, have been arrested for kidnapping children and abusing them in sexual perversions. The group advocates lowering the legal "age of consent" for sexual activities to four years old. Such is the moral caliber of these FBI "informants" used against U.S. elected officials.

At the beginning of May, there were news reports that the FBI will now serve as a "clearinghouse" for reports on missing children. Just who will receive that information—more FBI "informants" like reputed Nambla pederast Brewer?

# 'Every safeguard was violated or ignored'

*Excerpts follow from the House Judiciary Subcommittee report, "FBI Undercover Operations." Emphasis is in the original.*

## Summary

While investigations of public corruption may be intended to restore the public's faith in the integrity of the affected institutions, ill-conceived and poorly managed undercover operations are likely to have precisely the opposite effect. Thus, in Operation Corkscrew, the entire bench of the Cleveland Municipal Court came to be widely viewed with suspicion and disdain, thereby undermining the legitimacy of that court's authority. Similarly in Operation Colcor, a 1980-82 probe of corruption in Columbus County, North Carolina, the Bureau surreptitiously initiated and influenced a local election, with consequent and predictable effects on the public's trust in the electoral process. In these and other public corruption cases, political power structures, careers of politicians, and thus history itself may be altered by the prosecution of leading politicians even where there is no conviction.

Yet in many of these operations, the evidence, when finally presented, failed to support the conclusion that corruption had been ongoing or even that the fictitious criminal proposals created by the government had been accepted.

. . . In Operation Abscam, an informant used his insider's knowledge of the undercover scheme to defraud a number of legitimate business people. Likewise, the informant in Operation Resfix (a 1980 political corruption probe in Jacksonville, Florida) engaged in massive frauds upon the banks, creditors, and the Federal Government itself while supposedly assisting the FBI. The undercover agents in Operation Recoup (a 1981 investigation of stolen car rings) embarked on an undercover plan they knew would result in losses to innocent car buyers and sellers. . . .

Because agents create the crime, rather than merely detect, they hold the power to create the *appearance* of guilt. Repeatedly, the Subcommittee found that the discussions with targets were highly ambiguous, leaving considerable doubt as to whether there had been any meeting of the minds, or that subjects even understood what was being discussed. Moreover, the technology associated with many undercover operations—i.e., video and audio tape recording—can read-

ily be manipulated to create false impressions of guilt.

The public often tends to equate investigation with guilt. . . .

In short, once an undercover operation is unleashed, virtually any individual can be subjected to a full testing of his morality by investigators armed with the full panoply of power exercised by the FBI. . . . the testing may be so obtuse that the individual may not even be aware that a criminal offer has been presented. . . .

## Operation Corkscrew

The subcommittee reviewed in detail one major operation conducted under [Justice Department-FBI] safeguards and/or guidelines, code-named Operation Corkscrew. The probe, which extended from 1978-82, sought to obtain evidence of case-fixing in the Cleveland Municipal Court, particularly by judges of that court. The operation ended in failure, however, with the FBI itself being "stung" by its "middleman." The record in this one operation demonstrates that virtually every one of the principal safeguards was either directly violated, ignored, or administratively construed in a manner inconsistent with their stated purposes with profoundly disturbing results. . . .

1) The operation was initiated without any basis for "reasonable suspicion" of judicial case fixing. While an earlier investigation unearthed evidence that low-level court employees, police, and others were improperly interfering in the judicial process, the only evidence remotely suggesting that any judges were involved was nonspecific and generalized rumors and the erroneous assumption which the investigators developed regarding how cases were actually fixed. Nevertheless the undercover operation focused *exclusively* on the judges of that court. After the operation was initiated, the Bureau relied on the assertions of an intermediary to select specific judges for targeting despite the clear evidence of that intermediary's duplicity and the overwhelming incentive for him to continue to falsely implicate those judges. No real effort was made to verify *any* of the intermediary's claims. . . .

2) The recorded transactions between the agent and the targets were so ambiguous that it was obvious the target had no idea that the agent was discussing criminal activity. . . .

The safeguard of requiring that criminal offers be “clear and unambiguous” was not only ignored, but was apparently deliberately violated in order to produce “evidence” of wrongdoing.

3) The fictitious criminal transaction bore no resemblance to the real world. Neither the “quid” nor the “quo” were modeled on what the FBI knew or should have known of actual case-fixing: Vastly inflated bribes were suggested by the agent with nothing in return expected or received.

4) The fact that the probe involved a “sensitive circumstance” (political corruption) did not result in a cautious approach by the Justice Department or FBI Headquarters, but rather nearly complete deference to field agents investigative judgments. . . .

5) . . . the Undercover Operations Review Committee, FBI Headquarters, and various segments of the Department of Justice—failed to exercise that responsibility in any meaningful way. . . . The supervisors, as well as the field, in their quest for snaring important public figures in a criminal probe, abandoned objectivity and caution.

As a result of Operation Corkscrew, public confidence in a public institution vital to our democracy was shattered, and the careers and in some cases, the health of wrongfully targeted individuals were irreparably damaged. The failure to abide not only by the letter but also the spirit of the safeguards and guidelines in this instance led to a complete fiasco. Even where, as in other operations discussed in the body of this Report, convictions or recoveries are obtained, and thus produce some measure of accomplishment, it is clear that the FBI and Department of Justice are incapable of adequately implementing and enforcing their own safeguards and guidelines.

. . . We have . . . investigated or been provided with information on a number of other undercover operations. Our review of these operations confirms that the problems revealed in Abscam and Corkscrew are *not* aberrations, but in fact reflect a pattern of recurrent problems which are inherent in the process.

### **Manipulation of the political process**

Undercover operations carry the potential for manipulating the political process and tampering with history. A particularly egregious example of the FBI’s insensitivity to this issue is seen in Operation Colcor, a 1980-82 investigation of corruption in Columbus County, North Carolina. As a part of its efforts to establish that state and local politicians were willing to buy votes, the FBI employed undercover agents to propose and influence the outcome of a referendum to permit sale of liquor by the drink in Bolton, North Carolina, a town of about 400 voters. With promises of opening a new restaurant that would produce major revenues for the poor rural community, and cash payments to the local political organizer, the agents succeeded not only in initiating the referendum, but obtaining a favorable vote.

Although the underlying issue might be characterized as

minor, the point is that the FBI, with the blessing of its attorneys and the Department of Justice, *created* a local political issue, initiated a petition, and obtained a referendum on that issue, and then influenced the outcome of that referendum. When the FBI’s involvement became known, the North Carolina State Board of Elections invalidated the referendum and declared it null and void. . . .

### **FBI lies, evasions, and stonewalling**

In Abscam . . . after prosecutors [Plaza and Weir] from the New Jersey United States Attorney’s office voiced serious doubts about the supervision, control, and tactics of the principal informant, Mel Weinberg, and questioned the sufficiency of the evidence in certain aspects of the probe, instead of investigating these allegations, the Department [of Justice] investigated the prosecutors and, “to dissuade the courts and counsel from further inquiry,” leaked an inaccurate, libelous memorandum concerning them. Indeed, even though the assertions of these internal critics were subsequently validated, the Department has refused to release its own report exonerating them. Similarly in Corkscrew, it appears that the FBI attempted to have a prosecutor removed from the case at a time when that office was less than enthusiastic about the sufficiency of the evidence of case-fixing.

The desire to protect the reputation of the Bureau and individual agents also has created a “stonewalling” attitude. . . . In Corkscrew, the Department of Justice’s response to the Freedom of Information Act request of Judge Clarence Gaines of the Cleveland Municipal Court for “all records \*\*\* pertaining to the investigation of me\*\*\*” consisted of *one* document and three newspaper clippings. This response is difficult to reconcile with the fact that the Headquarters’ files examined by the Subcommittee contained hundreds of records that mentioned Judge Gaines. . . .

*Chief among its recommendations, the subcommittee report urged that the FBI be required to obtain a judicial warrant before engaging in Abscam-style undercover operations. In motivating that proposal, the subcommittee compared the FBI’s activities in Abscam and other stings to the illegal “enemies list” activities of the Nixon period, implying, in effect, that such activities were continuing.*

The Congress as well as the nation were shocked by the revelations of FBI activities conducted in the name of “national security” under the codeword Cointelpro. In the civil litigation which followed in the wake of these disclosures, law enforcement officers and others professed an unawareness that their conduct was improper. To the extent that the guidelines create an ambiguity as to the propriety of the activities listed therein, that ambiguity should be eliminated. It is as unfair to law enforcement officers who may be asked to engage in such conduct as it is to society, which may be asked to pay the price, to leave these questions unresolved.

The Subcommittee believes that the nation should not have to await the disclosure of another Abscam or Cointelpro to learn what its law enforcement officers are doing.

## Closeup on Genscher

Hans-Dietrich Genscher, West German foreign minister and chairman of that country's liberal Free Democratic Party (FDP), arrived in Washington on May 6 with a set of definite goals to accomplish before his visit to Moscow later this month. Genscher, who lived and worked as a functionary of the puppet "Liberal Party" in the Soviet Occupation Zone and East Germany through the early fifties, had clearly stated these priorities before his departure.

On April 29, Genscher insisted on German TV that the "problem" of the U.S. Strategic Defense Initiative (SDI) would be accorded the highest priority, and he would attempt to "dissuade" the United States from developing an antiballistic-missile defense system. Genscher declared that such an ABM system could "only" defend the United States and not Europe, would create a "Fortress America," and "lead to decoupling." This Neville Chamberlain-style appeasement of Soviet demands to sabotage the SDI is supported by all five German parties in the country's parliament, the Bundestag.

Genscher was true to his word. On May 7 he met with the director of the Office of Technology Assessment, John Gibbons, and all the assistant directors of the OTA, including Lionel "Skip" Johns, the assistant director of the Energy, Materials, and International Security Division, who helped prepare the April 1984 OTA background paper, "Directed Energy Missile Defense in Space"—a negative assessment of the SDI written by Ashton B. Carter of MIT. Genscher was presented with a copy of the paper at the talks.

Two days after Genscher's visit, the OTA released the proceedings of a recent panel report on arms control questions. That panel was headed by

one of the East Coast Establishment's overseers of Henry Kissinger, McGeorge Bundy, former national security adviser from 1961 to 1965. As the May 10 *New York Times* said, this report is "part of a wider study of military activity in space conducted by OTA."

The rest of the meeting concerned "genetic engineering," which Washington wags described as Genscher requesting how thinner children with smaller, normal-sized ears could be developed. OTA spokesmen would not offer details on this aspect of the talks, but apparently it dealt with the theme of biological warfare.

I asked an OTA official whether the subject of euthanasia—or "dying with dignity," as the liberals euphemistically refer to the murder of the elderly—came up in the discussion. The answer: "The theme of 'dying with dignity' didn't come up, but if it had, we're sure he [Genscher] would agree. The foreign minister is a very sensitive man." The OTA, the spokesman reported, is "familiar with the problem of the aging" in general, and in Germany in particular, whose declining population has a very high average age. The spokesman concluded: "We also discussed the danger of nuclear power, you know like . . . Three Mile Island. . . ."

Directly interfaced with the Genscher visit, a party of about 16 leading Soviet scientists was holding continuous rounds of meetings with U.S. scientists in and around Washington. The group included the acknowledged head of the Soviet beam-weapons program, Academician Yevgeni Velikhov; it was chaperoned by Paul Warnke, former chairman of the Arms Control and Disarmament Agency and a leading Washington lawyer. Both Warnke and his former law partner of many years, Clark Clifford, a protégé of Averell Harriman, have played key background controller and "shadow" roles in many post-

war administrations. Warnke was present for a weekend round of talks with Velikhov, et al. at the Harriman estate of Airlie House in Warrenton, Virginia.

## 'I gotta meet some Russians'

On the evening of May 7, the Genscher visit and that of Velikhov and Company merged. At 6 p.m., I was starting to chat with OTA Director Gibbons, who broke in to say, "Sorry, I'd love to talk, but I've got to run now to meet some Russians." "You mean Velikhov and Co.?" "Yep, that's right. I gotta run," he said, and raced to the meeting. In the morning with Genscher, in the evening with the Russians. It's a small world.

The next morning Genscher had a breakfast meeting on Capitol Hill with two senators, Richard Lugar, the chairman of the Western Europe subcommittee of Senate Foreign Relations Committee, and the septuagenarian Senate veteran, Strom Thurmond of South Carolina. Lugar's aide Jeff Burgener was not exactly talkative about the content of these talks, but he did say that they covered U.S. and West German conventional forces, troop strengths in Central Europe, and U.S. nuclear force levels.

Starting at 10:30 that morning and continuing for several hours, Genscher held talks with Secretary of State George Shultz. The agenda included the Strategic Defense Initiative, U.S.-German relations, the U.S. dollar, high interest rates, and very significantly, the use of the European Currency Unit (ECU) as a possible alternative reserve currency to the dollar. That very subject had been discussed some weeks earlier in Moscow at a meeting between German bankers and Soviet officials, to prepare the ground for the financial decoupling of Europe from the United States.

## Fat Henry heads for the northern front

Over the weekend of May 11-13, Dr. Henry A. Kissinger will be in Sweden for this year's meeting of the Bilderberg group, the organization set up in the 1950s by Nazi collaborator Prince Bernhard of the Netherlands and by Polish Jesuit agent Joseph Rettinger.

The Bilderberg Group's membership and activities broadly overlap those of the Trilateral Commission. The Bilderberg-Trilateral capacity for undermining the strength of the United States is so extensive that it is rumored in circles in the United States who are in a position to know, that Nelson Rockefeller may have been quietly done away with because he had developed a certain patriotic twitch during his years as governor of New York State and as an active politico and objected to the Bilderbergers' plans for decapitating American military capacities. Whether such subjects will pass across the table in Sweden is not known.

Note that Sweden is the anointed spot, thanks to its Soviet-run prime minister, Olof Palme, for a series of meetings to set the stage for the Finlandization of Europe. In mid-July, the infamous Pugwash Conference, which sponsored Henry Kissinger's rise in the 1950s, will meet to discuss how northern Europe can be disarmed

in the face of the unprecedented Soviet strategic threat in that part of the world.

Kissinger and friends may also have to deliberate about their pathetic protégé Walter Mondale, a regular participant in Bilderberg and Trilateral sessions in years past. Israeli and French sources have confirmed that Kissinger has been privately priming the pump for Mondale, in a typical instance of the man's capacity for stabbing his apparent GOP friends in the back.

Mondale, though a Norwegian-American by ancestry, is in any case not the most popular fellow in places like Oslo. His Neville Chamberlain posture has reinforced the sentiment in high-level Norwegian political and military circles that Mondale is the embodiment of the hated Quisling tradition and is the political equivalent of Soviet spy Treholt, a KGB colonel who was almost lynched last year when his espionage on behalf of the Soviet Empire was revealed in the press.

Fat Henry is well primed for his trip north. He arrived suddenly in West Germany May 8, meeting with the misguided Chancellor Kohl, who was looking for someone to explain the Reagan administration's Strategic Defense Initiative to him. That is the approximate equivalent of inviting Benedict Arnold to brief one on the American Revolution.

Kissinger watchers in Europe are concerned that Henry may have paid a visit to the offices of Merck, Sharp & Doehme, the pharmaceutical-chemicals giant, outside Munich. Kissinger serves as a top strategic consultant to the European Advisory Council of Merck International.

This has become a most interesting question, since Merck International in Rahway, New Jersey, began a lockout of its workforce on May 4, and workers in Merck plants across the United States have been forced to work without a contract since April 30.

## Kissintern confirms LaRouche charges

On May 3 and 4, Kissinger himself and top Kissintern operative Alexander Haig confirmed charges made by *EIR* founder Lyndon LaRouche that it is their policy to control the foreign policies of both major political parties.

Alexander Haig confessed his antipathy to the Constitution while addressing a crowd at Kissinger's own Georgetown University Intercultural Center. Haig spoke in an auditorium festooned with the treasonous Jesuit motto of Georgetown's School of International Diplomacy which trains the bulk of the U.S. Foreign Service: "The Age of Nations is past. It remains for us now, if we do not wish to perish, to set aside the ancient prejudices and build the earth."

In his address before receiving a "Distinguished Diplomat" award, Haig lambasted the American practice of allowing elected officials to run the government. He declared that it is stupid for politicians to offer solutions to international problems; on the contrary, Haig opined, "Any study of history confirms that international problems are problems because they are just insoluble." In this situation, "It is the professional diplomat who carries the burden of maintaining stability and continuity." Referring to diplomatic journalists, he added, "I include them in that family of professional diplomats who seek to prevent the errors of our form of government."

The following day, the mass tabloid *USA Today* published an interview with Kissinger in which he pronounced: "All foreign policy involves an element of power. All power involves an element of manipulation. . . . The relationship between morality and power and how you relate moral conviction to power is a key problem in foreign policy to which it is easy to give a self-righteous answer, but not easy to give a serious answer."

## Senate supports court union busters

Efforts by the House of Representatives to pass legislation negating the labor-busting *NLRB v. Bildisco and Bildisco* Supreme Court decision have been stalled by the Republican-controlled Senate. The Bildisco decision allows any employer who files for bankruptcy to dissolve his labor contract without waiting for any court to rule on his bankruptcy petition.

House legislation H.R. 5174 affirms that an employer is bound by his contractual obligations until a bankruptcy court acts on his petition. The bill provides that labor contracts can only be abrogated if the contract would impede successful reorganization. In addition, H.R. 5174 remedies another recent Supreme Court ruling which declared all bankruptcy courts unconstitutional.

Pressure from the U.S. Chamber of Commerce has stalled H.R. 5174 in the Senate. Although Lane Kirkland's AFL-CIO formally supports the measure, sources in the labor federation report that Kirkland, who has supported the principle of "give-back" union contracts, is making no effort to pass the bill.

## Fusion budget cut by \$64 million

The House Appropriations Subcommittee on Water and Energy recommended a devastating \$64 million cut May 10 in the FY85 magnetic fusion program. The Reagan administration request was for \$483 million, which was only a 3% increase over this year, and would not even have held the budget constant relative to inflation.

Recent reviews by fusion scientists and the Department of Energy

have recommended that the fusion program go ahead with a next-step fusion ignition experiment to produce significant amounts of energy in a self-sustaining reaction. Budget cuts will stop use of this experimental device and force experienced scientists and managers out of the program.

The Senate appropriations committee has not yet marked up the fusion budget, but the heavy House cut may lead to a committee "compromising" on the level of cuts.

## KGB congressmen prepare to dump MX

Reports from Capitol Hill indicate that congressmen in both the House and Senate operating under Kremlin policy are prepared to cut the administration request for \$3.1 billion for the production of 40 MX missiles to a level which would allow production of at most 15 of the missiles. Forty missiles already represented a cut of 60% in the "bipartisan compromise" Reagan agreed to under pressure from the Scowcroft's Commission, which proposed a cut in the proposed MX deployment from 200 to 100.

The "bipartisan compromisers' " reason for killing the MX is that since Moscow has withdrawn from all arms control negotiations, it is no longer necessary to build weapons to pressure the Russians. On May 3, Rep. Mike Synar (D-Okla.) said, "Last year's proponents of the MX could put forth only one straight-faced argument for building this \$20 billion weapon: It would serve as the stick needed to ship the Soviets to the bargaining table. . . . With the 'bargaining chip' argument now dead and buried, the absurdity of placing a new and improved ICBM in existing Minute-

man silos is fully apparent."

Days later, Richard Durbin (D-Ill.) said, "One of the major reasons offered by the administration in last year's debate on the MX was that it represented an important bargaining chip in arms control talks with the Soviets. . . . We are now not engaged in any formal arms control talks with the Soviets."

My sources in a Capitol Hill liquor shop report that these KGB mouthpieces recently were shamed into making an outright contribution to the establishment. They came into the shop asking for a \$14 bottle of Stolchinaya vodka. The proprietor of the shop replied, "We don't sell Stolchinaya." As the congressmen turned to leave, the proprietor said, "Gentlemen, hand over the \$14, please. Since we won't sell you the Stolchinaya, you won't be needing it any more." The force of his argument brought immediate compliance.

## Senate traitors pull out of arms race

A bipartisan coalition of KGB-controlled senators led by Democrat Edward Kennedy and Republicans Charles Matthias and Mark Hatfield has joined House colleagues James Leach (R-Iowa) and Ed Markey (D-Mass.) in proposing a cutoff in all funding for U.S. weapons development and testing in exchange for a verbal pledge from Moscow that they will reciprocate. This support for "arms race moratorium" legislation proves the dishonesty of the claim made by nuclear freeze advocates Hatfield, Kennedy, Mathias, Leach, and Markey that they would only support a "mutual and verifiable" freeze on nuclear weapons development.

According to Kennedy, "The government of the Soviet Union will have 90 days after the enactment of the bill to communicate to the government of the United States that it intends to implement such a moratorium. If the Soviet Union makes such a commitment, funding will be suspended for all programs covered by the moratorium beginning at the end of the 90-day period." The United States would be unable to flight-test or deploy the MX, Trident II, or other new nuclear ballistic missiles or anti-satellite weapons, or to detonate nuclear explosives underground. In return, the Soviets, who have violated every ratified arms control treaty they have solemnly agreed to, need simply state their intention to abide by a similar moratorium.

The same bipartisan coalition, under the apparent leadership of Sen. Charles Mathias (R-Md.), is campaigning to kill U.S. development of sea-launched cruise missiles (SLCMs). Mathias argued in the Senate on May 8 that because the Soviets are on the verge of deploying new long-range, highly accurate nuclear-armed SLCMs, which are difficult to distinguish from non-nuclear SLCMs, the United States should halt its own scheduled deployment of nuclear SLCMs beginning this June.

## **Parris urges Congress to take steps on debt**

On May 8, Rep. Stan Parris (R-Va.) reported to the House that visiting members of the Latin American Parliament had informed the International Trade Subcommittee that "the debt as it exists today cannot be repaid," and "the preservation of democracy in most of the countries of the area may be perilously jeopardized if a negotiated solution is not provided."

Parris added, "This situation is the greatest threat to world stability and world peace that exists on the planet today, and this Congress must concentrate in the near future on the problem before it is too late."

## **Bumpers wants sacrifice, sweat, and tears**

Senator Dale Bumpers (D-Ark.), a leading spokesman for the liberal Harriman wing of the Democratic Party, let it be known May 8 what it means to him to be a Democrat. "If you believe the budget deficits can be remedied without a substantial tax increase, then you shouldn't vote Democratic," Bumpers said. "If you eliminate every single dime of social spending, from food stamps to the National Cancer Institute, from school lunches to immunization for children, we will still have a \$60 billion deficit. . . ."

"The only honest promise to America now is for sacrifice, burdens, sweat, and tears. . . . But the equally important promise is that all the burdens must be evenly shared."

## **Helms: CIA and State bought El Salvador vote**

Speaking on the Senate floor May 8, Jesse Helms (R-N.C.) charged that the State Department and CIA had informed congressmen that they had bought the El Salvador elections for José Napoleon Duarte by paying 400 of his precinct organizers, setting up his press operation, providing radio and TV studios, giving him technical advice, and establishing a computerized voter registration system to "disenfranchise 20% of the voters. If the CIA programmed the computers, how

can anyone trust the numbers?" Helms asked.

Helms claimed that this election-buying was not Reagan's policy, but was carried out by the "third-level interagency group on Central America that is supposed to coordinate policy in the executive branch." Helms did not mention that this group is controlled by two flunkies of Henry Kissinger, Luigi Einaudi and Lawrence Eagleburger, but ascribed the responsibility to "a small coterie of bureaucrats with their own agenda and their own policies."

The election-buying, Helms charged, was supplemented by a campaign to smear Duarte's opponent Roberto D'Aubuisson as a leader of "right-wing death squads." Helms said that no officials he was able to reach in the administration could substantiate the charges against D'Aubuisson, which the press attributed to the embassy of U.S. ambassador to El Salvador Thomas Pickering—also a Kissinger protégé.

Helms charged that President Reagan shared some responsibility for the vote-buying operation because "many good friends of the President have tried to warn him that the bureaucracy is out of control; but other advisers of the President have chosen to ignore those warnings."

Helms' charges coincide with reports received by *EIR* that sources close to the White House fear the current attempts of CIA-backed insurgent Eden Pastora to set up a provisional government within Nicaragua will result in a Bay of Pigs-type debacle for U.S. policy in the region.

The State Department responded to Helms's charges by insisting that U.S. assistance was designed to "further the electoral process, not aid any particular side."

# National News

## Abrahamson counters beam-weapon opponents

Lt. Gen. James Abrahamson, director of the Strategic Defense Initiative (SDI), said in Washington, D.C. on May 7 that the United States may "embark on early deployment of a strategic defense system" to counter Soviet violations of the ABM Treaty of 1972. According to UPI, Abrahamson referred to elements of a multi-layered system which could be deployed before engineering problems of a total system had been solved.

As Abrahamson spoke, West German Foreign Minister Hans-Dietrich Genscher was in Washington lobbying against the Strategic Defense Initiative.

Abrahamson implied that the United States was not ready to negotiate with the Soviets on beam-weapon systems because these are still in the R&D stage, though Washington would be willing to discuss the progress being made on either side. Rumors had been circulating in Washington that President Reagan had agreed to a "deal" with Henry Kissinger and other opponents of the SDI, which would allow the State Department to "offer up" the beam-weapon initiative as a bargaining chip in arms talks with the Soviets.

Abrahamson's statements were similar in many respects to testimony which Defense Secretary Caspar Weinberger gave to House Armed Services Committee hearings on the SDI the previous week. The Pentagon chief stressed that the United States' response must be determined by what the Soviets are *doing*—building a nationwide ABM capability—rather than by what they are saying.

In Geneva this week, at the Compliance Committee of the START talks, the Soviet Union formally asked for information about the status of the U.S. Strategic Defense Initiative. The United States replied that simi-

lar information about the Soviet program would be required.

## Is someone waking up in Washington?

*EIR* has warned for months that the Soviet Union is engaged in a global strategic show-down, while President Reagan is ignoring the worsening crisis for fear of appearing bellicose in an election year. It appears that some in Washington are beginning to take heed.

A May 9 column by nationally syndicated columnists Robert Evans and Rowland Novak stated that there is a "strong consensus" in the Reagan administration that "the Kremlin has made a decision to 'turn up the fear factor to the max.' That implies an ominous shift in Soviet policy toward the United States and its sometimes reluctant European allies: instead of underplaying its military power . . . it is trying to terrorize by muscle flexing."

But despite this "shift from Slavic caution to Great Russian chauvinism," the columnists charged, Reagan is exhibiting a "benign indifference" which "may be less of a sign of a president's strength than of a candidate's folly."

Evans and Novak detailed some of the more obvious signs of the Soviet policy shift, citing the multiple firings of six unarmed Soviet missiles believed to be SS-20s "which stunned U.S. intelligence early last month." They also noted the significance of the Soviets' massive naval maneuvers this winter, writing of "the tremor that surged through the Pentagon when the Defense Intelligence Agency learned that Delta-class Soviet strategic submarines—armed with nuclear-tipped strategic missiles—had sailed with the fleet into the open Atlantic."

Yet Reagan is still insisting on ignoring reality. "Desiring to shed all bellicosity and

appear a man of peace in seeking reelection, Reagan may be making a mistake by ignoring the Kremlin's shift. Asked at this last press conference about the Soviet naval exercise, he made light of it as 'nothing more' than the usual springtime war games.

"More than most, President Reagan should know his remark was nonsense. Treating voters as too delicate to know the truth could be downright dangerous by inadvertently helping the Gromyko-Ustinov campaign to overawe the West."

## House leader calls for ban on usury

House Democratic leader Jim Wright called May 8 for a national usury law to put a cap on interest rates, saying many of the country's economic problems are the result of high interest rates. Wright said that Congress should have more control over the Federal Reserve Board, UPI reports.

Wright said that the Fed, which is "elected by nobody, answerable to nobody and removable by nobody," is able to "set utterly at naught" the economic policies determined by Congress and the President.

"I believe that we ought to have a national usury law," Wright declared, "such as the laws in many states that prevent interest rates from rising above a certain level.

"Many of our economic problems are directly related to high interest rates. There are more farm and small-business foreclosures this year than any since the Great Depression, in what is vaunted as a period of recovery."

Wright has been a critic of the Federal Reserve in the past, but during recent months has been silent on the issue, as his campaign was squelched by others in the party leadership. His renewed offensive indicates that recent election victories for anti-Federal Reserve LaRouche Democrats have given ma-



neuvering room to forces in the party who would like to move against Federal Reserve Chairman Paul Volcker.

## Bipartisan Appeal for budget freeze

The Bipartisan Budget Appeal issued a statement May 3 demanding sweeping budget cuts. The group of 600 includes McGeorge Bundy, National Security Adviser during the Kennedy administration; former treasury secretaries Douglas Dillon (1961-65), Henry Fowler (1965-68), John Connally (1971-72), William Simon (1974-76), and W. Michael Blumenthal (1977-79); and a heavy representation from the Morgan-controlled Wall Street banks.

The Appeal calls for "a freeze of at least one year, preferably two, on cost-of-living adjustments for payments [for] . . . Social Security, civil service, and military retirement. . . . After years of ducking," the statement continues, "Congress and the administration must . . . squarely face the need for restraint."

The second assault is on defense. "Continued accelerated defense spending growth would embroil Congress and the administration in an increasingly acrimonious . . . battle." Increased defense spending, the statement lies, would send "discordant signals to friends and foes alike."

## Top space science awards announced

Prestigious awards in space science were won by members and staff of the Fusion Energy Foundation (FEF) this month.

The top award of the Aviation/Space Writers Association for 1983 went to the

book *Beam Defense: An Alternative to Nuclear Destruction*, authored by the scientific staff of the FEF, a New York-based educational group. The book describes the feasibility of new beam technologies that can knock out nuclear missiles in the first few minutes of their launch.

*Beam Defense* was awarded top honors in the category of books and technical training, as well as the Robert S. Ball Memorial Award for overall excellence in space writing. Both awards were presented May 9 at the annual meeting of the Aviation/Space Writers Association in Las Vegas.

In its annual meeting May 3 in Washington, D.C., the American Institute of Aeronautics and Astronautics conferred its Goddard Astronautics Award on Krafft A. Ehrlicke for his "more than 40 years of practical and visionary contributions to astronautics." Space scientist Ehrlicke has been a pioneer in rocket propulsion, including work on the V-2 rocket, the Atlas missile, and the liquid-hydrogen Centaur. He is a member of the FEF and on the editorial advisory board of its magazine *Fusion*.

In accepting the award for her father, who was ill and unable to attend the Washington meeting, Krista Ehrlicke-Deer said that his work "has proven that there are no limits to growth" and that if his ideas for space development were carried out, there would be "increased agriculture, increased industry, an increased quality of life and increased human creativity."

Ehrlicke's Centaur was the first liquid-hydrogen rocket, a precursor of the Saturn V rockets that launched the Apollo missions to the Moon. Today it is being modified for use with the Space Shuttle to launch deep-space planetary missions and future manned space missions.

Ehrlicke is president of the Space Global Company in La Jolla, California. He has published more than 10 books and 50 papers and articles, and in 1982 he completed a 10-year study on the industrial development and settlement of the Moon.

## Briefly

● **MARTIN FELDSTEIN**, chairman of President Reagan's Council of Economic Advisers, announced his resignation May 9 after nearly two years in office. A Harvard submarine in the Reagan administration, Feldstein became an embarrassment to the administration through his incessant attacks on the government's flailing economic policy, and through his demands for higher taxes, higher interest rates, and defense budget cuts—measures which would make an already disastrous situation even worse.

● **BROOK JOHNSON**, the U.S. Olympics women's track coach, has suggested that the Soviet pullout from the Los Angeles Olympics signals that Moscow is preparing to launch a wave of terror at the games. "All the terrorist groups are going to want to use [the Olympics] as a forum, and the Russians support those kinds of movements," she said, according to a report in the *San Jose Mercury* May 9.

● **ROBERT McNAMARA**, John Kennedy's secretary of defense and former head of the World Bank, has taken time off from his moon-beam-bathing antics with such outfits as the Lucis Trust and the World Futures Society to strike up an affair with Joan Braden, wife of syndicated columnist Tom Braden. "It's a very peculiar thing, I know," McNamara said in an interview with the *Washington Post*. "Look, she has eight children and she loves her husband very much and she's not about to leave him for me or any other man and beyond that I wouldn't marry her anyway because I'm not a homewrecker." The last public embarrassment of Tom Braden was April 6, when his column attacking Lyndon LaRouche as "the newest in nuts" hit the newsstands. Braden was distressed at LaRouche's charge that Henry Kissinger is a Soviet agent-of-influence. The same issue of the *Washington Times* that carried Braden's diatribe ran a front-page article reporting details of Kissinger's concealment of Soviet violations of arms-control treaties.

# *The beast is on a rampage*

Appeasement does not prevent war. Practiced toward carnivorous beasts like a Hitler or a Marshal Ogarkov, it accelerates the onset of war. That is why Neville Chamberlain is the most famous British prime minister: He kissed Hitler's foot, said "peace in our time"—and Hitler went on a rampage he was only then willing to risk. At Munich, war became certain.

Viewing the West from the windows of the Kremlin, the imperial Russian beast is now preparing to risk as much. The military junta there sees appeasers controlling the adversary power, and is preparing a rampage. The pull-out from the Olympics, without a shred of pretext, is only a bellwether. The United States did not "provoke" such action, as one might argue that Russia's invasion of Afghanistan provoked the U.S. pull-out in 1980. Carnivores do not require provocation.

*EIR*'s followers know what we have said on this score, with absolute clarity since the shoot-down of the Korean airliner last September. The Soviet Union is going for a strategically decisive face-down of the West as early as this year or next, the "instinctive" Russian response to the policy dominating the West: appeasement.

In Europe, they see only terrified little men in their path; they also see the reason for Europe's terror: Henry Kissinger runs Ronald Reagan, and Walter Mondale is Neville Chamberlain reincarnate.

Prime Minister Andreotti of Italy, whom they threatened last month with "a new Pompeii," kissed Chernenko's foot, attacked U.S. missile deployment, and returned to Rome promising "new Soviet peace initiatives" soon; Genscher of Germany, whom they threaten with a surgical invasion, kisses any Soviet foot he can find, attacks U.S. beam-weapons development, and praises Kissinger's plan for U.S.-European "decoupling"—he will visit Moscow to "persuade" the Soviets to come to the Olympics. Maggie Thatcher speaks daily of "positive contacts" and imminent "new negotiations." Prime Minister Papandreou announced that Greece will no longer spend money for NATO, and then praised the Soviets as saviors against U.S. imperialism in Africa. The Dutch and Danish governments are preparing to ban U.S. missiles from their territory.

Chernenko, now hosting Poland's Jaruzelski, has responded as we said he would: "Appeals for contacts and negotiations are being heard," but every such offer from the West is a "premeditated fraud."

Don't blame the suicidal Europeans. In extenuation of their timidity, they have no protection against the Russian beast; Henry Kissinger, without a single repudiating remark from Reagan, has proposed that the United States not defend their nations. Appeasement runs rampant.

The marshals' leers must have grown obscene when they heard poor, deceived Ronald Reagan deliver his most recent "anti-communist" tirade on Cuba, Nicaragua, and the PLO. The meaning of such "anti-communism" is that Kissinger, who regularly kisses another part of Russian anatomy, is the President's ventriloquist. Reagan says nothing, and probably knows little, of the worst Soviet provocations in Berlin in 20 years, of their conducting the largest naval maneuvers in history, of Ibero-American nations verging on bloody social upheaval due to IMF lending conditionalities, nor of the pending destruction of the U.S. banking system. The Russians alone have several means to pull off this "monetary Pearl Harbor."

Walter Mondale? His campaign has been based on wrecking the defense budget and in particular, the beam-weapons program, ever since KGB official Fyodor Burlatskii wrote that it was a "*casus belli*" last year. In May 9's *Red Star*, Ogarkov responded to such submission: "Work on these weapons is going on in many countries, for example, the United States. . . . Their creation is a reality in the immediate future, and to ignore that even now would be a serious mistake." The more you crawl, the less you get.

We may already be past Munich. Regardless, survival now absolutely depends on LaRouche's policy. Launch an emergency defense mobilization with Roosevelt's economic drive of 1939-43 as the model, going way beyond our present "industrial defense base" and crashing through with laser and related industrial applications and defensive systems. In this way we may still be able to *prevent* the war which appeasement would make inevitable.

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