

EIR

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EIR

From the Managing Editor

This week's cover story focuses on "The sleaze factor in the Democratic Party"—whose leadership recently threatened to make "Republican corruption" a major issue in the presidential race. After we stopped laughing, we determined to report to our readers that the Democratic Party leadership under Charles Manatt is itself representative of the worst organized-crime elements in the United States—and here, in a story developed by National Editor Kathy Klenetsky and *EIR*'s counterintelligence staff, we prove it.

It is a timely tale, as the San Francisco Democratic Party convention rapidly approaches. Walter Mondale is the evident choice of party bosses whose corruption rivals Caligula; all our reports otherwise indicate that the convention will resemble a Roman Circus. This, however, is no justification for cultural pessimism:

• *EIR* founder Lyndon H. LaRouche, who has vowed to politically destroy Mondale before November, was received in Buenos Aires by Argentine President Raul Alfonsín, and the two shared evaluations of the Ibero-American debt crisis—an event which, as our lead *Economics* story reports, came as a major defeat for Kissinger State Department circles.

• In Europe on June 22, and in Washington at an event attended by 1,000 July 3-4, Schiller Institutes dedicated to saving the Western Alliance from Kissinger (and Mondale) circles' attempt to dismember it were successfully established, giving "dignity and hope to Europe." The report appears in the *International* section.

Our lead *International* story: Soviet strategic intimidation activities reached new heights with the largest war-games ever staged—900,000 troops massed on the German and Austrian borders, greeted only by an appeasement-tinged "deafening silence" from the West. In our discussions with readers, we have found that the greatest difficulty people have in accepting the Soviet war-threat as real, stems from their lack of knowledge of history, and the related point made sharply by *EIR* analyst, Konstantin George: We have suffered *blitzkrieg* surprises like Hitler's, or those the Russians now contemplate, not because of lack of intelligence, but lack of the political will to *believe* such could occur.

Finally, allow me to introduce myself, now your Managing Editor:

Vin Berg

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Special Report



UPI/Bettman Archive

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LaRouche in Argentina: 'My policy or Kissinger's'

by Cynthia Rush

On a leading Buenos Aires television talk show aired one evening during the last week of June, host Bernardo Neustadt provocatively posed the following question to a group of trade union guests: "Well, U.S. candidate Lyndon LaRouche is in our country and reports that he is Henry Kissinger's number one enemy. Now, whom do you prefer—Kissinger or LaRouche?"

That question accurately sums up the options presented to representatives of every sector of Argentina's political spectrum—including the nation's President—in conversations and meetings held with U.S. presidential contender and *EIR* founder Lyndon H. LaRouche, Jr. during the week of June 24-30. At a time when Argentina was, and remains, under fierce pressure from its foreign creditors to submit to the austerity conditionalities of the International Monetary Fund, LaRouche visited Argentina at the invitation of several private institutions whose leaders thought it urgent that the U.S. Democrat's policy recommendations elaborated in the August 1982 document *Operation Juárez*, and his evaluation of the world financial and strategic crisis be widely disseminated in their country.

LaRouche's visit to Buenos Aires occurred 10 days after Ibero-American debtor nations met in Cartagena, Colombia to coordinate their approach to the continent's debt crisis; and as the Alfonsín government approached another end-of-quarter cliffhanger situation in which it had to choose between paying \$460 million in back interest payments or see creditor banks declare its foreign debt to be non-performing. The country managed to squeak by the June 30 deadline by agreeing to contribute \$325 million of its own reserves, together with a \$125 million short-term loan from creditors. The banks showed some flexibility in lending the \$125 mil-

lion *without* an IMF agreement, but exacted an agreement from the government to impose a new austerity program whose announcement has already exacerbated the domestic crisis and threatens to unleash new instability. Thus Alfonsín is still faced with the option that has been posed to Argentina ever since the 1982 Malvinas War: accept the IMF's dictates, or join with the rest of Ibero-America's debtors in programmatic unity as outlined by LaRouche in *Operation Juárez*.

Intense counterorganizing efforts ordered from the highest levels of the State Department, including the deployment to Argentina of "the Henry Kissinger of Latin America," Luigi Einaudi, did not prevent LaRouche from meeting and holding far-ranging discussions with representatives of the major political parties in Congress, the trade union movement, the scientific and cultural communities, and high-level members of the Armed Forces, culminating in the meeting with President Alfonsín on the morning of June 28.

Kissinger's friends in the State Department are still foaming at the mouth over this latter meeting. As one UPI reporter insisted to this writer, "well, *how did this meeting materialize?* Let's face it, the President of Argentina doesn't meet with just anybody, especially not on the day before \$460 million in interest payments are due to foreign creditors. *What is LaRouche doing here?*"

In a press conference following the meeting at the presidential palace—the *Casa Rosada*—LaRouche said that were he elected President of the United States, he would aid Argentina "with justice and equality to overcome the crisis unleashed by its foreign debt." LaRouche reported that he had expressed to President Alfonsín his "respect for the sovereignty of this country," adding that "I come as a personal friend of the Argentine President and feel that he and I are

pleased to have met each other." The U.S. Democrat added that he was able to explain his policy proposals to Alfonsín and "comment on some things that were said in confidence and establish mutual respect." He expressed confidence that he could be "useful to future relations between the two countries, as a public political figure whose voice is very loud, strong, and very controversial in my own country."

An American patriot

The warmth and enthusiasm with which LaRouche was greeted in almost every case is testimony to the failure of desperate State Department counterorganizing. Argentine patriots attempting to save their nation from Henry Kissinger's plans for social and political dissolution, were astounded to discover in LaRouche an outspoken defender of their national interests *inside* the United States who could provide them not only with sane policy recommendations but also with a differentiated sense of the political battles taking place in Washington.

LaRouche's presence in Buenos Aires defused the rampant "Yankee-go-home" mentality that permeates most political circles. His explanation of Henry Kissinger's takeover of the White House and control of U.S. foreign policy allowed concerned Argentines to understand for the first time the origin of policies defended by the Reagan administration that are so obviously contrary to U.S. national interests, and to U.S. relations with Ibero-America. And they were tremendously moved by LaRouche's commitment to reestablishing an alliance of the sovereign republics of the Western Hemisphere bound by common philosophical, historical, and cultural ties. Argentina, LaRouche constantly reiterated, has a vigorous republican tradition based on American System economics, which must be revived.

Exemplary of this warmth was the commentary of prominent members of Argentina's scientific community as they listened to LaRouche's staunch defense of the nation's vanguard nuclear program—the pride of nationalist civilian and military sectors—which the State Department is determined to dismantle, and specific proposals for transforming Argentina into the continental leader of a scientific and cultural renaissance. At a seminar at the Foundation for a Project Argentina, which included representatives of the Argentine Nuclear Technology Association (AATN), and the National Atomic Energy Commission (CNEA), LaRouche's presentation visibly moved the participants. Dr. Cosentino, a Perónist nuclear physicist from the CNEA who was chosen by Gen. Juan Perón to help launch the nuclear program in 1953, told the audience: "Thirty years ago, I heard a powerful speech given by Gen. Juan Perón, when he announced his decision to initiate the nuclear program, and the strength of it has carried me through the last 30 years. Now today, I have heard a similar speech from Mr. LaRouche. . . ." Dr. Cosentino later marveled, as did others, that a man of LaRouche's qualities was actually a presidential candidate in the United States. "When I think of our own presidential

candidates, and others in the United States," he said, "I am amazed. We need a man like you here in Argentina."

LaRouche sparked a similar response, leading to several hours of discussion, among a group of prominent young economists when he outlined the real origins of the current Ibero-American and world debt crisis and what's behind U.S. economic and foreign policy. "Argentina doesn't have a problem," LaRouche told them. "The banks have a problem. Why negotiate with them? You can only do so when both sides negotiate in good faith. But the banks aren't doing that. They're bankrupt. The IMF is not negotiating in good faith. They are prepared to destroy you. Volcker and Kissinger want to destroy every Ibero-American nation. The people of Argentina know something about the problem of colonialism . . . you certainly know something about the problem with the British. So you can't be fooled by this nonsense. I think the people of Argentina have the resources and the intelligence to respond appropriately."

In this and other meetings, LaRouche emphasized that the momentum created at the recent conference of 11 debtor nations at Cartagena, Colombia must be maintained. "The meeting at Cartagena was a political success," LaRouche told a June 28 press conference, "even though the United States thought it was going to fail." "If the Ibero-Americans negotiate individually, they will become cadavers, and this is what is forcing them into a coalition, just as we anticipated. Central America is a bloody mess; Ecuador is threatened; Bolivia is dying; Venezuela and Brazil have false illusions, and the Colombian situation is extremely difficult. . . ." In the same press conference, LaRouche outlined in detail the major aspects of his proposals for setting up a new gold-reserve monetary system, and reorganizing the debts of Ibero-America in a manner that would guarantee industrial and technological development.

Philosophical revolution needed

What Lyndon LaRouche succeeded in transmitting to all groups with which he met in Buenos Aires is his assessment that Argentina is the country in Ibero-America most capable at this moment of launching a cultural and philosophical revolution. "I have not seen in the last 20 years a population as committed to the ideas of progress and cultural optimism as this one," the U.S. presidential candidate commented. Argentina's levels of cultural, educational, and technological development, heavily influenced by the most positive classical traditions of Europe, uniquely qualify it to become a scientific leader of the entire continent, LaRouche emphasized.

It is precisely Argentina's potential for becoming an industrial and scientific leader of Ibero-America that the international banking community and the State Department are determined to smash at all cost. Their vision is one of a nation wracked by social upheaval, terrorism, and civil war unleashed as national political and cultural institutions and infrastructure are deliberately dismantled through applica-

tion of destructive and irrational economic policies.

In the year since this writer last visited Argentina, this scenario has moved closer to reality. The economic chaos inherited from the previous military regime has worsened, leading to a visible process of social dissolution. For the first time in the cosmopolitan city of Buenos Aires, a scene which is unprecedented in Argentina—small children begging for food or money—is becoming commonplace. “Whatever you see in the capital, where there is still money,” one friend commented, “the situation in the interior of the country is devastating. For the first time in this country, people do not have food to eat . . . in Argentina, the breadbasket of South America!” Now, on two days a week, meat cannot be purchased anywhere in Buenos Aires, as Argentines are told that their “overconsumption” of beef is responsible for inflation!

Other contacts described the appearance of groups of abandoned children sleeping in subway stations, and of neighborhoods whose streets clear off at 5 p.m. because inhabitants fear attack from gangs of youth or unemployed workers who rob out of desperation. A strike wave of as many as 2.8 million workers in one week—comprising 63% of the work force of the province of Buenos Aires—is also commonplace. And trade union leadership has no control over the increasing number of wildcat strikes and protest actions taken by workers who cannot survive on current salaries.

State Department goes berserk

In this kind of crisis environment, in which political leaders are searching for viable solutions, the State Department correctly perceived that Argentines would be open to Lyndon LaRouche’s alternative policy viewpoint. Evidence of this was his meeting with such important policy-making bodies as the Peronist *Comando Superior*, the entity just established by former head-of-state Mrs. Isabel Perón through which to exercise her leadership over the Peronist movement. High-level members of the armed forces, who warmly recall LaRouche’s defense of Argentina during the 1982 Malvinas War, also met with the U.S. Democrat to candidly discuss the world strategic crisis and the nature of U.S.-Argentine military relations.

Reliable sources have informed *EIR* that U.S. ambassador in Buenos Aires, Frank Ortiz, directly intervened on orders from higher up to sabotage meetings between LaRouche and Argentine leaders, especially the meeting set with President Alfonsín. On the day that LaRouche was scheduled to meet with members of the Peronist bloc of deputies at the national congress, the U.S. embassy invited the same grouping to attend a special luncheon for State Department coup-maker Luigi Einaudi. However, the senators boycotted the luncheon, and informed the embassy that they could not attend because they had a meeting with “friends.”

Several frantic calls were placed from the embassy to the

executive council of the Peronist trade union federation, the CGT, to tell them not to meet with LaRouche. But these efforts also failed: the 30-man executive met with LaRouche in a 3-hour luncheon at the meatpackers union hall, characterized by sometimes heated debate over the treasonous role of AFL-CIO president Lane Kirkland and organizations like the American Institute for Free Labor Development (AIFLD), a think-tank run by the AFL-CIO outside the United States, in defending Henry Kissinger’s policies for Ibero-America. The trade union leaders described the meeting as “historic” and effusively thanked LaRouche for discussing these issues with them.

Henry Kissinger and his associates at the IMF and the State Department, are not about to forgive the Argentine government for having met with Lyndon LaRouche, however.

Only a few days after LaRouche’s departure from Argentina, the Alfonsín government faced a crisis within the armed forces which, from all indications, reveals widespread coup plotting against the government. On July 3, the commander of the III Army Corps stationed in Córdoba staged an uprising, ostensibly to protest poor wages, attacks on the institution of the armed forces, and ongoing trials of military officers accused of “excesses” in the 1970s war against subversion. The commander-in-chief of the army General Arguindegui attempted to squelch the rebellion by firing its visible leader, Gen. Pedro Mansilla, but was prevented from doing so by a group of young colonels who threw their support behind Mansilla.

To calm military tensions, Alfonsín intervened directly and ousted not only Mansilla but also Arguindegui, handing dangerous advantage to the rebellious faction. General Pianta, the officer chosen to replace Arguindegui, is a factional ally of the rebel General Mansilla! Sources in Buenos Aires have reported to *EIR* that the allegedly ‘nationalist’ colonels group is backed by political and financial networks in the direct employ of Swiss and Venetian oligarchy; their goal is to stage a coup against Alfonsín and replace him with his more “controllable” vice-president Victor Martínez, who is closely tied to British financial interests. However, a military coup at this point would unleash civil war and social chaos that would quickly become uncontrollable.

Human rights organizations and Zionist-led ultraleft factions of the Radical Civic Union (UCR) have accelerated their activities in recent days to exacerbate military unrest. Over the opposition of the Joint Chiefs of Staff, the government authorized the July 3 showing of an hour-and-a-half TV documentary sponsored by the Permanent Commission on Disappeared Persons, which charged the military with gross violations of human rights and illegal repressive practices in the war against subversion. Provocatively entitled “Never Again,” the documentary was intended to convey the lying message also transmitted by U.S. and European liberal media over recent years—that the Argentine armed forces are Nazis who must be destroyed.

Argentina's press covers LaRouche

The following is excerpted from the article published in the Buenos Aires daily Clarín, under the headline "Alfonsín Met with a U.S. Democrat," on June 29, 1984.

The Democratic Party precandidate for the presidency of the United States, Lyndon LaRouche, yesterday visited President Raul Alfonsín to express his solidarity with Argentina's position in the renegotiation of its foreign debt and with [Argentina's] claim to sovereignty over the Malvinas Islands.

The North American politician asserted that his visit "in no way bore the smell of Yankee imperialism or arrogance," especially considering "something that impressed me considerably in 1982: the Malvinas War in which the United States failed Argentina." . . . The politician condemned the attitude of his country's banks and politicians in their treatment of Argentina in the renegotiation of the latter's foreign debt.

The following is excerpted from the article published in the afternoon daily, La Razón, under the headline "Lyndon LaRouche, U.S. Presidential Precandidate, Met with the Head of State," on June 28, 1984.

Lyndon LaRouche, pre-candidate of the Democratic Party for the presidency of the United States, stated today that were he elected, he would be in a position to help Argentina with "justice and equality" to overcome the crisis unleashed by its foreign debt. He maintained that the amount of this debt is "truly unknown" but added that "if an accountant were to analyze it, he would find that it is really a third of the stated amount." He mentioned that the crisis originated with the "bankruptcy of the North American banks, [whose personnel] do not believe in technological progress, and has a philosophy different from that of the Ibero-American peoples. . . ."

[LaRouche] indicated that his conversation with the Argentine head-of-state was very useful, because he was able

to explain his policies and "say some things in confidence, and establish mutual respect." He commented that he was able to communicate that "I am a personal friend of the Argentine President, and feel that the President and I are pleased to have met each other."

He said . . . that many of the problems which afflict U.S. relations with Latin American countries arise from Henry Kissinger's insertion as an adviser in the Reagan administration.

The following are excerpts from an article published in the daily La Razón, under the headline "Send the Bankers to the Zoo," on June 29, 1984.

An acid critique of U.S. foreign policy toward Argentina and unconditional support for the actions of the Argentine government, which he characterized as "patriotic," were the chief characteristics of the press conference given at a downtown hotel last night by the economist and U.S. Democratic Party presidential precandidate Lyndon LaRouche.

His first comments pertained to nuclear energy: "While I spoke with president Alfonsín this morning on general matters, I wanted to emphasize one point in which I and various other members of my country's political life differ with the Reagan administration. . . . We do not agree with the policy of conditioning all [debt] negotiations to the suppression of Argentina's nuclear program. . . ."

As for the policies that the Democrats will apply to Latin America if they win, the visitor commented: "If our faction doesn't win . . . it will be terrible. If you think the Republicans are bad, Mondale will be worse. We want to defeat him, and the only way is to use a form of legal blackmail against Reagan. To do that we propose two basic points: unite the continent from Mexico to Tierra del Fuego, creating a customs union to promote technological and agricultural cooperation. This would favor existing barter with the installation of a new monetary system for industrial development. This is the second point: The U.S. must place the dollar on a new gold standard and thus permit the reorganization of these nations' foreign debt. . . ."

LaRouche stated . . . that were he the president of Argentina, "in the United States they would think that I were as bad as Perón . . . I'm not Perón although I might not do things so differently. I would put aggressive, nasty people like myself in office and would hope for the triumph of the Cartagena decisions. We don't want countries to collapse one by one, that's why the renegotiation must be done on a joint basis, but not through the international financial institutions; governments must decide and then tell the bankers, who are bankrupt and can't handle the situation. The government of the United States and the debtor nations must decide on solutions and ship the bankers off to the zoo where they won't be allowed near little children."

Will the U.N. population conference be the occasion for overturning Malthusian dogma?

by Nancy Spannaus

A document prepared by the National Security Council of the Reagan administration for the United Nations Population Conference this August has delivered a sharp challenge to the genocidalists who run the international population lobby. Fights have erupted not only between the Reagan administration and the professional genocidalists, but also between the State Department and the executive branch itself.

At present the battle remains unresolved, with the Agency for International Development (AID), the key genocidalist agency within the State Department, vowing to fight to the end to maintain their 20-year commitment to what they euphemistically call "population control."

Driven out of the woodwork to defend the depopulators have been some of the leading scions of the genocide lobby, including former Maryland Sen. Joseph Tydings and former World Bank president Robert Strange McNamara. McNamara has written a major new document in *Foreign Affairs*, the journal of the Council on Foreign Relations, threatening "coercive government sanctions" if the nations of the Third World in particular do not immediately decide to reduce their population. McNamara, who has expanded his interest in counting dead Vietnamese to counting dead non-white people in general, also plans to go on tour on behalf of the "population issue." (See National News).

Coming forward on the side of the National Security Council has been the pro-life lobby of the United States. Unfortunately, that lobby is controlled at the top by a group of genocidalists every bit as rabid and racist as McNamara and his friends. This fact will not be lost on the nations of the developing sector as they look for allies in the North against the murder being carried out by the depopulation lobby.

It is in the interest of making possible such an alliance that we subject the NSC document to careful scrutiny, demonstrating precisely where its arguments fall into the pitfalls which basically moral individuals, including President Reagan, would wish to avoid.

The wrong goals

The NSC draft document for the Population Conference opens with a statement of general administration policy on population which demonstrates the guts of the problem. While stating that the Reagan administration disagrees with certain "choices of strategies and methods" of previous administra-

tions, it affirms that "there is no question of the ultimate need to achieve a condition of population equilibrium."

This statement not only coincides with the major premise of the genocidalists who promote abortion and forced sterilization, but *it is also totally false*.

We live in an expanding universe, whose lawfulness has been successfully dominated by the creative powers of man's intellect and its application through ever more advanced technology to the point of increasing the earth's population density by three orders of magnitude. This is not only a historical fact, but corresponds to necessity. Mankind cannot survive for long at any given level of technology, since each level defined sooner or later reaches a limit as resources become more costly to extract, if not scarce. But, as he advances his technological level, man finds it necessary to *increase his population density* as well.

Given this reality, a goal of "population equilibrium" leads inevitably to the condemnation of a large portion of the population to death.

The point is underlined by reference to the specific situation which we now face with respect to energy. Implementation of current energy technologies—including nuclear fission, but not nuclear fusion—would not provide sufficient resources to provide for a human standard of living for the entirety of the world's 4.7 billion people, much less the more than 6 billion projected to be alive by the year 2000. However, if mankind were to make the necessary commitment to enter the thermonuclear fusion age, the program's implementation would require as many as *10 billion people* in order to achieve the necessary division of labor.

Although it does not reflect the absolute hatred of people that the depopulation lobby does, the NSC document shares another of that grouping's major tenets: the desirability of reducing population growth to the level now predominating in the so-called "advanced sector." The argument is that such a reduction—which has brought most of Western Europe into a situation of absolute population decline, and the United States close to it—is the "natural" result of industrialization and progress.

Nothing could be further from the truth. The United States, for example, during its major period of "domestic" population growth before the civil war, was doubling its population every 25 years—a rate of growth even higher than that which

today throws the population lobby into a tizzy in the developing sector. The decline in the U.S. population growth coincided with a shift in the cultural matrix from optimism, to a Spenglerian-style pessimism. This began at the end of the last century, with the increasing dominance of the British philosophical outlook. It is that outlook which is resulting in the breakdown of the family and the increase in homosexuality and other hedonistic illnesses responsible for a decline in U.S. population growth.

Laissez-faire means genocide

Despite the wrongheaded philosophical context in which it is presented, the NSC document takes on some of the most virulently anti-human aspects of the genocide lobby's plans. "More people do not mean less growth; that is absurd on its face," the document reads. "Indeed, both in the American experience and in the economic history of most advanced nations, population growth has been an essential element in economic progress."

And again: "Population control is not a panacea. It will not solve problems of massive unemployment. Jobs are not lost because there are too many people in a given area. Jobs are created by the conjunction of human wants and investment capital. Population growth fuels the former; sound economic policies and properly directed international assistance can provide the latter. Indeed, population density may make the latter more feasible by concentrating the need for both human services and technology."

Why then, the document asks, is there a "population problem"? Its answer is twofold: The first is the adoption of what is called "economic statism" by the developing countries; the second is the "outbreak of an anti-intellectualism, which attacks science, technology, and the very concept of material progress" in the West.

While perfectly correct on the second point, the NSC's authors undermine their argument by demanding the dismantling of what they call "governmental control of economies, a pathology which spread throughout the developing world with sufficient virulence to keep much of it from developing further." In practice, what does dismantling of government controls of the economy in developing sector countries mean? Pure genocide.

This is not a hypothetical question. Current plans by the International Monetary Fund and the international usurers in Switzerland and London call for the elimination of any sovereign governments which could serve as points of resistance to total recolonization of the world economy. The form this takes is a protest against too much government control—where the governments in question are resisting the total buying up of their economies by the international financiers.

The situation of Mexico demonstrates the case most clearly. In general, the authors of the NSC population document would agree with the Mexicans that population growth per se is not their problem. But, as they did in many interviews with this news service, these same "pro-lifers" insist

that the fact that Mexico cannot provide adequate jobs and progress for its population is due to "too much government control." In the process, these so-called pro-lifers totally exonerate the policies of looting imposed on Mexico by the IMF and the credit cartels which set outrageously discriminatory terms of trade, while attacking the weak, but lingering government programs which resist them. Thus, they in fact demand policies that will starve millions of Mexicans to death.

What are these government programs? Tariff barriers, for one. Also price-setting of consumer goods to try to ensure that the population can afford to eat. Even more crucial is the government resistance to a free market in foreign investment, which currently prevents foreign capital from buying up industries in crucial areas of the economy. Such a government measure is an elementary measure of national sovereignty—one which formed the basis of U.S. Treasury Secretary Alexander Hamilton's economic scheme to free the United States from the depredations of Great Britain.

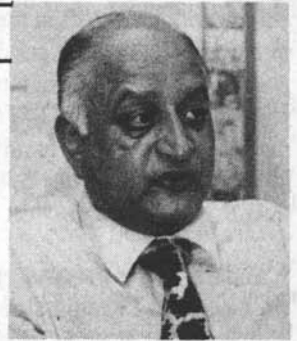
There is no such thing as a "free market" economy. There are only economies controlled through government institutions, or economies controlled by the most powerful private interests. In the 1800s, the "invisible hand" was the British East India Company and Baring Brothers bank. Today, it is comprised of a small group of mostly European oligarchical families who control the major international banks, insurance consortia, and commodity cartels. This group is the only alternative to control and direction of economic growth by sovereign governments, and the policy of this grouping is genocide.

"Trust the people, trust their intelligence and trust their faith, because putting people first is the secret of economic success everywhere in the world," the NSC document quotes President Reagan from his 1981 speech before the World Affairs Council of Philadelphia. "That is the agenda of the United States for the United Nations Conference on Population this year, just as it remains the continuing goal of our family planning assistance to other nations."

Should the United States actually proceed with this plan, it will be simply taking genocidal government programs of population control—as they are now being imposed by governments such as China and agencies like the AID—out of the hands of governments, and putting them into private hands. It is not depopulation that "free market" genocidalists like Friedrich von Hayek and his ilk object to—it is only the expense and model of doing it through government programs.

Sincere pro-lifers have so far won only a pyrrhic victory against the depopulators. The real alternative to such genocide is a program of massive economic growth promoted by sovereign governments—a program in which every new human life is respected as the potential source of new wealth and creativity which it is.

The author chairs the U.S. branch of the international Club of Life organization.



'India's obvious choice is to enter the space age'

Dr. Satish C. Seth, one of India's leading Futurologists, was interviewed at *EIR*'s New York office by editor Nora Hamerman on June 16. He is currently working with the Indian government's Department of Science and Technology in New Delhi. He is the author of a commentary entitled, "Population is a Resource" in the April 1984 issue of *Fusion Asia* magazine.

Dr. Seth came to the United States to attend Worldview '84 in Washington, D.C., to which he had been invited in 1983 by the World Future Society. The conference (see report, *EIR*, July 3, pp. 52-57) was described by some shocked developing-sector guests as an "occidental bazaar," dedicated to pushing strategies to stop the U.S. Strategic Defense Initiative, wreck all national sovereignties, and block population growth by any means—including one Western panelist's exhortation for a "short atomic war." As the following excerpts from *EIR*'s discussion with Dr. Seth reveal, the view of long-range planners in the world's largest democracy, India, is quite the opposite of this zero-growth, post-industrial fanaticism.

EIR: Can you describe your views as a Futurologist?

Dr. Seth: My major interests, in thinking of the future, are what brought me into contact with your organization, through the study on "India in the Year 2020" [issued jointly by the Fusion Energy Foundation and *Executive Intelligence Review*]. The three themes of that study were: 1) the relevance of nuclear energy to socio-economic issues; 2) upgrading manpower by education; and 3) large-scale water management.

These were precisely the three areas which had been the concerns of the Futurology Panel of the Department of Science and Technology of the Government of India, of which I had been member-secretary for 12 years, from 1971 to 1983.

That is how I came in touch with the Fusion Energy Foundation.

EIR: You favor nuclear energy, but in North America, "futurist" generally connotes people who are opposed to the broad use of nuclear energy, and have an Aquarian outlook. . . .

Dr. Seth: This is nonsense. . . . Let us not forget India is a great democracy like the U.S.A. Technology is an important tool of democratization. Technology is what has made it possible for the Queen and flower gardener to buy the same pair of stockings.

The problem of all technology is not understanding from what it has originated. . . . It is footloose and it travels. The question is in what direction is it traveling, who wants to entice it and change its direction, in what time and at what cost? . . .

India, having lost the industrial revolution, cannot afford to lose the technological revolution.

India is in the space age, atomic energy, ocean development, and electronics. But people ask us to live in the 16th century. But should India, one of the greatest democracies, whose electorate is larger than *both* the U.S.A. and the U.S.S.R. follow that advice? For 35 years they have voted every fifth year. Nobody supports this democracy. Your country supports military dictatorships. What kind of justice is this?

EIR: What are the options for India?

Dr. Seth: There are two scenarios profiled for India for the next 20 years. One is the marginal change scenario; the other is the optimal change scenario. What's the difference?

Marginal change means no major intervention. If, for example, India in 1970 had 30% literacy, and in 1980 40% literacy, then in the year 2000 it would have 60% literacy, at the present rate. But we cannot accept that. We want a quantum jump—100% literacy in 20 years.

How? By going up to the frontiers of knowledge—*now*. Not step by step, from the 16th, to the 17th, to the 18th century. And for that, God bless Mrs. Gandhi, who is for science and technology.

The three ideas sown by the Fusion Energy Foundation's futuristic plan for India were also the stable base for Indian thinkers. Dr. Vikram Sarabhai, the father of the space age for India, thought of an agro-nuclear complex. His mentor, Homi Bhabha, had already pushed India into the Atomic Club.

Now some members of this club practice Untouchability.

EIR: What do you mean?

Dr. Seth: I mean, denying India nuclear technology.

EIR: In addition to the issue of nuclear energy, you also mentioned manpower development as a point of agreement with the FEF-EIR program for India.

Dr. Seth: India's constitutional obligation is to provide universal, free, compulsory primary education for all children between the ages of 6 and 14 years. In the 6-14 age group today there are more than 100 million children. Fifty percent of them are out of school today, for various reasons. By the turn of the century, there will be plus or minus 145 million children!

This presents a challenge to the world's topmost educators and communicators. Forget for a moment even about the content. If you follow traditional educational techniques of teacher, textbook, and classroom, then we should open a school for 250 pupils every 20 minutes for the next 20 years, around the clock.

One percent of the Indian population today is primary school teachers. Is it possible, is it manageable, how do we train those teachers? What is the minimum salary they can be paid? Can the Indian education ministry afford it?

The concern of the Futurologists is to explore the alternatives: 1) to look at the numerous directions of *change*; 2) and as our supreme obligation, to tell people how to manage that change.

India's obvious choice is to enter the space age. We must develop a communications satellite and teach the majority of the population with education and skill-oriented messages. We used experimentally the SITE [Satellite Instructional Television Experiment] programs from the United States, beaming classes in six languages into 2,400 villages. We have to be the vanguard. We went to Antarctica—we don't want to miss it.

The United States has 6% of the world's population and consumes 54% of the world's resources—

EIR: —which means those resources must be expanded.

Dr. Seth: Of course, but then the United States preaches "global population control." The management of population needs is undoubtedly a problem. A small family is a matter of ease. But national population is a *resource*, an asset. And for a country committed to use the best of science and technology, if there's an honest sharing of science and technology, after all, knowledge is a heritage of mankind.

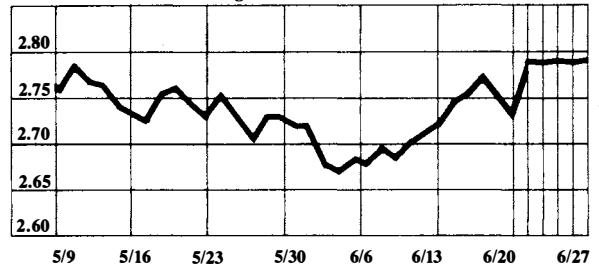
Are all countries willing to share this heritage equitably? Or are we repeating the history of technological imperialism and neo-colonialism?

To conclude: The time is ripe for leading statesmen of every country to work for a better future for all societies and all countries, and we must explore the ways and means to do this.

Currency Rates

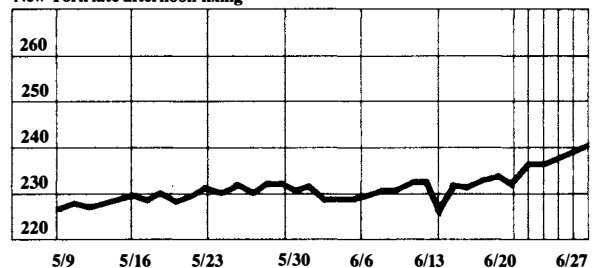
The dollar in deutschemarks

New York late afternoon fixing



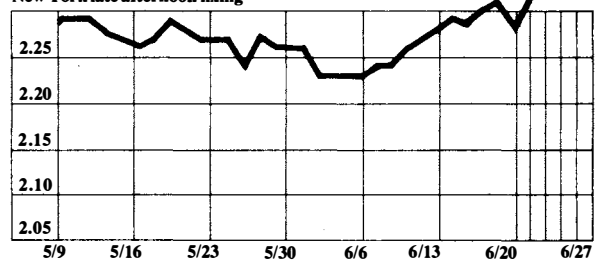
The dollar in yen

New York late afternoon fixing



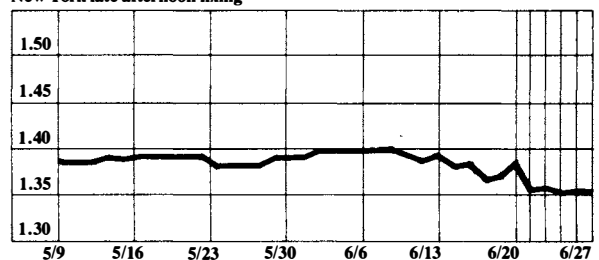
The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



EC's farm policy means disaster

EIR correspondent Garance Upham Phau accompanied Jacques Cheminade, secretary of the European Labor Party (Parti Ouvrier Européen) in France, on a visit on June 18 to the home of a Normandy farmer, Mr. Du Chaffaut, to meet farm leaders from the region. The result was an exclusive inside story on the dire situation confronting agriculture in France today.

Their host is a descendant of the Du Chaffaut who accompanied the Marquis de Lafayette to the United States to fight on the side of the American Revolution, and in his home are beautiful family portraits dating back to the age of Lafayette. He and his wife, members of the Society of Cincinnati, proudly reported that they are entitled by law to American citizenship should they request it, by virtue of their ancestor's role in founding the American republic.

The meeting took place in the wake of a European tour by two American farmers, Billy Davis and Don Scott, who are leaders of the National Democratic Policy Committee (NDPC). The purpose of the tour was to establish contacts between farmers on both sides of the Atlantic, to carry out a program to save modern farming and to export desperately needed food supplies to Africa. Du Chaffaut enthusiastically endorsed this program and offered to help.

At the luncheon at his home, leaders of the regional farm organization in Normandy—who prefer to remain anonymous—gave the interview which we publish here.

Q: The French government has recently instituted, at the instigation of the European Community [EC], measures to drastically reduce milk production, instituting a program akin to the U.S. PIK [Payment-in-Kind—ed.] program, paying farmers to kill their cows. This and the economic depression are hitting French farm production capabilities. What is the situation farmers find themselves in today? What is the financial situation of farms?

A: The first problem is that a good number of farmers don't know what they earn. Over 55 years of age (and more than half of them are over 55), they don't have to keep financial records. So for lack of professional training, farmers are not able to keep proper accounts.

Unfortunately, it is clear that the present system encourages people not to produce. The case of milk production is of course the most striking.

Let us take the case of Lower Normandy, of the Loire

and Brittany regions which produce over 50% of French milk. The quota system plans that any farmer over 55 years of age and producing more than 60,000 liters of milk receives a bonus of 61 centimes [about 8¢] per liter of milk taken out of production. That is the case for about 40% of the peasants in our region. Cashing in the bonus brings more money than the former profit margin per liter of milk produced. Draw your own conclusion! Those peasants pull their cows out of milk production, and either bring them to the slaughterhouse, or use them for calf-raising.

Thus, by reducing production, the old folks manage financially. But the young farmers who have bet on a policy of high productivity are cornered. They find themselves with a totally unprofitable "over production," while millions of children die in the Third World. This is totally absurd.

Today it is becoming more profitable to rent out agricultural land as hunting preserves for the wealthy than to raise milk cows. We are returning to the *Ancien Regime* [the feudal system, before the French Revolution].

In our case, for example, we are young farmers who have made a large investment effort. We started with cows which produced about 3,600 liters of milk per year. We have succeeded, through a big effort in genetic selection and upkeep of the herd, in obtaining cows which produce on the average 5,800 liters of milk per year. Now our effort is being punished. The genetic engineering, herd grooming, the whole modernization endeavor is being punished. It would have been better to have done nothing.

Furthermore, we are being crushed by our costs. While the price of milk has increased by 6.5% per year, [the increase was 2.5% for April-May-June] the price of animal feed has increased 15% to 20% during the same period, while fuel prices have increased even more. The increase in the value of the dollar relative to the franc has brought about an increase in the price of soybeans we import.

Finally, the quota applied to each milk farm is a 2% decrease in production. Each producer is identified, and the decrease is applied to each and every one. The penalty does not take into account whether the producer is big or small, whether the farming unit is modernized or not, and whether or not it is profitable.

Q: That affects industrial suppliers?

A: As for industrialists, they had invested in the expectation

of an annual increase of quantities of processed milk by 6% to 7%, and they face instead a decline of 2%. Consequently they also are cornered.

As for the producers of agricultural machinery, they can't sell at all any longer. There has been a decrease of 5 billion francs in financial turnover in agriculture for Lower Normandy. With such results, farmers no longer buy equipment. About 20,000 additional cows will have been slaughtered this year through the quota program. No milking machine can be sold in Calvados. Some wonder whether they won't have to learn how to milk by hand again.

In Calvados we would need 300 installations per year to maintain the active agricultural population, while for the moment only 150 young farmers are getting started. In 10 years, just through the demographic curve, not considering the aggravated effect of the economic crisis, the number of farmers in Lower Normandy will have gone from 50,000 to less than 30,000. Today the average age of farmers in the region is 59 years.

Q: So what does the future look like for the coming months?

A: If the present trend continues, we are headed straight for collapse. We produce less milk. We use the milk cows for breeding. But soon we will thus produce more heifers, and then the market will be "saturated," as they say. Then what will happen? What will we do with the unsalable heifers, which themselves are milk producers? The logic of the system would be to slaughter them. But then there will be a saturation of the meat market and collapse in prices. And we will be completely stuck.

What an absurdity! While millions of people have neither milk nor meat, while the Third World collapses into famine, we have a crisis of "overproduction." Obviously this crisis will only last for a while. After that we will enter a period of food shortages in France itself. That is where this crazy logic leads us. We must stop this.

There is a lot of talk about a "post-industrial" society. But we are also entering a post-rural society, in which food will be lacking as much as industrial goods.

Q: What is the situation of production and productivity per hectare and per farmer?

A: There has up to now been an increase in productivity per farmer. But the overall figures conceal two different periods. Between 1958 and approximately 1975 there has been at the same time a decrease in the agricultural population and an increase in modernization. Since 1975 there has continued to be a decrease in agricultural population, but investments have stopped. The recent tendency is for a stagnation of productivity, in spite of the constant reduction in population, because of the total lack of new equipment.

Q: How could exports of agricultural products to the Third World be organized? How, in particular, could we organize a policy of food export for milk products?

A: The farmers don't know how the milk is utilized. On the part of the EC there is no policy to create markets, simply a policy of stockpiling in the face of "overproduction."

Among the least known facts is how the European Community's milk production is undersold to the Soviet Union. Butter is delivered by the EC countries to the U.S.S.R. at the "broken" price of FF1.80 per kilo. Meanwhile the milk is bought from our peasants for FF1.60 a liter. And it takes 40 liters of milk to make a kilo of butter, which means a subsidy to the U.S.S.R. that amounts to about four times FF1.60 equivalent to FF6.40; and FF6.40 minus FF1.80 equals FF4.60. Which, by kilos of butter sold to the U.S.S.R., represents a 250% subsidy (4.60/1.80)! The system is crazy from beginning to end. All to the benefit of Mr. Doumeng the intermediary. [Known as the "red millionaire," Jean-Baptiste Doumeng is the communist Armand Hammer of France.]

Q: What is the present level of indebtedness of farmers? What do you think of the Crédit Agricole? What would you think of a moratorium on agricultural debt?

A: Indebtedness is enormous. In our region it reaches, depending on the farm, between one year and 18 months' worth of total financial turnover. And obviously those who have made the most efforts to modernize are the most indebted. Relative to our present profit level, it represents 15 to 20 years of profits. It's like the situation of a Third World nation.

In terms of interest rates, we benefited five years ago from fixed and state-backed interest rates of the Crédit Agricole, which meant about 4.5% for 9-12 years, with an inflation rate of about 14%. This is what allowed us to compensate for the increase in cost and decrease in prices paid to us, while continuing by and large to modernize equipment. Since 1981, the state-backed rate of the Crédit Agricole is 6% over 9 years. And thus we borrow at 6% with inflation at 8% to 9%. The subsidy has thus greatly decreased while costs have become prohibitive and prices have stagnated. For us it means ruin, and we are all the more ruined because we have made greater efforts to get equipment.

I must add that if we do not pay our debts when due, we are penalized with a 2% increase in interest rates. And the Crédit Agricole cuts off further lending.

Thus we borrow through open credit lines, at 22 or 23%. Our financial burden increases and we are more and more tied up to usurious banking.

Why do we avoid having recourse to the Crédit Agricole if we cannot pay our debts on time? Well, it's simple. Though the open credit line costs us a lot more, we choose this because if we demanded a postponement in debt payment to the Crédit Agricole, the latter would no longer grant us credit. We thus get into debt to our suppliers, so as to maintain our capacity to borrow in the future.

But why, will you ask me, is the Crédit Agricole now so severe? Because it cannot act otherwise. It is "cornered" by the state of the financial markets. It now operates under the

credit restriction policy. It has had to cut off all credit to farms with improvements (over 50% of the new milk production installations). And if it wants to loan additional credit at 16%, outside of the 6% state-backed credit, it is forced to borrow with penalty on the market at 26%. Thus it has to be very severe towards us, and we must more and more take recourse to the open credit line. In the end, this means ruin.

As for the moratorium on agricultural debt, the MODEF [farmers' organization of the Communist Party] has made that its battle cry. For ourselves, we say rather that of course the debt is unbearable, and solutions will have to be found, but the real problem is to insure for ourselves a decent income that would allow us to invest in equipment, to modernize, and to obtain decent living conditions.

Q: What is the trend of land prices?

A: Here in Calvados, it is a catastrophe. Bad land is simply unsalable. Good land now sells for about FF20-25,000 per hectare, which represents a decrease of about 40%. This year, with the milk quotas and the land market problem, the fall will continue.

Q: How about the group farms, the co-ops, like the CUMA [agricultural machinery cooperative]?

A: There are no longer any investments, so we have nothing new to put into a cooperative. What is happening is that the CUMA, which was created so that several persons could get together to buy new machines jointly, is now becoming just a way to share the misery. Whether through the CUMA or not, what we put into co-ops is not new equipment but what already exists. For example, we have two people on a mowing machine, two on a plow, five for one wood-cutting machine. So at the same time as the agricultural population is decreasing, those who remain hold in common what they have left.

Q: How about fertilizers?

A: That is also a disaster. There we see one of the links between the catastrophic policy [of the government] for steel and for the countryside. Now the industrial policy is closing down the iron mines. So there are no more scoriae, or they cost too much. Farmers replace scoriae [refuse from metals] with nitrates, "ammo." And while with scoriae the soil beds are enriched, with nitrates—especially through intensive usage of nitrates—in five years the land is burned out.

Even in the shorter term, the following situation prevails. Today the milk crisis and the ruin of milk producers. Tomorrow, in 6 to 12 months, the meat crisis, with overproduction of heifers. Already 60% of our meat comes from the "O" cows, meaning the post-"reform" cows. And the day after tomorrow, in 1985-86, the wheat crisis.

The trend is ineluctable under the present system. Help us to stop this disaster.

Swiss grain cartel is behind Sikh rebellion

by Thierry Lalevée

With American and European agriculture in the process of total destruction, whoever can grab India's Punjab, one of the world's most productive agricultural regions, will hold in his hands a most formidable blackmailing power against more than three quarters of the world's nations. Since the Green Revolution of the 1960s and 1970s, the Punjab region has produced 70% of India's wheat and 50% of India's rice.

This basic fact is one of the real reasons behind the creation in 1971 of a Sikh/Khalistani secessionist movement in the Punjab region and also one of the reasons behind the current upheavals. On June 3, the Indian government was forced to send the army into Punjab to head off what had become a major threat to the integrity of the nation. The Sikhs' Golden Temple at Amritsar was being used as an ammunition dump and headquarters for terrorist actions.

As investigations have revealed, the so-called Khalistan Republic, led out of London by its self-appointed president, Dr. Jagjit Singh Chauhan, is a puppet of many international forces which are committed to India's dismemberment, and, in particular, is a puppet of the international grain cartels. It was Chauhan who led a 30,000-person demonstration in London on June 11, demanding the assassination of Indian Prime Minister Indira Gandhi and other Indian leaders.

Though the evidence is not complete, there are growing suspicions that the London exiles have already signed privileged agreements with the cartels on the Punjab's future production. The exiles have little in common with most of the Indian Sikh community which, in the civil service, the army or in other institutions, is generally committed to a united India.

A Swiss conspiracy

At the center of the grouping which unleashed terrorism in Punjab, armed the terrorists, and brought about the present crisis is a little-known company: André and Company, SA, Export/Import. A several centuries old family-owned business, the André company is credited with a 10 billion Swiss franc yearly turnover which ranks fourth or fifth among the world grain cartels. However, in its long history, André has

never published any financial records, and therefore most information is based on guesswork, and is probably underestimated.

To find André today conspiring to dismantle a nation is hardly a surprise if one recalls that a most famous scion of the family, Major John André, was hanged during the American Revolution because he tried to betray the young American republic from within on behalf of British intelligence. It will also be no surprise to find that André is one of the grain cartels which conspired over the last 10 years to manipulate the grain market, bankrupting more than three quarters of the American farming community, and destroying the most productive and advanced agriculture in the world. André's war against the American republic has never ended and has been fought on many fronts; militarily with Major André, economically through the grain market, but also on the religious and cultural level!

The André family's connections

The André family belongs to the Presbyterian sect of the Darbyists, created in French-speaking Switzerland in 1838 by the Anglican John N. Darby, who then emigrated in 1860 to the United States where he paved the way for the creation of America's Christian fundamentalist movement. The same Darbyist fundamentalists can be found today in America in the heavily financed Temple Mount Foundation, which is the American branch of the Israeli underground terrorist movement which attempted to blow up Jerusalem's Al Aqsa Mosque. From Jerusalem Temple Mount to Amritsar's Golden Temple, we find the same families!

There is little doubt that the André family, on which we shall write more in coming weeks, is committed to gaining control of Punjab. Though there have been intensified contacts between André and Jagjit Singh Chauhan over recent weeks, even days, the liaison is being maintained by one of the family's brothers-in-law, another Darbyist, Jean Demaurex.

Demaurex, who used to control most of Ethiopia's coffee production up to 1974, still owns the "Domex" company in the suburb of Lausanne which deals in "coffee and colonial products," and was most likely the original liaison between André and Chauhan. Demaurex was described by Chauhan in 1983 as "my representative" in Switzerland, and, indeed, it was Demaurex who recently organized a tour of the country and interviews in the press for Chauhan. More recently Demaurex has been acting as a political adviser to Chauhan, with whom he regularly talks over the phone, one of the many activities he carries out for the André's. Nationalized as an Ethiopian in 1974, Demaurex has since discovered "humanitarian" reasons to support the opposition to the government of Addis Ababa, the Eritrean secessionists. He has added his support not because of his commitment to fight communism or the Soviet Union—both he and André have many deals in the East—but to recover his coffee plantations!

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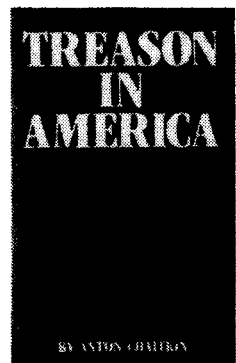
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Gold's plunge: how far, how long?

A paradox: The same factors that traditionally argue for gold have broken its price.

The price of gold fell to its lowest point in almost two years, at \$338, on Friday July 6, surprising many sophisticated investors in Western Europe. On the same day, Continental Illinois Bank's share price fell drastically to only \$4, a quarter of its May 15 level, when wire services reported that the near-bankrupt institution had to draw an additional \$4 billion from the Federal Reserve and the lifeboat consortium of commercial banks which, so far, have prevented Conti from shutting its doors.

According to banking sources, the troubled bank has nearly doubled the amount of its borrowings from the Federal Reserve bank. The Dow-Jones service reported, "Unconfirmed reports say Continental Illinois upped its borrowing from the Federal Reserve to about \$4 billion a day on Tuesday and Thursday from about \$2.25 billion daily previously. . . . On Tuesday, Federal regulators said Continental Illinois was also drawing about \$8 billion a day from a credit line supported by 28 banks. They said that was about \$2 billion more than previously."

London banking sources say that Conti's \$5 billion sale of assets during the last month involved a major write-down of the value of those assets, further compromising the bank's underlying capital. The continued flight of funds from Continental and other banks has produced a severe credit crunch on the international markets, forcing the price of gold down \$23 on July 6 to \$338, its almost two-year low.

Manufacturers Hanover Trust's

stock, meanwhile, fell to only \$22½, against \$38 on May 15 and \$26 per share after the reports of trouble at the New York bank.

Also mentioned ominously by British banking sources was Crocker National Bank, which announced months ago that it would try to sell off its new San Francisco headquarters building to raise \$700 million in cash. The British sources argue that Crocker will only be able to raise half that amount from the sale, leaving the bank still short of funds.

Britain's large international banks have not been exempted; Midland Bank, one of the most heavily engaged in South America, lost 8% of its share price in a single trading day at the end of June.

Gold has become the victim of a generalized liquidity crisis infecting the entire world banking system, with especially ugly consequences for banking shares.

Deposits continue to run out of American (and some other) banks' foreign branches; Eurodollar deposit rates continue to rise as a result; ordinary loans become difficult to obtain; many Europeans convert their own currencies into dollars to meet dollar expenses, rather than borrow as in the past, and the dollar rises on the foreign exchanges.

Under these circumstances, it becomes possible for the Soviet-Swiss combine on the gold markets to break through the previous so-called support level of \$360, a true "bear raid."

The old European financial interests who believe themselves to be the

future satraps of the Russian empire are delighted to see gold at the lower price; it means they can accumulate more physical metal in return for dollars.

In this sense, it is both lawful and paradoxical that gold should decline in the midst of a banking crisis; the same conditions that produce a momentary shortage of liquidity, indeed an extremely painful shortage, will force the hands of the American monetary authorities in the other direction.

An acquaintance well-placed in the City of London said this week that "the debtors" cartel is now a functioning entity; the debtors have only one way to go: Radicalize, and they will. None of the solutions we had tried or are envisioning—interest rate capping, interest capitalization, secondary market for bank claims, debt for equity—are liable to work. The only way left to us is to do like in 1982, a massive, mammoth bailout of the banks, printing money to plug the gaping holes in bank balance sheets."

My own view of gold has not changed in the meantime. Gold is not an appropriate vehicle for short-term investment, principally because the market is more heavily manipulated than any other. Nonetheless, a dollar trading at perhaps 40% more than its relative purchasing power, denominating \$700 billion in unpayable developing-sector debt, is a problematic investment at the outbreak of a generalized banking crisis.

To the extent that the U.S. monetary authorities continue to pretend that nothing is amiss, gold's weakness can continue indefinitely, i.e., for some weeks or months, and no one can tell with precision when this will change; it is only possible to indicate certain future points of perspective, e.g., the September meeting of the debtor countries in Buenos Aires, as indications of when the rope will run out.

Foreign debt and the hunger crisis

Many African nations are realizing that their only hope is a restructuring of the international financial system.

“Only the creation of a new world economic order can end the problem of starvation in Africa. Unless we achieve this, Africans will come begging at your door again next year, and you will see ‘Third World’ conditions spreading into Europe and the United States,” warned Rev. Mpolesha Dibala at a series of conferences on stopping the hunger crisis in Africa, organized by the Club of Life throughout Europe in June. Reverend Dibala, who heads the Kinshasa Ecumenical Center in Zaire and is a founding member of the Club of Life, attacked “international assassins” such as the International Monetary Fund (IMF) and other organizations which are literally “killing” Africa.

The Club of Life proposes an emergency action program in the face of the starvation of 150 million Africans: 1) to restore the conditions, including credit, for U.S. and European farmers to relaunch production; and 2) to enact bilateral agreements to ship food surpluses to Africa now, along with the infrastructure needed for Africans to upgrade their own production. The problem is not lack of means, but political will: Such U.N. organizations as the Food and Agriculture Organization keep African leaders hopelessly entangled in bureaucratic discussions while the IMF, the World Bank and other usury-promoting institutions destroy what is left of the African nations’ economies.

Recognition of this reality has started to creep into the discussions of even some United Nations outfits. At

the annual meeting of the United Nations World Food Council (WFC), in Addis Ababa, Ethiopia in the second week of June, delegates blamed the “imbalance in the international economic order” for hunger in Africa. The delegates stressed that while drought and spreading desertification contributed to the shortages, “human controlled factors are more important.” High interest rates and the debt burden of the developing sector nations were cited among the causes.

In its report to the delegates, the Organization of African Unity (OAU) said that the price drop for basic products and the deterioration in terms of trade had reduced the real value of exports. The OAU report said that in Africa, where the food situation was “alarming” in 24 countries, “food production per capita has decreased over the past 20 years,” adding that “Africans today have much less to eat than they did 10 years ago.” *U.N. reports have indicated that African food production per capita in 1980 was 15% less than it was in 1970!*

But the World Food Council could only propose such band-aid remedies as increased emergency aid to Africa, and assistance for all Third World countries “directed at development of human potential.” The murderous conditionalities imposed by the IMF were not mentioned, nor was the fact that international banks are refusing to lend money to African nations which refuse to sign agreements with the IMF to implement austerity programs.

For the first time, the issue of for-

eign debt was raised at a recent meeting of African finance ministers in Addis Ababa. African debt is estimated at about \$107 billion. While small in comparison to Ibero-America’s debt, measured in per capita terms it is as high or higher. Mauritania’s per capita debt, for example, is \$487 compared to the Brazilian per capita debt of \$480.

African diplomats have stressed that until this problem is solved, perhaps along the lines now being discussed in Ibero-America, African nations will have to use the lion’s share of their export revenue to pay debt service, leaving insufficient funds to pay for food imports.

The international conference of the United Nations Industrial Development Organization (UNIDO) slated for August in Vienna, is due to take up the issue of the industrialization of the developing sector. Previously the organization has consistently promoted small-scale, low-technology projects for the Third World, but in an unusual change of position, Abd el Rahman, the executive director of UNIDO, wrote in his report to the conference that “Industry is a necessity for economies advancing beyond subsistence agriculture. The satisfaction of basic needs and the provision of employment can be secured only through a combination of industrial growth and its dynamic impact on other sectors.”

He defended developing sector nations against the demands of the IMF: “Shortages and devaluations have accelerated inflation in these countries. They could hardly be expected to tighten their belts any more, and if they did, the social consequences would be severe. . . . The present high, even usurious interest rates affect profitability of existing firms, viability of new projects, and the balance of payments position of countries.”

Business Briefs

Debt Bomb

Figueiredo urges debt dialogue

In a letter sent to President Ronald Reagan this week, Brazilian head of state João Figueiredo called for "urgent dialogue" between the governments of Ibero-America and the United States on how to resolve the continuing crisis of the foreign debt.

Warning that international interest rates have not only increased since the London and Cartagena summits of creditors and debtors, respectively, but threaten new increases in the near future, Figueiredo insists on the necessity for "an urgent, broader, and more integrated examination, at the level of governments," of the debt crisis. In the letter, he notes that "the economic difficulties and political tensions proven in various indebted nations, already very serious, could reach unsupportable levels if the adverse external economic factors intensify." Figueiredo concludes with a call for measures which would not only relieve this "excessive burden of indebtedness" but would lead to "the substantial expansion of world trade and the world economy."

A bit less diplomatically, the executive secretary of SELA (Latin American Economic System), Sebastian Alegret, publicly charged that certain industrialized countries were demanding policies which would lead to "the recolonization of Latin America. . . . I think that we must move to action." He added that the increase in interest rates "the day following the conclusion of the Cartagena summit appears a bit strange. I believe that it is virtually a challenge, an answer from the international banks to Latin America."

Interest Rates

Fed Governor Gramley: interest rates dangerous

Federal Reserve Board Governor Lyle E. Gramley said rising interest rates could lead to a serious erosion of confidence in financial markets.

"High interest rates might precipitate events that economic policies cannot control," Gramley told a meeting of Chicago-area economists.

Gramley said the most troublesome potential impact of rising interest rates would be on farmers, small businesses, savings and loan companies, and shaky nations in debt to the U.S. banks.

He said these areas of concern are currently more worrisome than the potential impact of rising rates on the U.S. economy as a whole. Gramley said the recently rising rates are due to a strong increase in commercial credit demand coupled with continued heavy borrowing by the federal government. Gramley endorsed congressional efforts to make a down payment on the federal deficit, but said current deficit reduction plans won't significantly cut the federal debt.

"It looks like we're going to do enough to keep the problem from getting worse, and that's about all," he said. He added, "An easier monetary policy is not the way to lower interest rates," which could be disruptive to "very nervous financial markets." He said the Federal Reserve Board will not "cave in" in its anti-inflation policies.

Gramley said he noticed in recent weeks that it appears bank lending policies have become more conservative, which he said is good in light of the strong increase in business borrowing this year. "Credit aggregates have become quite worrisome." He also warned that "growing private credit demands compete more actively" with U.S. government borrowing. Gramley refused to take questions from reporters regarding Continental Illinois National Bank and Trust Company of Chicago.

Economic Theory

Friedman upset over LaRouche-Alfonsín meet

When asked what he thought about the fact that Lyndon LaRouche and Argentine President Raul Alfonsín had held a meeting and joint press conference in Buenos Aires, fascist economist Milton Friedman exercised his renowned "freedom to choose"—and became unhinged.

"Ha, ha, ha, ha," Friedman cackled. "That guy [LaRouche] wrote a book calling me a fascist, a Nazi, a friend of Hjalmar Schacht! Omigod! He's a *real* crackpot, but very dangerous. I must say. Where does he get his money?"

When the caller suggested that LaRouche might perhaps get his money through the "free market" that Friedman extols so much, Friedman renounced his own theory: "No! He was a communist. I think he gets his money from the Soviet Union. They would fund a troublemaker like that!

"If you want to know more about him," Friedman went on, "talk to B'Nai B'Rith; they have prepared and have available a very long investigative piece about him."

Then he reverted back to the original subject: "This meeting with Alfonsín is insane! This is crazy! But, then again, Argentina is a crazy place! But that can't produce a debtors' cartel, that meeting. There will be *no* debtors' cartel, there will be *no* international financial crisis, all this is just a tempest in a teapot; it will blow over, I'm sure!"

International Trade

Soviets pose as Ibero-Americans' friend

On June 25, *Izvestia* interviewed a collaborator of Moscow's Latin America Institute, N. N. Kholodkov, in an article entitled "Continent in the Debt Hole." The debt burden, Kholodkov said, is not linked to "objective cyclical processes"; it is the "result of Latin America's dependency within the system of the capitalist world economy." Faced with the problem of "collective neocolonialism," these countries allegedly have no one to turn to for markets except the Soviet Union and her allies. "With their assistance, the Latin American states can get additional material and financial resources at most favorable terms for the realization of big projects."

As an example of such projects, he mentions Soviet cooperation with Bolivia in the recycling of pewter scrap, and the construction of the hydro-power plants "Alto Sinu" in Colombia and "Salto Grande" in Argentina.

On June 24, *Izvestia* devoted a long article to Brazil's sugar alcohol production, praising it as the right step to challenge the oil multinationals.

Nuclear Power

Consumers' Power cancels nuclear plant

In the deepening depression in the industrial Midwest of the United States, the Consumers' Power electric utility company of Michigan announced on June 25 it will cancel outright the Midland nuclear power reactor, planned nearly 20 years ago and the subject of historic legal battles for nuclear power since 1976. Consumers' Power is now likely to go bankrupt, as its executives admit. Its attempt to pass the large cost of the abandoned capital project to its ratepayers will be opposed by the same forces who earlier prevented completion of the plant: Attorney Gen. Frank Kelley and his protégés, the Michigan Citizens Lobby.

Midland is the third nuclear plant to be canceled this year. In January, the Public Service Company of Indiana stopped construction of its \$2.5 billion Marble Hill facility, and the Cincinnati Gas and Electric Company said it would try to convert its Zimmer nuclear unit into a coal-powered plant.

Financial Crisis

New Times: West on 'Financial Volcano'

Felix Goryunov, the economic expert of the Soviet foreign ministry publication *New Times*, wrote in a recent issue that the London summit did not give a way out of the financial crisis.

"In simple terms, the West intends, with the help of the IMF, to continue twisting the arm of any developing country which might balk at repaying its debts. It will do this one by one because the international bankers now fear most of all the creation of a 'debtors'

club,' whose actions could collapse the biggest U.S. banks.

"An eruption of the 'financial volcano' of international indebtedness is quite possible," and the Continental Illinois crisis was the first "underground tremor," Goryunov continues. Reagan's policy of attracting foreign capital to the United States with offers of high bank rates is in trouble because the faith in American banks has been undermined.

"But still they pretend that the London conference was a success. . . . The question, however, remains: How long will it take the 'financial volcano' to erupt?"

European Community

Money for Perfide Albion: Fontainebleau Summit

After months of gambling, Margaret Thatcher finally got "her money back"—"Small" Britain will receive a repayment of about one billion ECU [European Currency Units] for 1984, of which the Germans will have to pay 25-30%. In addition, the British will have to pay less to the Common Budget in 1985—by about the same amount of money. It is doubtful that the deficit created in the Common Budget, which will reach be 2.5-4.0 billion ECUs by the end of 1984, can now be covered.

With the alleged "settlement of the British problem," the whole austerity package planned—agricultural production cuts, a new phase of Count Davignon's program for shutting down another major portion of European steel production, and the increased surcharge tax which will hit the consumer—will now be operational.

While the tax-payers of Europe have little reason to welcome the results of Fontainebleau, the heads of state meeting there all seemed to be pleased: François Mitterrand made an appeal to the "grand spirit of Europe"; Kohl got the green light for his subsidies to the German farmers; and European passports will be available within the EC soon.

Thatcher is the happiest of all: She can return to London with one of the biggest Euro-Cheques ever underwritten in postwar European history.

Briefly

● **A NIGERIAN** delegation headed by Finance Ministry secretary A.A. Alhaji left Washington in late June without having reached an agreement with the IMF. For over a year, Nigeria has resisted the IMF demand to devalue its currency by 25%.

● **SWEDEN'S** program of shared austerity is not for everyone. Prime Minister Olof Palme will be getting a 31% raise, retroactive from January—equal to about one half of the annual income of an average worker in Sweden.

● **THE NEW YORK DAILY NEWS**, in a lead editorial today, demands a gigantic Fed bailout for the banks to forestall a crash. In unusually frank language which reflects the shock of the events at the meeting of Ibero-American debtors at Cartagena, the *News* notes that "the chickens are coming home to roost on Wall Street." The debtors cannot be squeezed further, the editorial concedes; however, banks cannot just write down their profits, because depositor confidence would be shattered. In the Conti case, "the Fed and other banks rallied around. . . [but] could the system cope with a run on all the big banks?" The answer: "The Fed will probably have to make up the difference for the banks."

● **NORMAN A. BAILEY**, former National Security Council chief economist, called for a "responsible response" to the emerging debtors' club, in a discussion in the July 9 *Business Week* magazine. Bailey said, "They are being responsible. And if they don't get a responsible response, they will become irresponsible."

● **THE SOVIET** communist government—the "defender of the working class"—has been caught scabbing on the British miners who have been on strike for several months. While Radio Moscow calls on the British miners to continue their fight against "capitalists," Russian tankers have been making a handsome profit delivering heavy fuel oil to Britain since the strike began.

The sleaze factor in the Democratic Party

by Kathleen Klenetsky

To anyone familiar with the seamier side of U.S. politics, the Democratic Party's disclosure that it is making the so-called sleaze factor in the Republican Party a major theme of the 1984 presidential campaign must have provoked gales of laughter.

Talk about the pot calling the kettle black!

As we will document in this report, the current leaders of the Democratic hierarchy, emphatically including Democratic National Committee chairman Charles Manatt, Walter Mondale, and Gary Hart, operate as assets of the international organized-crime syndicate which controls the multibillion-dollar global drug trade, the child porn industry, prostitution, and the lucrative illegal traffic in arms, gold, and diamonds.

This network includes all the "big names" of international crime, from Robert Vesco and Bernie Cornfeld of the Investors Overseas Services (IOS) swindle and Tibor Rosenbaum's Banque du Credit International, through Meyer Lansky's Resorts International and Permindex, the organization behind the assassination of John F. Kennedy. As *EIR* has previously documented, these criminal networks interface directly with the major banking centers in Switzerland, London, and New York, and collaborate on a regular basis with the Soviet Union's massive "underworld" activities.

A major component of the Democratic Party-organized crime nexus is the Anti-Defamation League of B'Nai B'Rith. Ostensibly established to protect Jews from anti-Semitism, the ADL actually serves as a cover for organized crime. Between the years 1971 and 1976 alone, several leading ADL officials and ADL-affiliated institutions have been brought before state and federal authorities for crimes of embezzlement and related offenses involving in aggregate over \$150 million. Among these cases were: Robert Vesco's theft of \$60 million in funds from IOS; outlawed Italian Propaganda-2 Freemasonic lodge financier Michele Sindona's embezzlement of over \$27 million from Franklin National Bank in New York; and David Graiver's looting of over \$40 million from American Bank and Trust. These three cases were part and parcel of a major Meyer Lansky-linked



NSIPS

The Democratic Party under the regime of Jimmy Carter, Walter Mondale, and Charles Manatt (shown above), has become a tool of the Hollywood dope mafia. Here Carter's constituents demonstrate during the 1976 election.

organized-crime reorganization which took place during the 1968-76 period, a reorganization in which the ADL played a major part and which corresponded to a top-down revamping of the Democratic Party by the same networks.

As we shall see in the following pages, both the ADL and its more overtly organized-crime collaborators now function as the political and financial backbone for the Manatt-Harriman grouping in the Democratic Party. Without an examination of this criminal network, it is impossible to understand why the Democratic Party has degenerated to the point where it is seriously considering making Fritz Mondale its standard-bearer in the November elections.

The fall of the Democratic Party

It used to be the case that the Democratic Party, at its best, represented an alliance of labor, business, farmers, and minorities committed to the prosperity and well-being of the country. This was particularly true during Franklin Delano Roosevelt's third and fourth terms.

But the party has fallen so far from those days that it can hardly be recognized as the same institution. In the last few decades, the party has come increasingly under the control of an unholy marriage of "liberal" oligarchical families like the Harrimans and outright organized-crime networks. This is the machine which put Jimmy Carter in the White House, secured the Democratic national chairmanship for Charles Manatt, and is now buying up the Democratic presidential nomination for Walter Mondale. Ironically, as Democratic presidential candidate Lyndon H. LaRouche has repeatedly pointed out, this is essentially the same network which con-

trols the dirtier chunks of the GOP—as "Republican" Henry Kissinger's extensive connections to Walter Mondale and Gary Hart suggest.

Thanks to this network's stranglehold, the Democratic Party no longer represents any principled positions whatsoever. Instead, it has made itself a lobby group for the decriminalization of narcotics, for gay rights, euthanasia, and population control. The Democratic Party has put its official imprimatur on corrupt policies that are totally at odds with U.S. national interests:

- While screaming about "the poor," the party has supported the usuriously high interest rates pushed by Federal Reserve chairman Paul Volcker—a Carter-Mondale appointee. The usurious interest rates benefit only the speculators—like the party bosses.

- It has lined up solidly behind the International Monetary Fund's austerity conditionalities for the Third World.

- On strategic policy, the party has become an open propaganda arm for Moscow, echoing the Kremlin's line that the Reagan administration's strategic defense program represents an intolerable "provocation" to the Russians, and opposing all efforts to protect U.S. interests and any other nation's sovereign interests abroad. Leading Democratic elected officials have so far abandoned loyalty to their country as to submit defense-related legislation to the Soviet embassy for approval!

Given the sordid organized crime networks lurking just behind the scenes, it is no surprise to find the party leadership endorsing such policies. And it is no surprise that the majority of Democratic Party candidates with official backing from

Manatt and Mondale are moral degenerates, individuals whose personal lives make them easily susceptible to the kind of sexual and other blackmail in which the KGB specializes.

Corruption and moral pathology

The current crop of Democratic Party presidential contenders—apart from dark horse candidate Lyndon LaRouche, the challenger to the corrupt Democratic machine—exemplifies the process of moral degeneration which has gripped the party. Gary Hart is a reputed wife-beater and bed-hopper whose lies about his true name and age point to a pathological personality. Jesse Jackson's organizations have received money from Libya, one of the major promoters of international terrorism. This, not conviction, explains why Jackson himself has dragged his feet in censuring thug worker Louis Farrakhan, despite his repeated anti-Semitic outbursts.

But neither Hart nor Jackson holds a candle to Fritz when it comes to moral turpitude. The man first in line to get the Democratic presidential nomination has a personal and political history which might suit him for the Babylonian priesthood, but certainly not for the White House. Mondale has long been dependent on various mood-altering drugs for his daily functioning. He is part of an international "humanist" network which champions euthanasia, genocide, sexual perversion, drug abuse, and the destruction of the nation state. He patronized People's Temple cult leader Jim Jones, and played a crucial role in helping Jones relocate his followers to Guyana where they committed mass suicide.

The Carter-Mondale administration is rightfully considered one of the worst in American political history. By the time Carter and his vice-president were driven from office, they had destroyed the U.S. strategic arsenal, wrecked the economy, and, in the "Billygate" affair involving the President's brother, concluded an open alliance with Iran's Ayatollah Khomeini and Libya's Muammar Qaddafi.

Mondale's current roster of campaign advisers includes a slew of Soviet collaborators, such as Robert Pastor, who was caught red-handed last October assisting the Soviet/Libyan-backed coup leaders in Grenada. And he has declared that the number-one priority of his presidential campaign is his war on the administration's beam-defense program—the program which could protect the United States and its allies from a Soviet nuclear attack.

Mondale's corrupt program has won him the glowing endorsement of the Moscow weekly *Literaturnaya Gazeta* May 30: "Mondale's lack of affectation and genuine show of dignity and respectability, should produce on the voters an impression of solidity, soundness, reliability."

By raising the specter of a Soviet-controlled Caligula as President of the United States, the enemies of Western civilization hope to destroy the fighting morale of the American citizenry. The dossiers which we publish here provide ample ammunition for patriots who do not wish to see their nation become a new Sodom and Gomorrah—or a satrapy of Moscow's empire.

Banker Manatt and

by Kathleen Klenetsky

In the summer of 1981, shortly after Charles Manatt spent over \$75,000 to buy himself the Democratic National chairmanship, he announced that he had reached an agreement to sell his bank, First Los Angeles, to the Istituto San Paolo di Torino. Under the agreement, Manatt revealed, he and his law partner, Alan Rothenberg, would retain their directorships of the bank.

This was the first U.S. bank acquired by the huge Istituto San Paolo, and there was plenty of speculation as to why it would pay over \$60 million to acquire First Los Angeles rather than some older, more established institution.

The answer provides an important clue to the real Charles Manatt, the man who has presided over the Democratic Party's full emergence as a tool of the dope lobby and the Soviet Union.

The Istituto San Paolo, with deposits of over \$23 billion, is the 6th largest bank in Italy and the 63rd largest in the world. Headquartered in Turin, it maintains offices in Frankfurt, London, Munich, Paris, Zürich, and an agency in New York. It also owns the Sanpaolo Bank Ltd. in the Bahamas and has controlling interest in Sanpaolo-Lariano Bank S.A. in Luxembourg—two of the principal centers for "offshore" banking and dirty-money laundering. The bank functioned as the sponsor for Bernie Cornfeld's Investors Overseas Services (IOS) in Italy, laundering funds into Switzerland for Dope, Incorporated.

Istituto San Paolo's political connections are equally revealing. Located in Turin, a stronghold of the Italian Communist Party and headquarters of the Agnelli dynasty's Fiat motor company, the bank plays a major role in East-West trade and helped to finance the construction of the U.S.S.R.'s famous Togliattigrad—the auto city named after Italian communist Palmiro Togliatti. Italian magistrates investigating the attempted assassination of Pope John Paul II exposed the role of the country's East-West trading networks in providing a cover for drug- and gun-running and for terrorism. Finally, the Istituto San Paolo has come under suspicion for possible links to the notorious Propaganda-2 Freemasonic lodge.

In purchasing Manatt's bank, Istituto San Paolo was buying directly into one of the centers of organized crime and political influence-peddling in the United States.

Democratic National Committee (DNC) chairman Manatt is a millionaire banker and lawyer based in Century City, California. He represents a complex network of interlocking law firms, banks, and "entertainment industry" spinoffs,

Hollywood's mafia

ranging from movie studios and sports empires to record companies and discos—all of them under the purview of the “Hollywood mafia.”

Organized crime and Hollywood

From its earliest days, Hollywood operated under organized crime's thumb. The motion-picture industry was spawned through an open alliance between the mob and British intelligence operatives, chiefly Sir William Wiseman, the official head of British secret intelligence in the United States during World War I. Wiseman engineered the shift of the U.S. film industry from New York to California.

The largest film union, the International Alliance of Theatrical Stage Employees and Moving Picture Operators of the United States and Canada (IASTE), was controlled by mobsters Frank Nitti and Louis Lepke almost from the beginning. Loew's, Inc., the largest motion picture theater chain and the financial backbone of the Metro-Goldwyn-Mayer empire, was largely owned by the mob led by Arnold Rothstein. Twentieth-Century Fox, set up in 1933 by Warner Brothers' Darryl F. Zanuck, was financed by mob money laundered through Loew's. And Harry Cohn, longtime owner of Columbia Pictures, acquired the capital to buy the studio back in 1932 from mobster Abner “Longie” Zwillman, former head of the Atlantic City mob.

Charlie Manatt's meteoric rise in Democratic politics and in the worlds of law and banking could not have been accomplished without the help of the “elder statesmen” of the California Democratic Party, people who had made their own fortunes by serving mob interests. Among the more prominent members of this group are former California Gov. **Edmund (Pat) Brown**, father of former governor Jerry “Fruitfly” Brown, and **Paul Ziffren**, former chairman of the California Democratic Party and current partner in the prestigious law firm of Gibson, Dunn, and Crutcher.

Paul Ziffren is one of the most powerful figures in California. Currently chairman of the Los Angeles Olympic Organizing Committee, Ziffren had been compelled to take a low profile in 1960, following a *Readers' Digest* exposé of his relationship to the Chicago syndicate. The exposé documented that Ziffren was the attorney for and business associate of Alex Louis Greenberg, who served first the Capone mob and subsequently Frank “the Enforcer” Nitti as a financial frontman, laundering mob profits into “legitimate enterprises.”

When these facts came to light, Ziffren was serving as the chairman of the California Democratic Party, and was running John F. Kennedy's presidential campaign in the state; his student coordinator was Charlie Manatt.

Ziffren responded to the *Readers' Digest* disclosures by simply moving behind the scenes, from where he continued to exercise control through colleagues like Pat Brown, and ambitious young men like Manatt.

One of Ziffren's longtime collaborators is **Sidney Korshak**, whose sordid career has been the subject of several exposés, including a 1976 series in the *New York Times*. Korshak represents in the most visible way the interface between those “above suspicion” in the international narcotics business and the “muscle” of organized crime.

As an attorney, Korshak is known as “Chicago's boy” on the West Coast. As early as 1942, Korshak's name appeared in an IRS report which disclosed that “our informers have stated that Sidney Korshak, a lawyer in Chicago, Illinois, is often delegated to represent the Chicago gang, usually in some secret capacity.”

In 1950, Korshak moved to Los Angeles and began cultivating contacts in the movie industry. In 1952, he represented “Chicago interests” in the attempted takeover of RKO studios. The *Wall Street Journal* howled about the mob's involvement in the move and the offer was withdrawn. That didn't stop Korshak from finding other outlets for his creative energies. Throughout the 1950s, he came under repeated investigation for involvement in bookmaking, but always escaped any serious prosecution.

In the mid-1960s, Korshak's activities intersected Bernie Cornfeld's IOS, the now-infamous scam which, posing as a “mutual funds” investment service, actually operated as a vehicle for the laundering of organized crime profits by Meyer Lansky's syndicate. By 1966, IOS had created a number of mutual funds, the most important of which was the Fund of Funds. **Pat Brown** sat on its board. (As state attorney general in the 1950s, Brown had elevated Paul Ziffren's younger brother, Lester, to the rank of deputy attorney general straight out of law school. Later, Bernie Cornfeld held a series of fundraising parties for Pat Brown's son, Jerry, during his successful campaign for governor. Charles Manatt played a pivotal role in that campaign.)

Also in 1966, Lansky associate **Fred Alger** was brought in to manage part of the Fund of Funds' investment activities. By June 1967, he had conducted \$2.5 million to Resorts International, the entity created by Lansky to launder the profits from his booming Bahamas drug business.

The Fund of Funds and IOS had a particularly symbiotic relationship with Gulf & Western, one engineered almost singlehandedly by Korshak. G&W chairman **Charles Bludhorn**, now deceased, placed approximately \$29 million in bonds through the Fund of Funds, while IOS, through its International Investment Trust, held a large portion of Gulf & Western's common stocks. Korshak helped Bludhorn to acquire such holdings as Paramount Pictures, Madison Square

Garden, the New York Knicks, and interests in a number of Nevada gambling centers.

Korshak's relationship with Gulf & Western dates from his association with **Phil Levine**, a one-time real estate partner of Meyer Lansky in New Jersey. In 1967, Levine took the proceeds from the sale of MGM stock to another key organized crime family, the Bronfmans, and invested \$22 million in Gulf & Western; he later became the president of G&W's real estate subsidiary. One of G&W's other major stockholders is **Carl Lindner**, the Lansky-connected chairman of American Financial Corp.

Manatt's corrupt clientele

Charlie Manatt's law firm, Manatt, Phelps, Rothenberg and Tunney, numbers Gulf & Western among its more prominent clients. Other clients with similarly sleazy pedigrees include:

- **Lev Wasserman's MCA:** Wasserman, a close buddy of Korshak, reportedly got his start as a doorman for Al Capone.

- **Playboy Enterprises:** Playboy is at the center of the pro-dope lobby. It was the Playboy Foundation which grant-

ed the seed money for the founding of NORML (the National Organization for the Reform of Marijuana Laws).

- **Columbia Pictures:** Columbia's underworld ties are documented in the article on Walter Mondale in this Special Report (see page 25).

Manatt has not been completely successful in avoiding being personally tainted by his unsavory associations. In an article dated May 3, 1978, the *Washington Post* disclosed that Manatt's name had come up in a long and complex FBI corruption investigation into the flow of money from the Howard Hughes interests into the coffers of leading California Democratic Party politicians. As a result, the announcement of his appointment as Democratic national finance chairman was held up three times.

Manatt's name came up early in the investigation because of his long friendship with Brown, which dates from the 1960s. Manatt had been involved with Brown in chartering two Southern California banks, and over the years, Brown had referred between 5 and 10 clients to him for representation in bank charters. As the *Washington Post* pointed out, those referrals represented a lot of money to Manatt, who charges as much as \$25,000 merely for initial consulting services in bank charters.

Kirkland, the AFL-CIO, and organized crime

No discussion of the "sleaze factor" in the Democratic Party could be complete without including the role of the top echelons of the AFL-CIO, and particularly the Trilateral Commission's Lane Kirkland. Contrary to popular belief, Kirkland is no trade unionist, but a plantation owner from an old Confederate family.

He got his start in the AFL-CIO bureaucracy in the Research Division, under the tutelage of Jay Lovestone, the former protégé of Communist International leader Nikolai Bukharin. As general secretary of the Communist Party U.S.A. during the 1920s, Lovestone presided over an alliance with organized crime in New York's Garment District. According to an account by Benjamin Gitlow, a Lovestone lieutenant, "Communists, who had made the fight against gangsterism the main issue among the Furriers, had no qualms about making a deal with the gangsters, accepting their protection and services, including the most nefarious gangster activities. . . ." The broker for the communist-labor merger with the mafia was Arnold Rothstein, the banker for organized crime in the United

States, who also patronized mob figures like Charles "Lucky" Luciano. It was Luciano who recreated the Sicilian mafia after the war under the patronage of Thomas Dewey and the Dulles brothers. Luciano's accountant, Meyer Lansky, later took over the franchise for dope smuggling into the United States.

Known as a Lovestone man, Lane Kirkland has nevertheless swept his front steps clean of street thugs, preferring to associate with the higher-level gangsters, like fellow Trilateral Commissioner David Rockefeller. Like Rockefeller, Kirkland maintains colonial holdings in Latin America, boasting at a 1972 cocktail party that "If things ever get really bad, I can always flee to my plantation in the Virgin Islands."

Kirkland is not the only AFL-CIO boss with a slave-labor plantation. Jonathan Kwitny, in his book *Endless Enemies*, reports that George Meany, Kirkland, and other labor leaders established a semiprivate resort and tobacco plantation in the Dominican Republic in the late 1960s, not far from Gulf & Western's biggest sugar field. Hundreds of peasants were driven off the land to make way for the plantation; some were jailed when caught cutting through the barbed wire fence surrounding the resort to plant crops on what had formerly been their land, and others were rehired below union wage levels—for \$60 a month.

The power behind Walter Mondale: 'hustlers, shysters, and con-men'

by Kathleen Klenetsky

Shortly after the June 5 primaries, Walter Mondale took himself and his family to Southampton, an exclusive resort located on Long Island's South Fork, for a vacation at the summer home of **Herbert Allen**, a Wall Street investment banker and entertainment industry mogul. The trip was duly noted by the major media. Some even pointed out how ironic it was that Mondale, who has repeatedly indicted Ronald Reagan for maintaining a coterie of rich friends, had chosen to sun himself at Allen's \$3 million villa, rather than return to the more plebeian pleasures of his home town, Minneapolis.

But more scandalous was what the media failed to mention about Mondale's sojourn: Allen, like his father before him, had accumulated his vast wealth through highly questionable business deals, many directly linked to the mob. Allen family members boast of this in their more candid moments; Herb Allen, Jr. told the *New York Times* several years back that the family's investment firm, Allen & Company, "trades every day with hustlers, deal makers, shysters, con men. . . . That's the way businesses get started. That's the way this country was built." Hundreds of thousands of dollars of the filthy lucre from this organized-crime empire has been channeled into Mondale's private bank account, as well as into his presidential campaign coffers.

Allen, who has bankrolled other key Democratic figures, including former New York Gov. Hugh Carey, has helped raise substantial funds for Mondale's presidential bid. He sponsored a money-raising event in the spring of 1983 that netted Mondale about \$130,000, a sum which included \$22,500 from Allen & Company employees. This was the largest single source of funds to the Mondale campaign in its first nine months. Allen personally donated the legal limit of \$10,000 to Mondale's political action committee in 1982 and 1983.

Mondale and the mob

If there's any politician on the national scene who'd be comfortable taking money from men who make millions out of selling drugs to teenagers and exploiting children for por-

nographic enterprises, it's Walter Mondale. Very little poking beneath his clean-cut Midwest exterior is required to uncover a core of corruption. From his promotion of Rev. Jim Jones, perpetrator of the Jonestown cult-suicide (see *EIR*, Dec. 20, 1983), his ties to the mobsters of the Anti-Defamation League (ADL), his role in the scandal-ridden Carter administration, his blatant abuse of delegate committee funds during the 1984 primaries, and his multiple connections to organized crime figures, Mondale personifies dirty politics.

Herbert Allen is the kingpin in Mondale's mob connection. According to published accounts, the two men have been close friends for at least a decade, dating from the time when Mondale occupied a Senate seat and Allen was buying up Columbia Pictures. When Mondale was turned out of the vice-presidency in 1980, Allen (along with several other prominent businessmen, like William Norris of Control Data) took it upon themselves to set Fritz up in business and make him rich.

In 1981, Allen, who was serving as chairman of the board of Columbia Pictures, brought Mondale onto the firm's board along with Robert Strauss, the former Democratic National Committee chairman. He provided Michael Berman, a long-time Mondale aide, with a job as a lobbyist for the company in Washington. At the same time, Allen made Mondale a director of Allen & Co., the investment banking firm run by himself and his brother, Charles.

These sinecures proved highly lucrative to Mondale, whose net worth totaled little more than \$200,000 when he left the Carter administration. But within two short years, thanks to the generosity of Allen, Norris, and the Winston & Strawn lawfirm, Mondale managed to rake in nearly six times that sum—over \$1,157,000. According to an April 1983 FEC filing, more than \$100,000 of this figure represented payment from Columbia Pictures, and another \$52,250 consulting fees from Allen & Co.

By joining up with Columbia Pictures, Mondale allied himself with a financial empire that embodies the integral

relationship that has historically existed between the Hollywood entertainment industry and organized crime.

Yet, when asked earlier this year about the propriety of some of his business connections, Mondale demurely replied: "In selecting business entities with whom I might be associated, in each case I selected opportunities in which I was confident I would not be asked to do anything which might be uncomfortable. I did not want to do anything in my business life which might affect my political activities."

And Herb Allen, in the same connection, solemnly told the *New York Times* that he and Mondale had engaged in long discussions after the vice-president left office about what business activities he should enter. Mondale "was concerned, he left the White House with no money and an obligation to support his family," said Allen. "He wanted to do it in a way that was so circumspect." Allen added that he advised Mondale to become involved with business executives who were "honest."

The Hollywood mafia

The Allen family's reputation is so malodorous that even the *New York Times*, in a 1978 article detailing the late organized crime czar Meyer Lansky's role in Hollywood, dubbed **Charles Allen**, Herb's father, "The Godfather of the New Hollywood." It described him as "a mystery power behind the Hollywood set ever since" the early 1950s, a man with extensive business links to criminal circles associated with Lansky.

Some of the family's organized crime ties have been detailed in *Indecent Exposure*, the 1982 best-selling exposé of a check-forging scandal which erupted at Columbia Pictures while Herb Allen was chairman of the board.

Charles Allen, the founder of the Allen dynasty, bought up RKO Pictures from Howard Hughes in 1954. He was on intimate terms with **Jack Warner** of Warner Brothers, **Spyro Skouras** of Twentieth Century Fox, and banker **Serge Semenenko**, with whom he collaborated on numerous business deals.

Semenenko is a particularly intriguing figure. A White Russian emigré, he joined the First National Bank of Boston in the 1920s (soon emerging as its chairman), where he set up a "special industries section," through which he steered the bank's investments into the movie industry, trucking companies, hotel chains, casinos, and jai-alai—operations that have traditionally been permeated, if not dominated, by organized crime.

Semenenko's First National has frequently been charged with shady business practices and ties to the mob by the SEC and other authorities who have investigated its activities over the years. Their interest intensified in 1981, when Roger Wheeler, chief executive officer of the Telex Corporation, was murdered, in a case apparently related to the jai-alai investments which First National had arranged for him. First

National has been one of the largest U.S. banks in South America since the early 1900s and is now expanding into the Far East. During the 1960s, official investigations in the United States linked Semenenko and his bank to organized crime's move into casino gambling in the Bahamas.

Allen, Lansky, and the Bahamas

In 1956, Allen and Semenenko, who were Jack Warner's principal financial advisers, bought big blocks of stock in Warner Brothers, joined its board, and initiated a major overhaul of the company's finances. Part of this reorganization involved selling Warner's pre-1948 films to a company called Associated Artists Productions. The chairman of the board of Associated Artists, and the arranger of financing for its purchase of the Warner Brothers library, was **Louis (Uncle Lou) Chesler**, a Canadian stock promoter who had belonged to Lansky's circles for years. Associated Artists was riddled

The sordid history of the 'Billygate' affair

Almost four years ago, the United States was rocked by a scandal implicating the Carter-Mondale administration in a clandestine deal with some of the worst enemies of the nation, Iran's Ayatollah Khomeini and Libya's Muammar Qaddafi.

The scandal tainted nearly every top person in the Carter-Mondale regime. The President, his beer-guzzling brother Billy, Vice-President Walter Mondale, National Security Adviser Zbigniew Brzezinski, Attorney-General Benjamin Civiletti, Special Ambassador Robert Strauss, and Strauss's protégé, Democratic party chairman John White, to name a few, were all deeply implicated. After some aspects of the case were made public, Billy Carter finally registered with the Justice Department as a foreign agent, and the Justice Department carried out an "investigation" which whitewashed the administration. A supine Congress and corrupt judiciary acceded to the coverup, and, despite massive evidence of wrongdoing, none of the principals was ever prosecuted.

Billygate, as the sordid affair came to be known, operated on two levels. One involved Billy Carter, who became an agent for the Libyan government in 1978, visiting Libya and hosting Libyan "friendship" delegations to the United States. He was paid an estimated \$220,000 by the Libyans to influence U.S. government policy toward Libya, and was promised significantly more for himself and his Georgia business

with organized crime figures. One of the company's vice presidents, a Chesler associate named **Morris Mac Schwebel**, was indicted and convicted for securities fraud in 1961.

The investigator who pulls the strings to unravel Mondale's mob connections gets closer and closer to the infamous Lansky, ending up amidst shadowy "offshore" financial dealings in the Caribbean. It was Charles Allen, indeed, who helped to launch Lansky's move into the Bahamas. In 1957, Allen's close friend, producer **Ray Stark**, joined the Associated Artists' board. At the time, other directors included Chesler, Mac Schwebel, and **Eliot Hyman**, the company's president, who had introduced Stark to Charles Allen. A year later, Stark and Hyman launched a company called Seven Arts (later known as Seven Arts Productions, Ltd.), with Lou Chesler as board chairman, Eliot Hyman as executive vice president, and Ray Stark as senior vice-president. All three also sat on the company's board.

In 1964, Seven Arts' owners decided to seek a listing on the American Stock Exchange. Knowing that this would require passing the SEC's muster, they decided to eliminate the company's dirtier elements. In a series of moves engineered by Charles Allen and Serge Semenenko, Chesler left Seven Arts. The reorganized board of directors included Herbert Allen and **Alan J. Hirschfield**, an Allen & Co. vice-president who became president of Columbia Pictures when the Allen family took that company over.

In 1967, Warner Brothers and Seven Arts merged. The new entity was purchased in 1969 by **Stephen Ross**, president of Kinney National Services. Allen & Co. acted as Ross's agent. The new company, christened Warner Communications, helped finance Jimmy Carter's 1976 presidential bid.

When Chesler left Seven Arts, he took with him the company's share in a shady enterprise called the Grand Ba-



Billy Carter is greeted by Libyan Prime Minister Shakellons during a visit to Tripoli.

associates. The White House provided Billy with briefings and classified government cables on U.S.-Libyan relations.

Evidence published at the time indicated that Billy Carter got this job through Robert Vesco, the international drug and gun-running kingpin who ran Investors Overseas Service (IOS) with Bernie Cornfeld, and through the Sicilian-based Michele Papa, already exposed as the controller of the Sicil-

ian separatist movement. Billy Carter, among his assignments, was supposed to convince his brother to permit Vesco to sell eight embargoed cargo planes to Libya.

On the second level, Billygate was one piece of the Carter-Mondale administration's foolish "Islamic Card" policy. Advocated by Brzezinski, this inept geopolitical tactic called for the United States to support Islamic fundamentalist revolutions along the "arc of crisis" surrounding the Soviet Union, in hopes of infecting the U.S.S.R.'s large Islamic population with the spirit of rebellion and achieving the break-up of the Soviet empire. This fantasy ignored the fact that the Soviets had long before developed their own Islamic Card and were already playing it to the hilt.

As part of its Islamic caper, the Carter-Mondale crew provided crucial logistical and political support to Khomeini's efforts to topple the Shah of Iran. After the triumphant Khomeini repaid his benefactors by taking American hostages, the Carter-Mondale team reached a secret agreement with the mad Ayatollah: The United States government would turn a blind eye to terrorist operations which Islamic fundamentalist networks were running on American soil, in exchange for the release of the hostages before the November presidential elections. Khomeini, who also had agreements with the British and Russians, double-crossed the Carter administration by failing to release the hostages in time for Carter to reap the anticipated electoral benefits. The United States government, however, stuck to its side of the bargain and protected Iranian terrorists operating in the United States. Thus, when leading anti-Khomeini spokesman Ali Akbar Tabatabai was murdered in Washington by Iranian agents, Attorney General Benjamin Civiletti saw to it that the assassin, Bahram Nahidian, was never arrested.

hama Port Authority. This operation was part and parcel of Lansky's move to set up a "Hong Kong West" in the Caribbean, a major center for casino gambling, narcotics, and dirty-money laundering. The Port Authority had originally been created by Charles Allen and some of his other friends, who in 1955 had purchased a 25% interest in a company formed to develop property on Grand Bahama Island. The Allens knew from the get-go that the major partner in the enterprise, with a 50% interest, was **Wallace Groves**, a convicted stock manipulator who had served time in federal prison for mail fraud and conspiracy. Groves was operating as a Lansky cutout, according to numerous published sources.

Allen's Bahamas enterprise ultimately metamorphosed into Lansky's Lucayan Beach Hotel, the first resort to receive a casino gambling license after Lansky bribed the island's corrupt governor, Sir Stafford Sands.

Columbia Pictures and the IOS

In 1973, the Allen family moved into a new phase of operations with their takeover of Columbia Pictures. In negotiations with Serge Semenenko and other Columbia Board members, Herb Allen—who by then was president of Allen & Co.—purchased a controlling interest in the company. Allen became a board member (and in 1981, board chairman), while Allen & Co. Vice-President Alan H. Hirschfield was named president.

The Allens collaborated closely with Columbia's other large shareholder, **Matthew Rosenhaus**, who had as many links to organized crime as they did. Among other things, he sat on the board of Sterling National Bank, which was deeply implicated in the scandal around Italy's Propaganda-2 Freemasonic lodge. In a suit brought in January 1982 in the Southern District Court of New York, Italian authorities charged that Sterling had aided P-2 financier Michele Sindona in robbing \$27 million from Banca Privata Italiana. Sterling also serves as one of the ADL's top banks, and has long been known by the Internal Revenue Service as the major money launderer for New York's organized-crime-run garment center.

Allen and Rosenhaus are by no means the only mobsters with whom Mondale rubbed shoulders while sitting on Columbia's board. One of the major stockholders was **Carl Lindner**, the Cincinnati-based multi-millionaire long associated with the ADL and Lansky's mob networks.

In early 1982, Coca-Cola Co., the Atlanta-based firm which helped install Jimmy Carter and Walter Mondale in the White House and provided much of the personnel for their administration, moved to buy Columbia Pictures. The deal meant approximately \$80 million for Allen and Lindner alone.

Lindner's organized-crime connections are myriad. He is the major shareholder in the notorious United Brands (formerly United Fruit), previously directed by Detroit businessman **Max Fisher**. A close associate of Henry Kissinger and Alexander Haig, Fisher is well known for his links to drug-

and gun-running in the Caribbean and elsewhere. Indeed, law enforcement officials have privately identified United Brands' operations in the Caribbean and Central America as the principal cover under which illegal drugs and arms are conduited to both sides of the continuing conflict in the area.

Lindner is also a 14% partner in Rapid American Corp., whose corporate holdings include Schenley Liquors, legally represented by the mafia's Roy Cohn. Rapid American is owned by the unsavory **Meshulam Riklis**. Currently a major figure in the Israeli mafia, Riklis had been forced to flee Palestine in 1947, when the Zionist Irgun guerrilla fighters discovered that he was a British agent and put a price on his head. He came to the United States and settled in Minneapolis, where he came under the protection of **Burton Joseph**, of the grain trading company of I. S. Joseph. Joseph has been a long-time friend and political backer of fellow Minneapolitan Walter Mondale, and his tenure as ADL national chairman coincided precisely with Mondale's stint as vice-president.

Joseph is now a full-time campaigner for Mondale—and Rapid American has reportedly made contributions to Mondale's presidential campaign.

Riklis played a crucial role in the notorious Investors Overseas Services (IOS) scam, the financial pyramid associated with **Bernie Cornfeld** and fugitive financier **Robert Vesco**. According to a special report published in the March 25, 1983 *Investigative Leads*, Joseph financed Riklis's early corporate takeovers, which led, by 1970, to Riklis assuming a command position within IOS. As attested to by court documents, IOS functioned as one of the most important money-launderers for the mob's international operations during the 1960s and 1970s, particularly in the area of the megabillion-dollar international narcotics trade. Court evidence shows that one of IOS's prime functions was to launder billions of dollars of illegal drug money through a network of elaborate shells.

That's not the end to the sordid tale of Mondale and Columbia Pictures. One of the other people Allen brought onto its board was **John G. McMillian** of the Northwestern Energy Co. of Salt Lake City. McMillian has long been a friend of Mondale's, and has bankrolled his campaigns and those of other Democrats. McMillian's connection to Mondale became a *cause célèbre* during the early part of the 1984 Democratic presidential primaries, when some of Mondale's opponents disclosed that Fritz had been acting as a paid lobbyist for Northwestern Energy's Alaska pipeline project.

McMillian was seeking congressional approval for a plan to bail out the gas pipeline to the tune of \$50 billion in taxpayers' money, and Mondale was hired to line up his friends in Congress behind the scam. Mondale was not only paid a consulting fee, but also received a fat contribution from Northwestern to his political action committee. Another of McMillian's pals on the Columbia board, **Bob Strauss**, also lobbied for the project, as did DNC chairman Charles Manatt's law firm.

Money from the mob: a 'godsend' for Hart

by Kathleen Klenetsky

Gary Hart's political ambitions have been generously underwritten by underworld-linked elements. The bulk of Hart's campaign kitty prior to the New Hampshire primary came from the fundraising efforts of **Marvin Davis**, the Colorado-based oil tycoon who purchased Twentieth-Century Fox in 1981. Davis and Hart have enjoyed a mutually beneficial relationship going back years, with Davis making hefty donations to Hart's senatorial bids, and Hart returning the favor by supporting measures beneficial to Davis's independent oil operations—e.g., oil and gas deregulation, synthetic fuels, and a \$10 per barrel tax on imported oil.

But Hart's ties to organized crime do not end there. Sitting on his National Finance Committee is **Mo Austin**, president of Warner Records, a division of the Warner Communications conglomerate whose assorted officers have been indicted and convicted over the past several years and who are reputed to have mob connections.

Another member of the Hart campaign's finance committee is the notorious **Peter Bourne**, the Carter family psychiatrist who had to resign from his job as White House drug adviser during the Carter-Mondale reign after he was discovered dispensing phony prescriptions for Quaaludes to members of the White House staff. Bourne more recently supported the Soviet-Libyan attempt to seize control of Grenada which prompted the U.S. intervention last October. Bourne's father, Geoffrey, headed up St. George's Medical School on Grenada, which has been identified by Caribbean police officials and other sources as a key element in the Caribbean drug trade.

Marvin Davis, Hollywood, and the mob

Gary Hart's presidential campaign got a major boost in November 1983 when Marvin Davis sponsored a gala fundraiser for the senator at which Hollywood denizens donated approximately \$100,000 to Hart's cash-poor campaign. Mike Medavoy, a pal of Davis's and executive director of Orion Pictures, co-hosted the affair.

The party was the first in a series of moneyraising ventures which Davis and Medavoy organized for Hart. Without their efforts, it is quite likely that the Colorado senator's faltering candidacy would have fallen apart long before the primaries began. According to Medavoy's account, the Hol-

lywood crowd provided upwards of 30% (\$400,000) of Hart's campaign finances in the period prior to his New Hampshire victory. The money which Davis and Medavoy drummed up came as a "godsend," one Hart insider has disclosed.

A good chunk of it came directly from Davis and his immediate circle. Davis, members of his family, and his business associates have contributed over \$10,000 to Hart's campaign. Others who made substantial contributions included executives at Orion, Warner Brothers, and Paramount.

Davis's profile differs little from that of Walter Mondale's sugar daddy, Herb Allen. A major financier for the organized-crime-run Anti-Defamation League (ADL), Davis reputedly maintains close ties to the international underworld. He inherited the networks controlled by the late mob king—and Allen family associate—Meyer Lansky, according to several sources.

Though the bulk of his huge fortune derives from oil and gas holdings, Davis's investments range from real-estate speculation, to banking, to the entertainment industry. He has frequently run afoul of the SEC and other government regulatory authorities, and has recently been implicated in a series of scandals stemming from his oil wildcatting and other business ventures.

The publicity-shy Davis drew public attention last summer when a scandal erupted around his longtime business partner and friend, international commodities wheeler-dealer **Marc Rich**. A Manhattan federal grand jury on Sept. 19, 1983 handed down 51 indictments against Rich personally, his Marc Rich and Company International, and its parent company, Marc Rich and Company A.G., based in Zug, Switzerland, on charges of violating the Racketeer Influenced and Corrupt Organization (RICO) statutes. Rich was also charged with violating the Trade with the Enemy Act for purchasing 6,250,000 barrels of crude and fuel oil from the National Iranian Oil Company. The oil purchases, exceeding \$200 million in value, were all made *after* the U.S. government had declared it illegal for American citizens to trade with Iran.

Rich and Davis, who describe each other as close friends, had teamed up in a number of joint business ventures in the past. In 1981, the two joined forces to acquire Twentieth-Century Fox for \$800 million. No sooner had the ink dried on the contract than Davis and Rich moved to place their mutual buddy, Henry Kissinger, and Kissinger's tag-along, Gerry Ford, onto the studio's board, where they each earn \$50,000 per annum.

Davis's relationship with Continental Illinois bank of Chicago, whose recent financial troubles signaled the onset of a world financial panic, has also come under scrutiny. Davis's energy companies had received a substantial number of loans from Conti, estimated by some sources at \$500 million. The U.S. Attorney's Office in Chicago earlier this year launched an investigation of three former Conti officers who had acquired interests in oil wells controlled by Davis; two of those officers now work for Davis.

Threat to Europe: biggest Soviet maneuvers ever

by Konstantin George

On July 5, the biggest Soviet—and exclusively Soviet—military exercises since the end of the Second World War, both in terms of geographical scope and armies participating, came to an “official” end. The exercises, with no name, officially begun on June 28, were the culmination of a series of recent Soviet and Warsaw Pact exercises which have been testing—and perfecting—the Soviet-Warsaw Pact ability to launch a *blitzkrieg* surprise attack against West Germany, smash NATO Forward Defense, and send massed armored formations deep into West Germany, to the Ruhr, Rhine, and beyond, at the fastest possible rate.

These exercises follow close on the heels of the extensive early 1984 reorganization and heavy strengthening of the five Soviet armies that comprise the Group of Soviet Forces in Germany (GSFG), as the Soviets call their armies in East Germany. This reorganization, the biggest undertaken by the Soviet leadership for forces stationed outside Russia since the end of World War II, could have but one purpose: to upgrade the five GSFG armies to attack-readiness should the Kremlin give the *blitzkrieg* order.

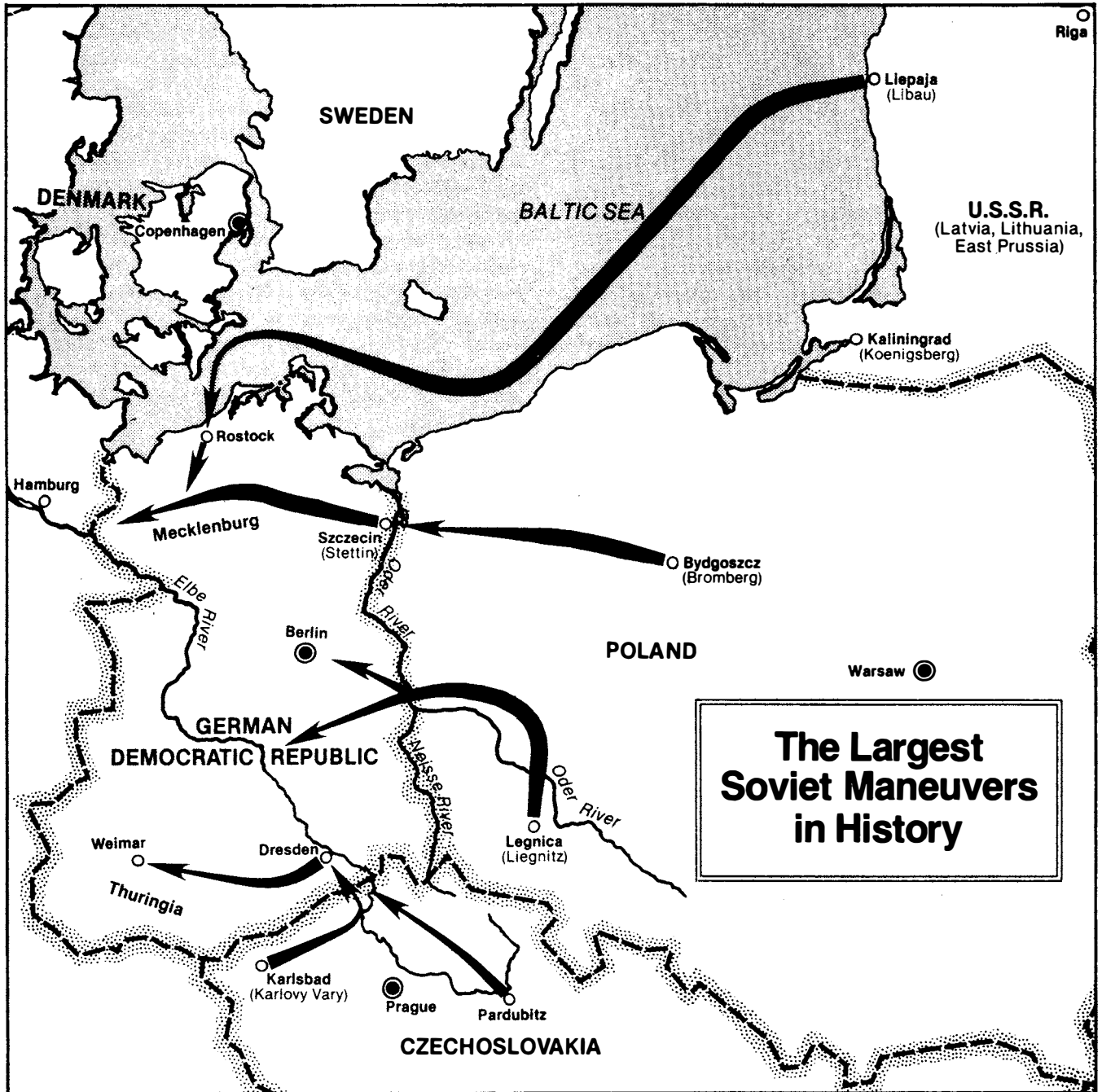
Size and scope as never before

Taking part in the maneuvers, in terms of troop movements and staff exercises, were nearly 800,000 Soviet troops “officially” and upwards of 900,000 Soviet ground troops in reality. On top of this must be added the officially listed participation of the entire Baltic Fleet, and large combat and transport units of the Soviet Air Force. For the first time in

history, three of the four Groups of Soviet Forces, the Soviet forces stationed in East Germany, Czechoslovakia, and Poland, officially took part together in a military exercise. Yet, in reality, this record-breaking exercise is even more ominous, as the Fourth Soviet “Group” outside Soviet territory, the Soviet forces in Hungary, were on parallel maneuvers called “Danube ’84,” which in fact were fully integrated with the mammoth ones.

Thus, for the first time in history, *all four* Soviet Groups of Forces stationed outside the Soviet Union have been on the move together—culminating on July 4 and July 5, as we shall see, with intimidating armored troop concentrations all along the West German and Austrian borders. The unprecedented roster of Soviet armies participating in the maneuvers (including Danube ’84) includes:

- 1) The five Soviet armies of the GSFG in East Germany—20 divisions: 380,000 troops.
- 2) The two Soviet armies of the Central Group of Soviet Forces in Czechoslovakia—six divisions: 80,000-100,000 troops.
- 3) The Soviet Northern Group of Forces in Western Poland—three Divisions: 45,000 troops.
- 4) The Soviet Southern Group of Forces in Hungary—five divisions, one airborne division: 80,000 troops.
- 5) The Soviet Baltic Military District, comprising the 11th Guards Tank Army in East Prussia—six divisions, two artillery divisions—and four divisions, one airborne division in the Baltic republics: 250,000-300,000 troops.



6) The Soviet "Red Banner" Baltic Fleet, including the marines.

7) Soviet tactical air, air transport, and air defense units in the area covered by the maneuvers.

Of this total, well over 100,000 Soviet ground combat troops were physically on the move at one time or another during the course of the maneuvers. At the peak of the maneuvers on July 4 and 5, a total of 15-16 Soviet divisions (11 in East Germany, 2-3 in Czechoslovakia, 2 in Hungary) were

out of their barracks and in pre-offensive concentrations near the West German and Austrian borders.

The Carrington curtain of silence

Almost as alarming as the maneuvers themselves and what they portend, has been the curtain of silence blanketing the Western European and American press and media from June 28 to the present regarding coverage of the Soviet maneuvers. The single courageous exception in the Federal Re-

public of Germany has been the radio station Deutschlandfunk, which from the outset correctly labeled the maneuvers “the largest Soviet maneuvers since the end of the Second World War.” Otherwise, West German radio and television have not said a word, pretending nothing is going on.

With the sole exception of a decent article in *Die Welt* on July 6—finally, the day after the official conclusion—whatever articles appeared were so patently ludicrous that silence would have been preferable. *Die Welt* normally does better: A day earlier, having clearly received disinformation, it declared to the West German public that “the exercises are only occurring on paper”—on *the day* that 13 or more Soviet divisions were maneuvering in pre-offensive mode very close to the West German border.

The official line put out by the Bonn defense ministry is no less “Alice in Wonderland” than that of the media. In a silly show of business-as-usual public relations, officials of the Bonn defense ministry will tell inquirers, “officially speaking,” that the Soviet maneuvers are “pure staff maneuvers.”

Closer examination of who’s giving out the “see no Russians, hear no Russians” guidelines which Bonn is merely mouthing, places the blame and the heart of the problem at the doorstep of the new NATO secretary-general and Henry Kissinger’s controller, Lord Peter Carrington. Calls to various NATO offices have elicited the confirmation that there are Carrington-imposed “guidelines” to play down the maneuvers, and as one chap expressed it, “not to provoke the Russians.”

General Bernard Rogers, the NATO Supreme Commander, was recently reported to have complained about this problem in another context, the lax way in which most Western European governments handled the recent NATO “Hilex ’84” crisis-management exercises, which dealt with how NATO would counter a hypothetical Soviet move into Iran and/or Yugoslavia, and intimidating military moves against Western Europe. Sources, leaking to several Western newspapers, reported that Rogers was particularly incensed at the British government, and at the Carrington axis in British policymaking circles above all. These Carrington-connected networks didn’t want “to provoke the Soviets” by running Hilex effectively and “realistically.”

These are the political straight-jackets imposed on defense and military professionals, political constraints imposed by the Carrington-Kissinger axis which cause these devoted patriots no end of nightmares when Russian troops are on the move. In continuous discussion which this writer had with such people over the week of the maneuvers, this “nightmare” sense was expressed. On July 3, for example: “No one here among the politicians thinks they will attack. Right now, they’re on the move, moving very close to the border. If the exercise doesn’t stop by Friday or Saturday, an

attack cannot be ruled out. And you know what? If they attack, *politically* they will achieve complete surprise, because no one believes they would attack.”

So it has been in recent history. Surprise attacks have rarely succeeded as military surprises as such. The stunning surprise attacks of the Wehrmacht in the Second World War, *Fall Gelb* (*Case Yellow*: the 1940 attack on France and the Low Countries), *Weseruebung* (*Weser Exercise*: the 1940 storming of Denmark and Norway) and *Operation Barbarossa*, the blitzkrieg launched against the Soviet Union, all succeeded as surprise attacks because the victim of the attack politically refused to believe that an attack would come when it did.

‘20th Armored Division has crossed the Oder’

The overriding importance that the Soviets attached to the maneuvers was indicated from the beginning through the dispatch of Soviet Defense Minister, Marshal Dmitrii Ustinov, personally, to East Germany to conduct the maneuvers. He was joined by Soviet Chief of Staff, Gen. Nikolai Ogarkov; Warsaw Pact Commander in Chief, Gen. Viktor Kulikov; and the First Deputy Head of the Main Political Administration of the Soviet Armed Forces, Admiral Sorokin, the deputy to General Yepishev.

During the course of the exercises, Ustinov was joined by three other Warsaw Pact defense ministers, Gen. Heinz Hoffmann of East Germany, Gen. Florian Sawicki of Poland, and Gen. Martin Dzur of Czechoslovakia.

Phase one of the exercises began on Friday, June 29, when the main units of the Soviet Baltic Fleet sailed from their bases at Kronstadt, near Leningrad, and Estonian and Latvian ports. Over the weekend, the fleet assembled between the Kurland Coast of Latvia and the Swedish island of Gotland, then hooked up with other units from the naval base at Pillau (Baltisk) in the Soviet part of East Prussia, including Soviet marine infantry, and then moved westwards through the Baltic.

Also on Friday, June 29, Soviet divisions in Czechoslovakia formed concentrations, predominantly north and west of Prague. But the most dramatic move that day on the ground involved a Soviet armored division based in northwest Poland, in Pommerania, not far from the East German border.

That evening, I received a call from a very well-informed source who said; “The Soviet 20th Armored Division left its base at Grossborn [in Pommerania, Poland] and crossed the Oder between Stettin and Frankfurt/Oder. It was done solely with pontoon bridges under wartime conditions.” There were two points to this move: 1) moving the divisions stationed in Poland to join and augment the offensive power of the five armies of the GSFG, and 2) the continual, relentless practicing by the Soviets of crossing, “off the march” without pause, even the widest of river obstacles.

This was a forte of the Red Army during the Second World War, as witnessed by their forcing “off the march” the Dnieper, the Dniester, the Prut, Bug, and Vistula, to cite some of the major examples. These techniques have been rehearsed with growing intensity in recent months. In any offensive operations on West German territory, massed armored formations will have to rapidly force—and drive beyond—rivers such as the Weser, Rhine, and so forth.

The 4th of July crescendo

In typical Soviet fashion, they chose the 4th of July, American Independence Day, for the greatest display of maneuver fireworks. On this one day, the following military moves (minimally) occurred, setting off alarm bells among the professionals:

- 1) All four Soviet divisions belonging to the Second Guards Tank Army which faces West Germany from the Baltic to the Mittellandkanal in the Hanover region, left their barracks and moved close to the border.
- 2) Three of the four Soviet armored divisions comprising the Third Shock Army, facing the Hanover area of West Germany, were moving to positions near the border.
- 3) All four Soviet divisions of the Eighth Guards Army in Thuringia took up positions in close proximity to the Hesen frontier opposite Fulda.
- 4) Soviet forces concentrated in the Western part of Czechoslovakia, west of Pilsen, and west of Prague.
- 5) 60,000 Soviet, Hungarian, and Czech troops remained in the Sopron region of Hungary, along the Austrian border, two days after the official July 2 “termination” of the Danube '84 exercises; 16,000 of the 60,000 troops are Soviet, and the exercises involved Soviet MiG-24 “HIND” helicopter gunship units, with MiG-23 fighter escorts.
- 6) The Soviet Seventh Airborne Division, based at Kaunas, Lithuania, was airlifted into East Germany.
- 7) Soviet marines landed on the Lithuanian coast north of Memel (Klaipeda).

Reorganizing for a blitzkrieg

In early 1984, all five armies of the GSFG, the armies in East Germany, were reorganized to prepare them for the contingency of offensive operations. It is the biggest and most intimidating military reorganization ever conducted against NATO and West Germany, and, like the maneuvers, has been studiously “ignored” and papered over by the media, to say nothing of the “asleep at the switch” behavior of West-ern governments.

The most salient features of the reorganization, which speak for themselves in the danger represented, are:

- 1) The Soviet Second Guards Tank Army, traditionally based between the Baltic and the Elbe, extended its front west of the Elbe for the first time, giving it responsibility for

seizing all of North Germany on both sides of the Elbe, including Hamburg, Bremen, and Bremerhaven. Through the addition of three independent tank regiments and one tank battalion per motorized division, its tank strength has grown from 720 tanks to 1,140 tanks.

2) The elite breakthrough army, the Third Shock Army (HQ at Magdeburg) opposite Hannover, now consists exclusively of armored divisions, four of them now concentrated on a much narrower front, with at least 1,230 tanks.

3) The 20th Guards Army, based north, east, and south of Berlin and the immediate back-up to the Second Guards Tank Army and Third Shock Army, changed composition from three motorized divisions to two armored and two motorized divisions. Tank strength was increased from 270 to 720, nearly three-fold.

The reorganization followed shortly after the late-1983 stationing for the first time in East Germany of elite Soviet air assault brigades, elite commando units, with the mission of dropping deep behind enemy lines to seize and destroy or capture critical enemy missile, command, and communications installations, bridges, etc. One of the brigades is based at Rathenow, west of Berlin, and the other in the Cottbus area in the southeast part of East Germany.

The pretext required

What has not been lost sight of by some observers here is the all-Russian nature of the maneuvers, a first regarding maneuvers of this scope since the war. These observers see a definite linkage between this singular phenomenon and the bristling Soviet media campaign in full swing since December 1983—and directly preceding the implementation of the reorganization of the GSFG—fraudulently charging a “neo-Nazi revival in West Germany.” This has been aimed with particular lying venom at the West German government and military, the Bundeswehr. The campaign has been waged with even heavier intensity in the military press like *Red Star*.

Besides using such a campaign to whip the peasant Ivans in the Red Army into a frenzy at the image of “those Germans” coming again to invade Mother Russia, the press barrage, in the style and manner of Josef Goebbels in the art of “justifying” planned aggressions, is building the legal fictions required to move into West Germany militarily, under the Soviet Union’s “Potsdam Accord obligations” as a World War II victor-power, to stamp out any revival of Nazism in Germany.

Were the Soviets to march into West Germany citing their Potsdam obligations to “crush Nazism,” they would cross the frontier as the Soviet Army, and not as the Warsaw Pact. Right before they cross the frontier, they would leave their barracks and take up jumping-off positions very close to the West German border—exactly as they did in the “exercises” on the 4th of July.

New Schiller Institute launches war against the 'decouplers'

by Vin Berg and Don Baier

It was a black 48 hours for Henry Kissinger's "decouple Europe" circles at the U.S. State Department.

One thousand people from the United States, Germany, Italy, France, Sweden, and Ibero-America gathered in Arlington, Va. July 3-4 for the first major American conference of the Schiller Institute. This new foreign policy think-tank and political organizing weapon was founded May 12 at the initiative of West German political leader Helga Zepp-LaRouche.

The declared immediate purpose of the new institute is to save the Western Alliance from early dismemberment by powerful circles in both the West and Russia associated with Kissinger; those circles, whose treason now focuses on their agreement with Moscow to force Europe into the Soviet sphere of influence, did everything in their power to prevent this founding conference's successful occurrence. But it occurred. The potential for saving the Atlantic Alliance was established.

The conference panels were planned to bring together the best of the international resistance to the Kissinger decoupling strategy—distinguished political, military, artistic, and scientific figures from Europe, the United States, and Ibero-America. Speaker after speaker declared the Western Alliance essential to peace and the survival of human freedom, in face of a powerful threat from the Russian Empire. The conference coincided with the largest Soviet military maneuvers in history, massing more than 900,000 Russian troops along the borders of West Germany and Austria (see page 30), directing terrible intimidation at America's European allies, with an actual strike into West Germany by no means ruled out by military professionals. At one point in the conference, Lyndon H. LaRouche, the husband of the institute's founder and a U.S. presidential candidate, reported this assessment from high-level intelligence sources.

Saving the alliance

The National Democratic Policy Committee, the political-action organization founded by Mr. LaRouche, announced that it had decided to massively expand a petition drive which had already gathered well over 110,000 signatures in the United States and Europe, directing governments to "Save the Western Alliance—Destroy Henry Kissinger!"

and to "develop and deploy a beam weapon defense system on a crash basis to ensure the defense of the entire Western Alliance." A goal of 500,000 signatures was set by the time of a second major Schiller Institute conference now scheduled for the Federal Republic of Germany in September.

The deeper purpose of the Schiller Institute, an equally pervasive subject of speeches and discussion, is indicated by the institute's name: The German poet-playwright-historian, Friedrich Schiller (1759-1805), who inspired the republican movement of Germany on the model of the American Revolution, was the towering philosophical figure in the "Weimar Classic" period of Mozart, Beethoven, the Humboldt brothers, and others; together, they raised Western culture to a level of unprecedented potential for scientific and political progress. The Schiller Institute, in saving the Alliance, intends to draw millions into a cultural renewal of the West today, to eliminate the organized evil of oligarchism now dominant in the world and ensure that the future of humanity is a truly human future.

The U.S. Schiller Institute shares an international advisory board with a new institute of the same name founded just 10 days before the Arlington conference in Wiesbaden, West Germany. More than 200 people attended, including religious leaders, professors, businessmen, ranking military officers, and political activists. Warned that her personal security could not be guaranteed in Germany because of the power of Kissinger's associate, Hans-Dietrich Genscher, the West German foreign minister, Mrs. Zepp-LaRouche was compelled to make her opening remarks *in absentia*. She and Renate Mueller, the vice-president of the German Schiller Institute, stressed that just as the "best of Europe" made the American Revolution possible in 1776-83, so now, the "best of America" is determined to preserve the alliance protecting Europe from Soviet domination. A large delegation of the attendees subsequently journeyed to the Washington, D.C. suburb of Arlington for the founding of the American Schiller Institute.

In Arlington, intellectually challenging presentations from several panelists, led by Mrs. LaRouche of the Federal Republic, left no doubt that the idea of the "beautiful soul," the "warrior angel" for limitless human development that was apotheosized by Schiller in the days of the young United



Helga Zepp-LaRouche is greeted by the European delegations at the Schiller Institute founding conference in Washington, D.C. On the right is her husband, Lyndon LaRouche.

NSIPS

States, was still very much alive in a handful of individuals with the potential to spread it rapidly throughout the world.

All in all, it was a defeat for Henry Kissinger's paymasters. These creatures see themselves as the "legitimate heirs" of the 19th-century Holy Alliance led by the Hapsburg Austro-Hungarian Empire's Prince Metternich and the Russian Czar; they are 20th-century oligarchs similarly out to crush republican governments and "maintain world order," destroying man's cultural achievements, reducing men to beasts, and looting half the human race to extinction. Kissinger's colleagues, including West German Foreign Minister Hans-Dietrich Genscher, had tried every trick for which they are well known except murder: Every major German figure planning to attend the conference received phone-calls; blackmail, threats of job loss, and personal savagery were directed at them, in a failed attempt to prevent the conference from succeeding.

From Schiller's viewpoint

Shortly after an opening presentation of the 100,000-plus petition signatures that began with a spirited military marching procession down the aisle by the delegation from Europe, proudly waving the flag of the Federal Republic of Germany and other European republics, Helga Zepp-LaRouche sounded the conference keynote by inviting the audience to see the world today, hovering on the brink of financial collapse and thermonuclear war, through the eyes of Friedrich Schiller: "Man paints himself in his deeds, and what a figure it is that paints itself in the drama of the present time! Here barbarity, there impotence: the two extremes of human decadence, and both unified in one moment of time!"

She asked, "Would this be his judgment? Or would he be

all the more full of hope that Mankind has reached the eve of the Age of Reason?"

"I am personally deeply convinced," she added, "that we hold the ideas and solutions for all of the important problems of this world in our hands. I am also convinced, however, that it is the world and philosophy of Friedrich Schiller which gives us, more than any other great poet and thinker of the past, the weapons of the mind and the method of thinking, that are necessary to win the cause of mankind."

Zepp-LaRouche continued her speech on a manifold theme—the common bonds of republicanism uniting the Weimar Classic period of Schiller in Germany with the first years of the United States as a "beacon of hope and temple of liberty for all mankind"; the reconstitution of today's badly battered Western Alliance on the basis of the community of principle of sovereign nation-state republics sought by such Schiller contemporaries and spiritual allies as President John Quincy Adams; and finally, the method devised by poet Schiller to educate the emotions of the personally decent "little people" whose own flaw of refusing to take the responsibility for all mankind in their hands brought upon our world the catastrophes of the 19th and 20th centuries; these must be raised to the level of Reason required to revive republican governments in more than name.

Economics, music, and natural science

Renate Müller of the European Labor Party discussed the indispensable role of Gottfried Wilhelm Leibniz. Born in 1646 at the end of the Thirty Years' War, which destroyed Central Europe and annihilated one half of the population of Germany, Leibniz, taking off from the ideas of Plato and Nicolaus of Cusa, conceived of the development of a new

world order based on an entente of European nations to develop the entire world on republican principles.

Leibniz called for the development of scientific academies to promote the rapid progress of industry and agriculture, centers for cooperation in science and research. In the United States, Benjamin Franklin established a Leibnizian academy in Philadelphia, a city whose name was influenced by a work by Leibniz, *Societas Philadelphia*, which envisioned a society based on brotherly love.

West Germany's Anno Hellenbroich and John Sigerson, president of the U.S. Schiller Institute, both spoke passionately of the role of music. The author of "Think Like Beethoven," Hellenbroich used musical examples from the greatest German composer's works to show that classical art portrays negentropic growth, the divine spark within man. One of the highpoints of Beethoven's creative work was, of course, the setting of Schiller's "Ode to Joy" in the final movement of the Ninth Symphony. Hellenbroich also showed the audience a rare film, loaned to the Schiller Institute by the widow of the great conductor Wilhelm Furtwängler, showing Furtwängler directing Brahms's Fourth Symphony in London in 1947.

Song is of supreme importance, John Sigerson pointed out, for oligarchs do not sing—what do they have to sing about, since song expresses the fundamental optimism of human reason and the potential for infinite human development? Song means, not the trash of the popular entertainment industry, but the dialogue of separate voices which together create a song between the voices. He described the enormous impact of classical music in early America.

Music was a dominant presence throughout the conference, with performances at every session, especially noteworthy those by French cellist Eliane Magan. A climax was reached the evening of July 3 with a special *Schillerabend* concert featuring thrilling performances of German lieder, and a complete rendition of Beethoven contemporary Andreas Romberg's setting of Schiller's famous poem, "The Song of the Bell," by the Schiller Institute chorus and orchestra.

Equally gripping was the panel on developments on the frontiers of natural science, highlighted by an enthusiastic presentation by Dr. Winston Bostick of the Stevens Institute on "the scandal of the electron" and modern physics theory. Dr. Bostick's displayed dramatic visual laboratory evidence of the coherence of Keplerian plasma phenomena, vividly exposing the bankruptcy of the reductionist "part particle, part wave" approach. This was put into context by presentations by Uwe Parpart-Henke of the Fusion Energy Foundation and Dr. Robert Moon, Schiller Institute founding member and scientist on the wartime Manhattan Project. From different angles, Parpart-Henke and Moon described the great 19th-century tradition of "continental science" that informed the work of Bernhard Riemann, whose mathematics were the point of departure for Lyndon LaRouche's 1950s breakthrough discovery of the method that has enabled him to successfully create sound economic policy when every other

so-called economist has proven himself morally and intellectually bankrupt.*

Franz Hron, a member of the organization Reichsbanner: Swartz, Rot, Gold, which led German resistance to Hitler in the 1920s, '30s, and '40s, was one of many distinguished panelists who traveled from Europe to tell the U.S. citizens about the "real Europeans" who value American friendship, U.S. mistakes notwithstanding (see article, page 38).

Another was trade unionist Walter Boehnke, a recent candidate for the European Labor Party in Germany. To the Greens with their motto of "Better Red than Dead" he counterposed Schiller: "Rather death than a life of servitude." He ended by characterizing all those opposed to the United States' beam-weapon Strategic Defense Initiative as traitors, and called for their trial by a military court of justice.

The State of the Alliance

At the panel discussion of the military state of the alliance, Marie-Madeleine Fourcade, World War II heroine of the French Resistance, paid tribute to "Schiller, Washington, and Lafayette . . . who created the modern free world." She detailed the Soviet threat and declared, "In 1984, the survival of the free world and that of oppressed nations depends on the close cooperation of the United States and Europe. . . . I am telling you in the name of 'France and Her Army,' a committee which we created of prominent thinkers and specialists, that the new [beam defense] strategy defined by President Reagan in 1983 is the only development which has brought us an immense wave of hope."

Other speakers included Claudio Pollastri, head of the International Department of the Italian Social Democratic Party (PSDI), attorney Lennart Hane of Sweden, a specialist in comparing Nazi and Soviet legal systems, and Col. Hans Saeuberlich from West Germany's Kyffheuser Bund, a soldiers' association founded in 1786, 10 years after the American Declaration of Independence. Saeuberlich criticized Foreign Minister Genscher for the decoupling strategy and welcomed the Schiller Institute meeting as representing the "greatest and most successful peace movement of recent history," the Western Alliance. Lt.-Cdr. Forest McNeir of the U.S. Naval Reserve won applause and laughter, as he described the folly of British "cheating" on its naval expenditures, and "shutting down its radar for routine maintenance—in a war zone!" which led to the sinking of the *Sheffield* during the Malvinas War; he drew the appropriate lessons for the Alliance.

A panel on the tasks of rebuilding the collapsing world economy featured well-known farm leader Billy Davis, whom LaRouche has designated as the future U.S. Agriculture Secretary; former Manhattan Bureau president Hulan Jack; the president of the Andean Labor Party of Colombia, Maximiliano Londoño; and international shipping expert Scott Morrison, who outlined a program for getting Africa the emergency food shipments it needs.

It was Lyndon LaRouche, husband of Helga, internation-

ally renowned economist and U.S. Democratic presidential candidate, who on July 4 delivered the most impassioned summation of the themes of the conference. LaRouche used his personal debt to German culture, describing in particular his experiences with Leibniz, Beethoven, and the Göttingen scientific tradition associated with the work of Riemann, as an illustration of the real foundation of the Western Alliance, the Neoplatonic Augustinian tradition. He declared, "I exemplify in this respect the general debt we have. German classical culture must be seen, not as something national, apart; it must be seen as a product of the undefeatable spirit of creativity in our culture and our civilization."

In defending the Alliance, LaRouche said, "the objective

is not war; the objective is to gently change [the Russians] over a long time to come if necessary, to persuade them by methods known to Beethoven, to become better than they are, to civilize them, as some Russians have desired to be civilized, like Pushkin. The issue here is our culture—the very culture which we neglect and allow to be destroyed."

He concluded, "We hold in our hands from all humanity, known and unknown before us, the obligation to defend, to propagate, and to develop this precious heritage of our culture, and the alliance among our people is not simply based on resisting the Russian bear. The alliance is not an alliance against; it must be an alliance for that which promises at least to make the future of humanity human."

Europe fights for alliance with America

More than 200 gathered in Wiesbaden, West Germany on June 22 to found the Schiller Institute of Europe, dedicating themselves to reverse the current process of decoupling of Europe from the United States. Among the participants were high-ranking military professionals, businessmen, professors, students, and political activists. As they were told by institute-founder Helga Zepp-LaRouche, the head of the European Labor Party, what is really at stake is 2,500 years of Western Judeo-Christian civilization.

Her opening statement, delivered *in absentia*, reported: "To further that civilization, the best of Europe established in America the first constitution based upon the republican democratic heritage of Natural Law embodied in Plato, Leibniz, Nicolaus of Cusa, Samuel Pufendorf," and carried out the "first victory of the republican economic system" against the destructive feudal oligarchy. The "best of Europe" worked with Benjamin Franklin, "rightly called the Prometheus of the 18th century, to establish America as the beacon of hope and the temple of liberty for the world," and thus Friedrich Schiller was convinced that mankind had entered "the eve of the Age of Reason." "Never before did mankind have a higher ideal of humanity." The Schiller Institute will be a "school of republican thinking," she said, "and I am convinced that we can win," putting the Western Alliance on a sound and healthy foundation.

Another speaker, Hans Gunther Stark, vice-president of the Bavarian Soldiers Association who has produced for the Institute a film on Schiller's life, part of which was shown at the July 4 Schiller conference in Washington,

reported that "as a young officer, I and my comrades sang the marching song from Schiller's Wallenstein, 'out into the field, onto your horses . . . there in the field a man is still worth something, in the field he will be measured,' but then we learned that Schiller never meant the battlefield with weapons, but the battle of building nations with the weapons of the mind and spirit."

Webster Tarpley, foreign policy adviser to Lyndon LaRouche, described the long-term subversion of U.S. policy, dating from the murder of Lincoln, by the "patrician families of the Lowells, Cabots, Lodges, and Bundys." Lincoln, he added, represented a mass movement to break the power of these families, and just such a mass movement is represented in today's LaRouche campaign.

Renate Müeller, an institute founder, reported on the over 30 meetings being held in cities across the United States during the last weeks of June, which led into the July 3-4 founding of a Schiller Institute in the United States. The "best of America" are determined to preserve the alliance, she stressed.

During discussion, France's Jacques Cheminade of the European Labor Party delivered greetings from Gen. Revault D'Allones of the Compagnie de la Liberation, who praised the Schiller Institutes for providing "dignity and hope" to Europe. Fiorella Operto of Italy blasted the European decouplers, Willy Brandt, Giulio Andreotti, and Olof Palme.

The European and American institutes share an international advisory board which includes: Johann Schroedel of the Evangelical (Lutheran) Church; Prof. Erwin Scheuch of the University of Cologne; Robert Becker; Hans Gunther Stark; Col. (ret.) Hans Saeuberlich of the European Organization of Military Associations; Col. John Bradley (USA ret.); Capt. Hubert Pech of Cologne; Dipl.-Ing. Fritz Vieweg-Gutberlet of Burghausen; and Prof.-Dr. Reinhart Lunderstaedt of the German Military Academy in Hamburg.



Germany's resistance to Hitler

Franz
Hron

'Many have forgotten what freedom means'

This month brings the 40th anniversary of the heroic uprising of Germans who attempted to overthrow Hitler on July 20, 1944. In honor of that anniversary, we publish here the speech of Franz Hron to the Schiller Institute conference in Arlington, Virginia on July 3. Mr. Hron is a member of the Reichsbanner organization, which was the biggest defense organization against left- and right-wing extremist groups, especially the Communists and Nazis, during the Weimar Republic of the 1920s and early 1930s.

For millions of human beings in Central Europe, as well as in the German Imperial Reich and in the Austro-Hungarian monarchy, the concepts of Republic, Parliament, Democracy became goals for which great sacrifices were made even in the decades preceding the First World War.

The conviction that a parliamentary-democratic republic could become something like a heaven on earth filled these people with an almost religious devotion.

In the years of the First World War, this devotion more and more assumed the form of resistance to the monarchy and the war. When, after the end of the war, republics arose, the masses were jubilant, especially in Germany, Austria, and in the new republic of Czechoslovakia, which came into existence with America's help.

But the jubilation of the masses was no guarantee that goodness and justice would prevail in the future.

The material consequences of the war, the tenaciousness of the partisans of the past, the divisions among the republicans and democrats, and the power struggles of the followers of Lenin and the Bolsheviks all led after only a short time to the beginning of the process of decay of the Weimar Republic, and not this republic only.

In 1921, the Weimar Republic and the parliamentary-democratic order were in such danger that men from all republican-democratic parties came together out of concern for the new state to form a protective organization to fight for the preservation of the republic. The name of the new organization: Reichsbanner Schwarz-Rot-Gold (The National Flag: Black, Red, Gold). How this new organization fit the

national mood is shown by the fact that 3.5 million men showed themselves ready to take upon themselves any sacrifice necessary. Many men of the Reichsbanner paid with their lives for their struggle against the swastika and the red star, even before 1933 and more so from 1933 to 1945.

Why did this happen? The ideal republic, a parliament with democracy, lost support so quickly through the impotent day-to-day work of the Weimar Republic—economic crises, political, intellectual, and moral decay—that a dictator came to be seen as the lesser evil. Only a very small portion of the population believed there would be a second world war in the years up to 1939, not even when, in 1938, Czechoslovakia was left stranded by its allies, and the emigrant republicans from Germany who had settled there had to emigrate once again. For the men of the Reichsbanner, who from 1933-38 had fought in support of the Germans in Czechoslovakia of the "Republikanischen Wehr" (Republican Defense) to save Czechoslovakia, this was especially disappointing—but it was not to be their only disappointment.

When, in 1939, the Austrian republic was liquidated in Adolf Hitler's "return home," freedom for Germans, Czechs, and Slovaks came to an end.

A time of persecution and emigration came for the German republicans and democrats from Czechoslovakia and Austria. For those who were not successful in escaping from the "Greater German Reich," it meant concentration camps, prisons, and, after the war began, penal battalions.

Despite all persecution and disappointments, countless men and women remained true to their conviction that a life worthy of a human being is only possible in liberty, which is part of the concepts of republic, parliament, and democracy. This conviction played an important part in the desperate attempt at revolt on July 20, 1944.

The jubilation of the masses on May 9, 1945 was primarily over the end of the Second World War with all its misery, but also in the hope of a new age of republicanism and democracy.

In the time of the unconditional surrender of Germany, of the unimaginable destruction and the gigantic human streams of refugees, exiles, and the homeless in Central Europe, the United States proved to be a helper in time of greatest need, despite mistakes made in policy and administration.

Today, many people have become politically complacent, and seem intent on forgetting what freedom means. Must there be a catastrophe to bring humanity to reason?

We must make clear to humanity: Monarchies can end through the dying out of a dynasty, dictatorships are usually conquered only from outside, but democratic republics are in the constant danger of destroying themselves from within.

It is no consolation, when the poet writes after the catastrophe: "Freedom is like the sun. We must first lose it before we know what we have lost."

Carrington men hit U.S. 'Star Wars' plan

by Luba George

Now that Lord Peter Carrington has been officially installed as NATO Secretary General, the British government has thrown diplomatic caution to the winds and come out openly against President Reagan's program to develop a defensive energy-beam antiballistic-missile defense system. Carrington, the former British foreign minister and a business partner of Henry Kissinger, is a top European advocate of a "New Yalta" deal with the Soviet Union which would split Western Europe from the United States.

On June 25, the day that Carrington assumed his new post, the *International Herald Tribune* reported that "Carrington will focus allied effort on developing practical, affordable weapons rather than development of the more futuristic systems" like beam weapons. "Lord Carrington is known to favor strengthening the European side of NATO through greater defense cooperation" and "will emphasize the need for more conventional defense efforts." These innocuous-sounding phrases thinly veil the real intent of the Carrington plan: to remove the U.S. nuclear umbrella from Europe, withdraw American ground forces, and sabotage the beam-defense policy. Henry Kissinger and Sen. Sam "Red" Nunn (D-Ga.) are trying to implement exactly this decoupling program through legislation introduced in the U.S. Congress.

During a House of Commons Defense debate on beam weapons at the end of June, Michael Heseltine, Britain's defense secretary, said that "the space-based system is very much a research project and nobody knows if it is technically feasible or will enter service. We cannot base a defense strategy on that hypothesis."

Tory "traditionalist" Francis Pym, Prime Minister Margaret Thatcher's former defense secretary, has also officially joined the anti-beam lobby. Speaking to the annual conference of the Royal United Services Institute for Defense Studies, Pym bitterly denounced the U.S. beam-weapons program and ran through an analysis of East-West policy and his proposals for what he termed the three Ds—dialogue, defense, and deterrence. President Reagan's "Star Wars" arms build-up in outer space, he said, was so "horrendous" as to be impossible for the NATO allies to accept. It is a "new concept" which "disturbs everyone and can undermine con-

fidence in existing weapons and deterrence strategy," he said.

"There will be no forgiveness on the part of mankind for any failure by the superpowers to stop any developments in the stratosphere that are not beneficial to mankind," said Pym.

The statements by Heseltine and Pym followed a heated debate over the U.S. Strategic Defense Initiative which appeared in the British press, beginning with a London *Times* editorial endorsing the Reagan program. A minority in the British oligarchy is alarmed by the Carrington policy, in the face of Soviet expansionism.

In the Chamberlain tradition

But the government's alignment behind the anti-beam campaign is occurring in a climate of growing appeasement, reminiscent of the era of Neville Chamberlain, the conservative prime minister who agreed to throw Europe to Hitler.

The day after Defense Secretary Heseltine denounced beam weapons, he called on the West to appease "Soviet expansionist behavior" by helping the Kremlin leaders to "strengthen their sense of security." Moscow has been telling the world for nearly a year that its "security" will improve only if the West abandons plans to defend itself against missile attack with beam weapons.

Heseltine's speech on "Russia in Historical Perspective" was delivered in the Conservative Party Bow Group at the House of Commons, after a first airing at a private meeting of the International Institute for Strategic Studies in May.

"Soviet expansionist behavior," said Heseltine, "has come about because the concept of 'Holy Russia' has now been replaced by an atheistic ideology which provides a convenient political justification for permanent expansion." Therefore, "*The West's long-term interest must be to encourage an increased sense of security in Moscow*, in the hope that the Soviet leaders would direct more of their resources to the genuine interests of their people and their society."

Heseltine shares with Lord Carrington the delusion that presumed fissures in the Russian Empire will lead to its demise, to the benefit of the Western oligarchy. "There are already signs of a backlash in the European republics. . . . Muslim fundamentalism and nationalist sentiment. . . . The leadership faces the classic problem of all empires. . . ." The West is witnessing the beginning of "the disintegration of monolithic Communism," said Heseltine.

The British government's "appeasement" message was scheduled to be delivered to the Russians directly by Foreign Secretary Sir Geoffrey Howe. On the eve of his July 1 visit to Moscow, Howe addressed the Welsh Conservatives' annual Conference in Porthcawl, and stressed the importance of negotiations with the Soviets: "We are ready to take every opportunity for talks with Soviet leaders. . . . Greater trust and confidence between nations is the vital basis for new agreements."

'European Union' endangers democracy

Leonardo Servadio reports from Rome on some deeper implications of the recent European Parliament elections.

In the spring of 1980 Marco Fanini and this writer went to meet the probable next president of the European Parliament, the Hon. Altiero Spinelli of Italy, to lay out the program of Lyndon LaRouche, who was then running for the first time in the Democratic primary elections for President of the United States. We explained to him that our objective was, among other things, to keep the old "Central European" and Anglo-American noble and financial oligarchies from subverting the republican order. It was not that we presumed Spinelli would find our ideas congenial, but we did presume that we could calmly discuss them, as honest adversaries recognizing each other as such.

Spinelli's reaction was surprising, and revealed that typically unbridled rudeness of which only the most calloused oligarchs are capable. Screaming at the top of his lungs: "It is time to stop talking about a sinarchist conspiracy, there is no sinarchist conspiracy, get out of here!" Spinelli suddenly leaped out of his chair and pushed us out of his office. Far from having mentioned *sinarchy*, it was the first time we had heard anyone speak of it as relevant to the present day.

Sinarchy (derived from *sine*, "without" in Latin, and *anarchy*) was the doctrine prevalent in the oligarchy which set up the Congress of Vienna in 1815, a doctrine of a new Inquisition. We could only deduce that Spinelli was a sinarchist, that is, somebody who wants to destroy the republican conception in Europe to re-impose, as occurred in Vienna in 1815, an oligarchical dominion, mediated through institutions created *ad hoc*, according to the ideological profile of the populations to be dominated.

Today Spinelli, elected as an "independent" on the slate of the Italian Communist Party to the European parliament, is on the verge of completing his projects by becoming the president of that parliament and imposing on nations the "Treaty of European Union," drawn up by him, whose objective is to subjugate the European countries to the dominion of a restricted elite of technicians in the style of Italy's Bruno Visentini, the financier who was the head of the Italian industrialists' confederation Confindustria. The result of the European elections, which boosted the parties of Nazi and Communist tendency, favors this tendency.

Spinelli founded the European Federalist Movement, which he has led together with Visentini, and the Istituto Affari Internazionali, an Italian version of the London International Institute of Strategic Studies or New York Council

on Foreign Relations. The IAI came into the limelight not long ago when one of its collaborators, Luigi Scricciolo, was arrested on charges of being a Bulgarian spy in connection with the investigations into the attempt on the Pope's life, and more recently when he hosted a meeting between a top-level Soviet delegation and some Italian politicians and military men. Spinelli himself was once a leader of the Italian Communist Party, in the 1920s.

'Mitteleuropean' Nazi-Communism

The Visentini-De Benedetti group, which at the institutional and cultural level works through the Cini Foundation of Venice and Olivetti Corporation of Ivrea (Turin), and through the Aspen Institute, which recently set up in Venice, is the visible point in Italy of the Venetian oligarchist policy which before and during the Nazi era was identified with Count Coudenhove-Kalergi. The Olivetti Foundation in the postwar period carried out many a study on how to enact a strict top-down control of society, but one which would not provoke counter-coups such as those provoked by fascism—a fascism with a "democratic face."

Today the policy of these groups is creating a new Nazism, which would definitively defeat progressive capitalism on the American model, and do this through an accord with Moscow. It is not by accident that right after Aldo Moro's assassination it was De Benedetti and Visentini who drew up an agreement with the Italian Communist Party, which they intend to use to impose the most brutish austerity on Italy. Nor is it an accident that today De Benedetti proposes an "emergency government" with the PCI to resolve the problem of the public debt by hanging around the neck of every single citizen, without distinction, a debt of 10 million liras to be paid out of his own pocket: a policy which would take Italy back to the days of serfdom.

This is the power grouping that Spinelli represents. Now let us take a look at the project of a treaty of European Union which Spinelli drew up. The treaty, should it be ratified by national governments, would delegate all power to the European Commission: i.e., to the group of technicians linked to Spinelli and his cronies, making the national parliaments simply administrators of a policy decided top-down someplace else, in Strassburg or in Brussels, or perhaps in Moscow, but in any case in places where the echoes of the rage and pain of the populations subjected to the rack of the supra-

national oligarchy's policies would scarcely be heard.

On the formal plane it will be the European Parliament, regularly elected, to nominate the President of the Commission, who in turn would name the commissioners. The Commission will then make and unmake laws, leaving to the Parliament the task of approving them or not. In short, the President of the Commission will have dictatorial powers over Europe. Can you imagine the economic policy of Europe in the hands of a Viscount Davignon (who has systematically dismantled the continent's steel capacity under his "Davignon Plan"), free of every restraint and invested with the power to make executive decisions with immediate effect on what industries to cut, what production to destroy? The control functions which the European Parliament will maintain over the Commission will be reduced to the minimum, given that the Parliament can only accept or reject *in toto* the Commission.

For control over justice, a European Court is proposed, which is named half by the European Parliament and half by the European Council (including the heads of the member states): In other words, judicial power is subordinated to political power, in violation of the principle of separation of powers established by the U.S. Constitution and present in the Italian Republic's Constitution. Naturally European law, administered by the European Court, will prevail over national law and is destined to supplant it.

And of course, the economy will be run at the centralized level. *How* it would be run, we have seen with the recent decisions imposed by the EEC to reduce steel and food production in Europe. The monetary reserves of the member states will be gradually transferred into the vaults of the European Monetary Fund, and the European currency, the ECU, would replace national currencies.

As to energy, the European Union "aims . . . to promote the development of alternative and renewable energies . . .": The typical formulation behind which hides the idea of the post-industrial society and rejection of nuclear energy and technological progress. It is very odd that Spinelli went to great lengths to draw up detailed procedures to systematically wreck national sovereignty and to collect economic, financial, fiscal, commercial, and foreign policy into the hands of the European oligarchy, but says little or nothing of security and defense policy, apart from a brief hint in Article 9 which says that among the goals of the Union are "...security, peace, cooperation, détente, and disarmament."

In short, under Spinelli's approach we would find ourselves at the moment of greatest international tensions with a Europe united in paying its taxes, under the banners of ecologism and neutralist pacifism. Perhaps Spinelli thinks that defense could be entrusted to the Red Army. Perhaps it is not a total coincidence that Spinelli called the club he founded some years ago (where among others Italian Communist Party secretary-general Berlinguer was present) the Crocodile Club, since in intelligence-community jargon, the crocodiles are the network of agents operating between East and West

who flourished in the détente period, and whom some suspect of being precisely the Nazi-Communist networks.

The question now is: What point are we at in the implementation of the Treaty of European Union?

If we look at the project not as a simple proposal to be discussed, but as the final phase of a "sinarchist conspiracy," we are very far advanced. Silently, with the obvious, total complicity of the Communist networks of the East, the project is transforming the present existence of the European countries. Small steps are being carried out by government officials, by parliaments, perhaps not even totally aware that they are moving toward a total decoupling between Europe and the U.S.A. in favor of an integration under Moscow's control.

In their recent encounter President Mitterrand and Chancellor Kohl abolished the economic borders between France and Germany. The strike waves which for months and to this very day have paralyzed the Italian borders, strikes which see the KGB networks and the fascist-inspired trade unions unified, are creating the conditions for Italy to decide to abolish its own customs controls as well. On June 13 Andreotti presented President Sandro Pertini with the first European passport, which will gradually replace Italian passports. On June 8 the president of the Constitutional Court of Italy, Prof. Leopoldo Elia, presented to the press a ruling in which it is established that Italian judges must abide, where these exist, by *European* laws, which will prevail over national law, making reference, in regard to such legal codes, not to the Constitutional Court, but to the European Court. "With this ruling," Elia said, "we have completed another step toward the legal and institutional unity of Europe."

In the course of recent months, a series of motions and questions presented to the Senate and House of Italy, above all by the Communists and members of the neo-fascist MSI, who are always unified when it comes down to decoupling Europe from the United States, the Parliament has been urged to rapidly pass the Spinellian Union bill. The affair is all the more suspect, given that the PCI in particular forcefully denounced the power-centralizing plans of Grand Master Licio Gelli and his illegal P-2 Lodge, while overlooking the fact that Spinelli's project would have an even worse effect. The Spinelli bill would not only concentrate all power in supranational entities, but the scrap of power that would remain at the national level would be in the hands of the prime minister who, as head of government, would be part of the European Council. In short, while they fought against the perspective of going in the direction of a presidential republic, the PCI is advancing the perspective of a government dominated by a supranational oligarchy! Certainly the latter perspective is a lot more congenial to Moscow.

That said, the proposal made by Foreign Minister Andreotti, who on his return from Libya a few months ago suggested integrating Qaddafi's country into the European Community, does not seem at all strange. Basically, with the Spinelli bill all of Europe would assume the characteristics

of Libya, a country dominated by the Nazi-Communists.

Some people in reading this might object: "But a unified Europe would have much more industrial force, and would be a real third power." Such a reader should recall that the road to hell is paved with good intentions. Western Europe today is crushed under the policy of the New Yalta of Kissinger and Gromyko, of the Andreottis, Genschers and Honeckers, of the Italian Communists under the aegis of De Bene-

detti. The Spinelli treaty would institutionalize the New Yalta, moving the border between East and West to the Atlantic Coasts of Europe. It is this that we must fight against today, reinforcing the alliance between Europe and the United States, instead of falling into the trap of a pseudo-Europeanist policy which is making de Gaulle, Eisenhower, and all those who fought to liberate Europe from the Nazi cancer turn over in their graves.

The lowlife in the European Parliament

Below is a sampling of some of the newly elected members of the European Parliament as of June 17, to whom Altiero Spinelli would turn over the rule of Europe after national sovereignty is destroyed.

Italy

Enzo Tortora: Tortora is a famed television emcee, presently in jail for drug smuggling and association with the Naples organized crime network, the infamous Camorra. He was placed on the slate of the Radical Party of Marco Pannella, the same party that sprung the head of the Red Brigades, Toni Negri, from jail last year. Thanks to the support of the mass media and the apparatus of the Radical Party, Tortora got 250,000 preferential votes (in Italy, voters elect both a party slate as a whole and indicate their preference for particular members of a slate). Pannella is preparing to free other top criminals in the next election.

Gianni Baget Bozzo: He was elected in the list of the Italian Socialist Party (PSI). Bozzo is a priest who has been suspended *a divinis* for his left anarchist initiatives. Famous is his speech at the recent Congress of PSI: "You are dishonest, thieves, mafiosi, but I like this party." Also famous is his statement: "I am a prostitute." Former secretary of the Cardinal of Genoa, Giuseppe Siri, he was a top ideologist of neo-fascist groups. Consistent with his past, Baget Bozzo is now the "oracle" of the left.

Alberto Moravia: He is the notorious pornographic writer. "Former" Fascist intellectual, he was elected in the list of the Italian Communist Party (PCI), and hobnobs with the Black Oligarchy, above all in Rome. After the announcement of the election results he declared: "I hope to be able to demonstrate from the European Parliament that nuclear disarmament is not a political question."

West Germany

Brigitte Heinrich: She is No. 2 on the Greens' European Slate. In 1980 she was sentenced for violation of

weapons control laws and possession of explosives to 21 months in prison without probation. She had smuggled weapons for a fellow-traveler organization of the RAF (Baader Meinhof). Brigitte Heinrich first got out of jail in February, and a few days later was put on the Greens' European Parliament slate. On the occasion of her nomination she declared: "This sham-parliament without legislative and executive functions we should use above all as a forum for propaganda work." She has promoted the battle against the Europe of the multinationals, against atomic energy and arms cooperation, and campaigned for "alliances with progressive groupings." Since her time in the Foreign Division of the SDS of the 1960s, Heinrich has been in contact with such groups as the terrorist separatist-movements of the Corsicans, Basques, and northern Irish IRA.

Benedikt Härlin and Michael Klöckner: Härlin (No. 3 on the Green Slate) and Klöckner (No. 6) were sentenced in June 1983 by the Berlin Superior Court of Justice to two-and-a-half years in jail without probation. Both are editors of the left extremist pro-terrorist rag *Radical* and were responsible for the publication there of strategic documents of the Revolutionary Cells.

Frank Schwalba-Hoth: Schwalba-Hoth (No. 5 on the Green List), a notorious participant in the "spontaneous" riots against the construction of a new runway at the Frankfurt airport, and member of the Hesse state parliament, hit the headlines in the summer of 1983 when he sprinkled blood on American Gen. Paul Williams. For no apparent reason, General Williams renounced filing a criminal complaint.

Of the seven Greens elected to the Strassburg Parliament, besides the four ex-convicts, two are bluebloods: Westphalian landowner **Friedrich-Wilhelm Count zu Baringdorf** (No. 1) and **Undine von Blotnitz** (No. 4). Back in 1979 the European Labor Party had carried out its electoral campaign with the slogan, "Gegen Grüne und Grafen" (Against Greens and Counts). **Count Otto von Hapsburg**, who slipped into the European Parliament as a Christian Democrat from Austria, is probably quite captivated by his Green fellow parliamentarians, since he once said that for him "anarchists make the best allies."

India: caught at the crossroads of international drug traffic

by Ramtanu Maitra

The discovery by Indian authorities of a multimillion dollar cache of heroin and other illegal drugs inside the Golden Temple in Amritsar (Punjab), after the Indian Army liberated it from Sikh terrorists on June 6, thrust into the limelight a situation which has been developing over the last half decade: India's illegal-drug trafficking problem.

India lies at the crossroad of the two most prolific producing areas of morphine-based drugs: the "Golden Triangle" comprising Burma, Laos, Thailand, and the southern province of China; and the "Golden Crescent" comprising Iran, Pakistan, and Afghanistan. India's drug problem was created largely by the major dislocations that have occurred in this region—the Vietnam war, Ayatollah Khomeini's rise to power, and the Soviet Union's move into Afghanistan.

This article is the first of an intermittent series which traces the tentacles on the Indian subcontinent of the world's largest business, the business this publication first dubbed "Dope, Inc." in 1978.

The recently observed proliferation of drugs in India has its roots in the counterculture movement that began in the West in the early 1960s. The ingredients of this movement of youth "defying" the established authorities were drugs, rock music, and existentialist philosophy. It began with marijuana, but quickly moved over to the consumption of heroin, cocaine, and barbiturates.

Besides opening up the morgue for drug victims, the counterculture also opened up a huge business potential involving hundreds of billions of dollars. It also created an army of on-the-ground drug suppliers whose responsibility it was to move the drugs from place to place. The international mafia, utilizing the banks it controls, used the market to replenish its coffers. Drug money went into "investments" such as real estate, international gun-running, and to the terrorist groupings like the Baader-Meinhof gang, the Red Brigades, the Weathermen, and the Naxalites, India's 1960s Maoist guerrillas. It was funneled into "peace" and disarmament movements, and political parties such as the Green Party of West Germany. It went into building up cults like Jim Jones's People's Temple.

The money was plentiful and battalions of drug runners were brought in and trained. The rise of this drug racket occurred so rapidly that most of the smaller nations in which

drugs were manufactured, or, as in the case of India, are transshipped, became completely overwhelmed by its magnitude. With small and inadequate intelligence services, engaged primarily in seeking to track down anti-nationalist activities, the smaller nations could not begin to sort out the internationally run operation. There was also another factor. The developing nations tended to treat the drug addiction of the West with "benign neglect."

The attitude of the average Indian bureaucrat, for instance, is that the illegal drug trafficking will continue as long as a rewarding market exists for it in the West. It has only been repeated leaks of Sikh extremist involvement in large-scale drug trafficking across the India-Pakistan border that has caused some Indians to sit up and take notice.

Drug use in the West increased, under the aegis of individuals such as Aldous Huxley of the infamous Huxley clan, Timothy Leary of Harvard, Gregory Bateson of the University of Chicago, Margaret Mead of Columbia University, and the London-based Tavistock Institute, which promoted use of drugs for behavioral study and psychological warfare. Soon, a large number of Western youth became hooked on hard drugs. These youth, finding money to buy drugs difficult to come by, sought refuge in many developing nations where drugs are comparatively cheap and the penalties for drug use less severe. Among other nations, India became a haven for such riffraff.

Nepal's drug buildup moves over the border

Under the pretext of being "hippies" who have rejected the "materialistic" society of the West, this grouping poured into South and Southeast Asia, and with their arrival, the Indian drug market came alive. Illegal opium and refined heroin from the Golden Triangle and Golden Crescent began pouring across the borders and found its users here. Nepal, where the heroin from the Golden Triangle moves in abundance, became thick with hippies living in dilapidated shacks and pumping heroin into their veins. Soon, Nepali students began "trying out" the drugs. As late as 1979, it was reported that only 50 known users of hard drugs existed in Nepal. Today, it is estimated that more than 2,000 Nepali youth are hooked into this mind-destruction process.

The roads and streets of Nepal's capital city, Kathmandu, have innocuous-looking restaurants where young men can be

seen puffing away at cigarettes filled with drugs. The government has opened a drug control section under the Home Ministry but has not been able to do much—"for various reasons," an official recently said.

It should be noted that in India there already existed a drug culture, which is generally associated with the "temple culture." Many Indian temples, and their surrounding neighborhoods, are infested with various forms of debauchery. Prostitution and drugs are a few of many vices that are rampant in these so-called holy places.

One such town is Varanasi, a center of Shiva worship, where "saints" congregate from various parts of India. These saints are regular users of *bhang*, *ganja*, and *charas* (forms of cannabis drugs, the same plant used to make marijuana in the West), and often as pimps for the tourists. It is no surprise that Varanasi was soon teeming with hippies from the West.

Bhang is associated with rituals performed in some Hindu temples. Ganja is used as an offering in the Tarakeshwar temple, near Calcutta, on festival nights. In Puri (Orissa), ganja and bhang are largely used by the attendants and worshippers of the "Lord," while the worshippers of Shiva in Bombay generally use ganja.

Bhang is also drunk by people of certain castes during the *Holi* (the festival welcoming spring) and the *Diwali* (the festival of light celebrated in parts of northern India). Among the Sikhs, the use of bhang was common as late as 30 years ago in beverages freely distributed to devotees in the sect's religious places and shrines. Drinking of bhang is also in vogue in Rajasthan during the festival of *Kama* (the Indian cupid) by the Rajputs of Bondil. *Marwaris* and merchant classes use bhang on festive occasions, while priests of Brindaban, Mathura, and other places of pilgrimage are notoriously addicted to bhang even now. Muslim *fakirs* (servants of Allah) revere bhang as the giver of long life and believe that it frees them from worldly bonds and induces communion with the divine spirit.

The 'gurus' spring up

With such an existing tradition associated with so-called religion, various drugs already had a market in India. In response to the counterculture, a new generation of "gurus" sprang up, and began organizing the West's riffraff to provide them with "eternal bliss" and "permanent peace." The careers were launched of such gurus as Maharishi Mahesh Yogi, who sold his formula of Transcendental Meditation as a way to achieve "Nirvana"; Bhagwan Rajneesh, who moved West promising his followers "free love," and has recently taken over several towns in Oregon; and Swami Bahktivedanta, the founder of the head-shaven, saffron clothed Hare Krishna cult (ISKON). Their movements began in India but soon moved West. Maharishi, it should be noted, ended up in Switzerland, from where he has established his "world government."

The Indian gurus pulled into their folds wealthy drug users, and, by selling drugs to the international mafia, they

financed their moves West, becoming perfect conduits of intelligence operations of many kinds. All the while, their religious pretexts acted as watertight covers. It should be noted that although ISKON members have been picked up and jailed for drug running in the United States more than once, this cult has remained an untouched institution in India. ISKON's opulence is causing some problems in Brindaban, where the cult has built a massive center replete with hotels and gun-carrying guards, and where helicopter pads will soon be built to bring in visitors for weekend bashes, but the cult continues to remain untouched.

The drugs, however, have spilled over from the gurus' exclusive clubs and are now affecting India's population as a whole. Exhaustive reports of drug use come out in the local press almost daily.

There are five states in which poppy is grown legally under parliamentary license for medical purposes: Rajasthan, Uttar Pradesh, West Bengal, Orissa, and Madhya. Although hard drugs are available in all of India's big cities, as a state, West Bengal has the largest group of registered opium addicts (those who buy opium from government shops on medical prescription). Of 27,000 people in this category in West Bengal, 7,000 of these are women. Second comes the state of Orissa, with 15,000 "registered" opium users.

Bombay's drug dens

The number of known drug addicts in the big cities has not been made available by the government, but unofficial figures quoted by the local press indicate a fast rise of drug addiction in India. According to one report, Bombay alone has 50,000 addicts, a significant number of whom are also alcoholics. The Bombay scene can only be described as horrendous. In the seedier sections of the city, the bosses of Bombay's drug dens are totally confident of police non-interference.

In a recent visit to one of Bombay's drug dens by a correspondent from an Indian national daily, it was revealed that the den did a daily business of approximately Rs. 5000 (\$500 in U.S. currency)—a substantial sum of money in India. While the correspondent was there, several young men from West Asia, two Iranians, and at least two Indians came to inhale brown heroin spread on a strip of aluminum foil. One of the Iranians confessed that he came to India for his drug supply because it is cheaper here than anywhere else.

While the correspondent was there, the person serving the drugs cooked a thick black liquid, strained it through a cloth, boiled some more liquid, and let it drop through cotton wool. The opiate was then put into tiny thumbnail-sized trays. The drug server then rolled the contents of the tray into a ball the size of a large peppercorn, which can then either be swallowed or smoked through a Chinese pipe. The ball sells for Rs. 2 (20 cents in U.S. currency). The server told the correspondent that a regular customer ingests 10 to 15 of these balls at a time.

The drugs that are served in these dens include medicinal

products such as Mandrax Prodom, a variety of phenobarbiturates, and LSD. Brown heroin, known as "brown sugar," is widely used in Bombay and has a wider market than white heroin (known as "smack"), as it is cheaper. A gram of brown heroin costs Rs. 50 to Rs. 80, while white heroin sells for Rs. 250 to Rs. 400. The correspondent was told of the existence of a laboratory in Bombay that refines brown heroin to white. Otherwise, most of Bombay's heroin supply comes from Pakistan, either by road or by rail, and is shipped back out of Bombay by sea or air.

India's Central Bureau of Investigation estimates that 10% of the government-controlled manufacture of morphine from poppy seeds—in factories located at Ghazipur and Neemuch—is stolen and sold clandestinely. A foreign delegate attending the recent United Nations-sponsored seminar on drugs in New Delhi insisted that a makeshift refinery had been found by the Indian authorities at Ghazipur where the central government has a warehouse for opium and other legal toxicants. He charged that illicit opium was diverted to the factory for conversion into heroin for illicit sale.

The dens are not the only places, however, where drugs are found in Bombay. On the streets of Colaba, addicts are seen hanging around, waiting for the supplier to arrive. Sleazy joints make their way to five-star hotels where upper- and middle-income-level business executives and Arabs from West Asia are the new clients.

Although the drug trade in Bombay is in no way slowing down, India's capital city of New Delhi is fast becoming a strong contender. Here also, drug soliciting has become quite common outside swank hotels. Greatly contributing to the New Delhi problem is that 10,000 Afghan refugees, uprooted by the Soviet invasion of that nation, now live in India's capital city, many of whom are engaged in racketeering and trafficking. New Delhi also has a large hippie population living in pest-infested localities sucking up cheap drugs.

Another town where drug peddlers freely transact business is the "holy city" of Varanasi, where even the priests are said to deal drugs. Here opium can be bought in the streets for Rs. 1,000 a kilogram, which has given a boost to the manufacture and sale of morphine and heroin. The process of manufacturing morphine and heroin is so simple that students at the Benaras Hindu University were found to be engaging in it. One student was reportedly found running a mini-morphine plant in his living quarters. A Central Narcotics official recently reported that drug peddling had increased in Varanasi more than five-fold during the past five years, but that "its detection has declined." He reported this is largely due to the involvement of "big guns" in the racket.

An anonymous narcotics dealer, meeting with an Indian journalist recently, claimed that he obtains hashish and charas from Khandawa, Nanali, Nepal, Chitral (a town near the India-Pakistan border), and from sources in Afghanistan. He reported obtaining heroin and morphine from Ghazipur and Varanasi. The dealer also revealed that all of the "big fish" in the drug business operate their own legitimate businesses

with international connections—in exporting, for instance.

Another area in India where drug addiction has proliferated in recent years is Punjab, particularly in those districts closest to the India-Pakistan border. According to a study by Indian researchers in 1981, home-brewed alcohol is being replaced by opium in Punjab. In the absence of prior survey data, it is not possible to determine by how much opium addiction has increased. But the effects of increased opium addiction are extremely evident in Punjab; drug addicts and drug dens are now easily spotted in even villages and towns in Punjab.

Smuggling increases

While the increase in drug addiction cannot be properly documented, the increase in narcotics smuggling out of India is not a matter of speculation. In recent months, Indian newspapers have carried the stories of one narcotics arrest after another. Here is a sample of recent arrests published in New Delhi newspapers:

- On Jan. 24, more than 21 kilograms of heroin, valued at Rs. 2 crores (\$2 million U.S. currency), was seized at Chanakyapuri in New Delhi.

- On Jan. 28, contraband heroin valued at Rs. 50,000 was recovered by the Chandni Mahal police in New Delhi.

- On Jan. 30, customs officers at Hong Kong arrested an Indian coming from Calcutta carrying 600 grams of cannabis resin.

- On April 9, a Tanzanian national was arrested in Pahar Ganj, New Delhi, for possession of heroin.

- On April 10, three kilograms of heroin, valued at Rs. 3 lakhs (U.S. \$300,000), was seized by the crime branch of the Delhi police.

- In early April, customs officials at New York's JFK international airport arrested six people for bringing into the United States \$88 million worth of heroin from India.

- In mid-April, a former army official from Kanpur was arrested near Bhopal—following a shootout with the police—carrying 15 kilograms of opium.

- On April 24, Cochin customs officials seized hashish worth \$500,000 in U.S. currency. The consignment, labeled as marine products, was addressed to a firm called Phoenix Foods Inc., in New York City.

The major drug route

Bombay and its surrounding area is assessed to be India's center of drug trafficking. Indian intelligence sources report drug-trafficking links, through the transit junction of Bombay, to not only Pakistan and Iranian connections, but also speculate there are drug links to Australia. Several Australian nationals were arrested in Bombay last year for attempting to smuggle narcotics into India.

The major drug route, according to intelligence reports, includes Karachi, Amritsar, New Delhi, and Bombay. Recent seizures made in New Delhi were also tied to Indian smugglers from Lucknow and Amritsar. Last year, when

three Air India drug smugglers were arrested in London, it was found that the consignment was sent by a Chandigarh firm to an address in the United Kingdom.

Drug trafficking across the India-Pakistan border has increased multifold in recent years. Among the factors thought to have caused such a rise is the policy of Pakistan, which assumed a leadership role in heroin production, and then toughened its laws, forcing drug dealers to move across the border. Another significant factor is increased unrest in the Indian state of Punjab, bordering Pakistan.

Heroin appears to be brought primarily by road across the Indo-Pak border into Punjab. One recently apprehended pusher told Indian police that he procured his heroin cache from a Pakistani national in Amritsar, a city in Punjab just 20 miles from the border. It was to this same supply point that authorities also traced other heroin trafficking cases, including a gang led by a major in the army. The major had been stationed in Punjab, and had maintained regular links with Pakistani nationals making frequent trips across the border.

The detection capability of India's intelligence service is quite primitive—further complicated by the fact that many of these officials have themselves been paid off from the lucrative market. According to one narcotics agent, a popular method of carrying heroin across the border is by mixing it

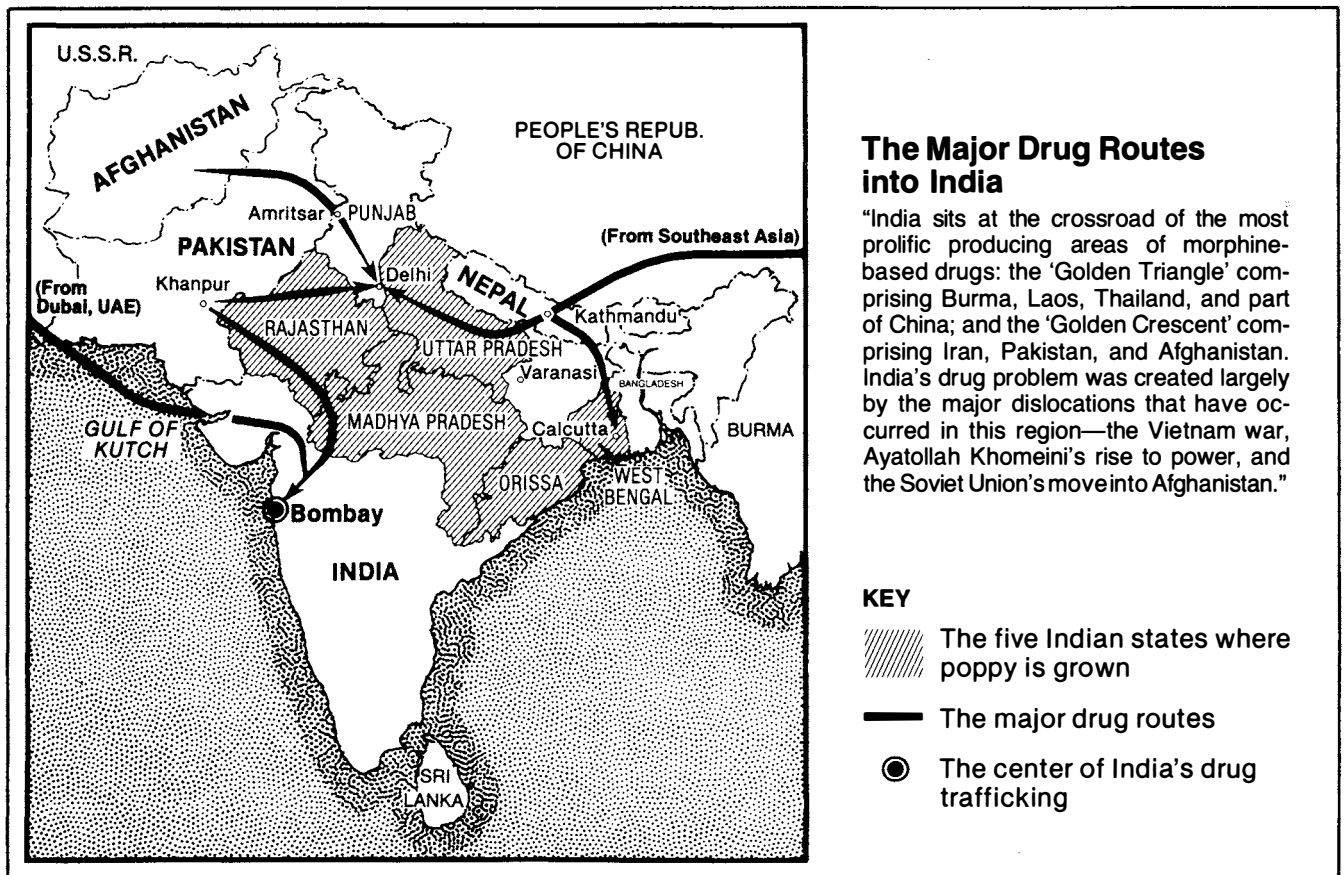
with gasoline, kept in small cans as an emergency fuel. Once the vehicle reaches its destination, the gasoline is evaporated, and the heroin collected.

Amritsar, which now has an international airport with flights leaving for Kabul and London, is the destination for Pakistani and Afghan heroin. Construction of this airport was the result of a Sikh demand. From Amritsar, where an active drug-peddling network functions, the drug moves south toward New Delhi and Bombay to supply foreign tourists, as well as the international drug mafia who operate from these two major cities. The heroin that goes to Calcutta is brought in from the Golden Triangle area. Besides these two "foreign" sources of heroin, there exists a large supply source in Ghazipur and Neemuch where an illegal heroin refinery has been recently located. In 1981, Delhi police found a heroin factory operating in the slum district of East Delhi.

The Bombay nexus

A classic case was that of one Ajit Mohan Balse, who was arrested on May 31, 1983, at the Frankfurt airport in West Germany. Interpol officials were tipped off that he was carrying two kilograms of heroin in his luggage. This caused a sensation in India in that Balse was an Air Force pilot who had settled in the United States 15 years before.

Balse, it seems, had high connections, and during a visit



to Bombay, was given a guided tour of the drug dens by the Bombay police. The U.S. Drug Enforcement Agency, who suspected Balse of being a drug peddler, tipped off the Directorate of Revenue Intelligence about his activities. On March 31, one Mr. Hill of the DEA, posing as part of the "mafia" approached Balse for heroin. A deal was carefully worked out. As a test of Balse's supposed honesty, the member of the "mafia" asked him to deliver 2 kilograms of white heroin at Frankfurt. On successful completion of the deal, he was told that a bigger offer would be coming. Balse was kept under close watch during the rest of his stay in Bombay and was allowed to leave the Bombay airport unmolested.

How Balse was eventually arrested indicates how limited India's capability is in the drug enforcement area, and how dependent the country is on agencies such as Interpol and the U.S. Drug Enforcement Agency. At one time, India's Central Bureau of Investigation (CBI) had a narcotics branch; it was recently discontinued. The CBI and Indian Customs partition the work between themselves: The CBI is authorized to grab hauls of narcotics wherever they are found and make arrests; Customs can make a seizure only if the narcotic is found in preparation for export or at the airport. If Customs suspects anyone of having opium—they have no institutional intelligence apparatus for this purpose—they have to contact the CBI who in turn conducts the raid.

It is clear from the way the drug trafficking is multiplying that a well-organized underground network is functioning within the country. After drugs were found inside the Golden Temple in Amritsar last month, the Indian government identified six wealthy New Delhi businessmen involved in the trade. Although the network's kingpins—whose financial strings are controlled from Hong Kong and the West—have been elusive, international intelligence authorities have established that the heroin generally leaves Pakistan by way of Karachi and Quetta. There is also no doubt that the illicit opium smuggled out of India to Singapore or Bangkok is due to the "high connections" of the smugglers.

There is another report which suggests that the big guns in the narcotics trade from the Asian theatre are based in Dubai. Dubai had long been the center for gold smuggling. Most of the smuggling *from and into* India via Dubai goes through Kutch on the west coast. According to trade sources, Kutch started to become popular in the narcotics game in 1982. Now, a steady stream of narcotics comes in through Kutch, joining up with those from Nepal and Uttar Pradesh around Bombay and Delhi, from where it is moved out to the western world.

Other well-known targets for drug pushers are the diplomats. A well-known industrialist in South Delhi, for instance, is known to possess a harem of young women who are used as bait to catch foreign diplomats. Once the target is hooked, the diplomat is blackmailed and eventually turned into a drug carrier. There have been over two dozen such cases in 1983, it is reported.

Drugs smuggled out of warehouses

Opium is reported to be regularly smuggled out of the government warehouses and sold in the underground market. The opium produced in India is supposed to be under strict government control, sold only to research or pharmaceutical laboratories in India and other countries. Yet, it is alleged that the smugglers' agents, with their contacts in government factories in Ghazipur and Neemuch, are able to buy from the factories.

Out of 250,000 farmers in Rajasthan, Uttar Pradesh, and Madhya Pradesh, who grow opium under license in about 50,000 acres, and who are obliged to sell the entire crop to the government, some reportedly hold back a portion of their products for personal use by under-recording production. Later, this is sold to smugglers at double or triple the price paid by the government.

Many doubt the "ignorance" of government officials in this matter. Residents of one of the opium-growing areas claimed that the official merely "feigned" ignorance. Officials in the government factories have managed to avoid further probes on this issue. But the fact is, the farmers' production quotas are based on acreage, and not on actual production.

Another unknown quantity is the amount of morphine smuggled out of Neemuch and Ghazipur factories. At the factory of Neemuch, it is possible to sell smuggled opium to traders who are operating just outside of the factory premises. Although the Central Industrial Security Force patrols the factory perimeter, they have been reported to turn a blind eye to these known dealers for a payoff. One worker, who was caught several years ago, confessed that he had designed special shoes with cavities inside, by which he carried morphine out of the government factory. An investigation was initiated with no results, but mafia involvement was evident when the shoemaker's son was found drowned in a well near Ghazipur.

The amount of smuggled opium is reported to be substantial. According to a report published in 1982, out of 884 tons of opium cultivated in Chittorgarh, a major opium-growing district in Rajasthan, at least 300 tons over the last two years have been smuggled out.

The big money lure and the ineffectiveness of India's CBI in detecting narcotics trafficking are the reasons encouraging many small operators to set up business. Even in small towns, it has been realized that there is more profit in the trade in morphine than in raw opium. Shabby, ill-equipped processing units have popped up even in the neighborhood of the opium factories.

So far, only a small dent has been made by law enforcement against such illegal operations. For every seizure that is made by the CBI or Customs officials, it is estimated that at least two operations go through. For each ill-equipped refinery that is shut down by police, at least five new ones come up within a month.

New leverage for the 'decouplers'

Mitterrand in Moscow made a dangerous concession to the Soviets, calling for a moratorium on space-based defense.

Although French President François Mitterrand's trip to Moscow at the end of June did not give off the same stench of appeasement as recent pilgrimages there by other West European leaders, the results of the visit must nevertheless be judged a gain for those seeking to decouple Europe from the United States.

Mitterrand told his Soviet hosts that France has introduced a resolution on peace in space to the Geneva U.N. Disarmament Commission, calling for, among other measures, a five-year moratorium on deployment of space-based beam-weapon defense. Mitterrand declared that rapid progress in the field of disarmament is possible on such issues as "the non-first-use of force, the banning of chemical weapons, nuclear non-proliferation, and preventing the space arms race."

Mitterrand's concession to Moscow's bid to prevent the West from developing a beam-defense system is the result of a dangerous balancing act that he is playing among rival political factions in France. On the one side, a powerful faction centered among old Resistance fighters and the armed forces is demanding full French support for the U.S. Strategic Defense Initiative and for large-scale production of the neutron bomb for defense of Europe against a Soviet ground attack. With an eye to this audience, Mitterrand made it clear to his Soviet interlocutors that he would not allow the French strategic nuclear forces to be included in any arms-control dis-

cussions between the superpowers.

But Mitterrand is also under heavy pressure from the Communist Party, which holds four posts in his government, and from the "conservative" anti-beam-weapon lobby centered around Industry Minister Laurent Fabius. Fabius, who is linked to the Washington, D.C. Heritage Foundation, insisted on national television at the end of June that beam-defense is out of the question, since if only 5% of incoming missiles could penetrate the defensive shield, a massive technological arms race would ensue. The superpowers would gear up to develop enough missiles to saturate one another's defenses, he said, increasing the nuclear threat.

This incompetent argument bears the pawprints of Henry Kissinger and Lt. Gen. Danny Graham's "High Frontier." In fact, nuclear missiles traveling at 20,000 feet per second would be no match for laser beams traveling at the speed of light, particularly as part of a multi-layered anti-ballistic-missile defense system.

The Mitterrand government may believe that its call for a moratorium on space weaponry is merely a tactical posture and a play for time. It may delude itself that by postponing the superpowers' deployment of a beam-weapon system, France could catch up in its own secret research and development efforts. What this "clever" argument overlooks is that the Soviet call for a freeze on weapons in space is directed solely against a potential

U.S. system. The Soviet Union has violated all previous arms-control agreements, and will forge ahead with its own laser program, no matter what paper agreements exist.

It is the Reagan administration's toleration of Kissinger et al. which has left Mitterrand teething on his tigh-trope. France is the country in Western Europe where support for beam defense is strongest; France's laser industry is among the most advanced in the world; French nationalism, the heritage of Gen. Charles de Gaulle, is a potent force against Russian domination, provided it is allied with the United States. Were President Reagan to move against Kissinger and actively seek French support for his program, he would find a willing ally.

Despite his concessions to the arms controllers, Mitterrand did make "undiplomatic" interventions in Moscow on the questions of human rights violations in the Soviet Union, and the issues of Poland and Afghanistan.

He also attempted to counter vitriolic Soviet propaganda against West German "revanchism," the scare-campaign about a revival of Nazism in the Federal Republic of Germany, which military analysts say could provide the pretext for a Soviet invasion. Mitterrand traveled to Stalingrad (now called Volgograd) on June 23, where he gave a speech saluting the courage and military capability of the forces on *both* sides who died in the famous battle there. He emphasized that the German people fully deserved their place in the postwar reconstruction of Europe, which, he said, was based on the historic reconciliation of France and Germany.

This did not make his Soviet hosts very happy. But Mitterrand's sentiments will do nothing to deter the Russians' adventurism; an alliance based on beam defense will.

LaRouche's enemies in Monterrey

The local newspaper El Norte, in the hands of the 'Panistas,' is terrified because Operation Juárez is on the march.

On June 13, the National Action Party (PAN) linked newspaper from the richest northern border state, Monterrey, printed an article against Mr. Lyndon LaRouche, quoting from his June 2 CBS and June 3 NBC national telecasts in the United States. In total terror, the paper said that "We Mexicans should be very careful because Mr. LaRouche is the author of *Operation Juárez*, which is a plan for the creation of a debtors' cartel . . . and this guy is saying that his plan is already on the march in Ibero-America."

The article insists that Mr. LaRouche is very influential in Mexican political affairs because of the following of the Mexican Labor Party (PLM), which is bidding for formal registration as an official party and "whose main objective is to destroy *El Norte*" newspaper.

El Norte claims that LaRouche was an "informal adviser" to former President José López Portillo, "who met him several times [sic] and advised him to nationalize the banks in 1982." Moreover, LaRouche "goes to every negotiating meeting any Ibero-American country has with the International Monetary Fund." The slander article culminates with the fantasy that LaRouche is rolling in money.

One thing in all this is real: LaRouche's *Operation Juárez* is on the march in Ibero-America, and is the only alternative to finishing off the insane usury of the London, Swiss and New York banks. But what *El Norte* forgets is that LaRouche had been in-

ited to Mexico not only by the government, but by the private sector.

In February of 1981, the prestigious Monterrey Technology Institute invited Lyndon LaRouche as the main speaker at a very selective conference. In that period, LaRouche explained to the private sector, particularly the Monterrey Group, why they were at the head of the list of targets to be destroyed by the international banks and Paul Volcker's U.S. Federal Reserve, because the primary aim of those institutions is the destruction of nation-states.

Now, three years later, the celebrated private sector of Monterrey has been driven to the wall. The once powerful Alfa group is being forced to exchange its debt for the firm's assets and to put "gringos" in top administrative posts.

More interesting is that the crowd at *El Norte* is so worried about the official registration of the Mexican Labor Party. As this column has reported, the PLM is the only political organization capable of stopping the destruction of Mexico because its international vision is part of the republican tradition LaRouche also represents. The PLM has been the only party denouncing in detail the real purposes of *El Norte* as part of the "Panista" tradition (that of the PAN party): they hate the government, republican institutions, and capitalist development. *El Norte* also reportedly has close links to the U.S. Federal Bureau of Investigation.

El Norte is an unofficial appen-

dage of the PAN, the party which was born as the Mexican version of international Nazi-fascism in the late 1930s, and which now is attempting to lead an insurgency against the central government of Mexico.

El Norte's current editor, Alejandro Junco, is so low that together with his managing editor, Abelardo Leal, he literally stripped his own father, Rodolfo Junco, of his property and expelled him from the state and even from Mexico. Alejandro Junco also cheated his brothers and sister of their inheritance and also succeeded in driving his sister, María Teresa, from the state.

Once he seized control of *El Norte*, Alejandro rented himself to the FBI and has worked for the last 10 years as an FBI informant gathering information on the private lives of the important Monterrey families. *El Norte* in reality functions as the organ for FBI dirty tricks and is used against any person or institution expressing a patriotic—or even heterosexual—position.

El Norte's relations with the FBI did not start with Junco, of course. They go back 30 years when Abelardo Leal, the founder of the newspaper, established an intimate friendship with then-FBI director J. Edgar Hoover.

That's the origin of the depth of Junco's mental problems. He also protects on *El Norte*'s pages Mauricio González de la Garza, a drug addict and homosexual who was clinically brainwashed under the Nazi-Communist Ivan Illich, Sergio Méndez Arceo the "Red Bishop of Cuernavaca," and the Jesuit Gregoire Lemercier, who were all from Cuernavaca. De la Garza, a rabid anti-state and anti-López Portillo fanatic, has admitted in print to participating "actively" in drug orgies in CIDOC, the Illich-Méndez Arceo institute.

International Intelligence

Were Strauss, Bisaglia deaths 'accidental'?

The "accidental" deaths of Italian Christian Democratic leader Antonio Bisaglia and the wife of West Germany's Franz-Joseph Strauss during the last week in June appear suspicious to some security experts, seen in their political context.

Bisaglia was an opponent of the current Moscow-leaning tendency in his party, as represented by Italy's Foreign Minister Giulio Andreotti. According to confidential reports, Bisaglia was determined to split the party if necessary in order to oppose Andreotti's alliance with Moscow.

The car accident which killed Marianne Strauss came in the middle of a West German government crisis, with Chancellor Helmut Kohl's grip on power increasingly shaky and the Soviet-backed parties gaining ground. Strauss, who is the chairman of the Christian Social Union, has been mentioned as a possible candidate for a ministerial post should Kohl decide to reshuffle his cabinet.

Mrs. Strauss's fatal accident took place as she was navigating a slight curve in the road, and there were no signs of an attempt to brake. An anonymous call was placed to a West German newspaper from someone claiming to have caused the car crash.

Hijacking bid to destabilize India foiled

Extremists surrendered to Pakistani authorities July 6 and freed more than 260 passengers and flight crew captured when they hijacked an Indian airliner and diverted it to Lahore, Pakistan in a bid to further the terrorist destabilization of India.

Cooperation between the Indian and Pakistani governments defused the effort to incite Indo-Pakistani tensions in the wake of the Indian government's successful crack-down on the Sikh separatist-terrorists in the vital and strategic border state of Punjab.

Pakistani authorities at first refused to grant the hijacked plane permission to land, and did so only on the advice of Indian au-

thorities. Pakistani authorities subsequently "wore out" the hijackers in a night of stand-off negotiations, precipitating the surrender.

According to the *Press Trust* of India, the hijackers are believed to have been members of an extremist Sikh "suicide squad" deployed to avenge the Indian government's action in early June to disarm the terrorist military command center in the Golden Temple Sikh shrine in Amritsar. The nine highjackers reportedly shouted "Long Live Khalistan, Long Live Pakistan" on landing in Lahore. The demand for an autonomous Khalistan is the rallying cry of the separatists who want to break Punjab from India.

Besides breaking up the Indian union, the destabilization operation in Punjab is aimed at precipitating a war between India and Pakistan.

The highjackers had seized the Indian Airlines flight just after its departure from Srinagar, capital of the Indian part of Kashmir state. Kashmir has been the scene of increasing secessionist activity over the past year. According to Indian authorities, the "Khalistan" separatists have been receiving military training in Kashmir.

Italian General Staff to study beam weapons

The General Staff of the Italian Army has decided to offer a special course on laser beam defensive weaponry as one of four courses to be taught next fall and winter at Italy's Center for Military Studies. This information was reported July 2 by Gen. Giulio Macri, a leading defensive weaponry supporter in Italy's military circles, and an associate of U.S. presidential contender Lyndon LaRouche.

General Macri, who was a scheduled speaker on the need for beam weapons at the Washington, D.C. founding conference of the Schiller Institute July 3-4, reported that the directors of the new course have already been named. One of them, he said, is Air Force Gen. Moneta Caglio, who participated in an *EIR*-sponsored conference on defensive weaponry last November in Rome, where LaRouche also spoke.

Soviets launch second Afghan offensive

Once again attempting to consolidate its grip on Afghanistan, the Soviet army moved into the strategic Panjshir Valley the first week of July, reportedly utilizing both chemical weapons and an internationally banned type of bullet which explodes on impact.

The Panjshir Valley is located between Kabul and Pakistan and is surrounded by tall mountains, inhabited by the country's resistance fighters. According to Indian sources, the Afghan resistance has been "hung out to dry" by the West and Pakistan and is receiving few Western military supplies. In spite of this, the resistance fighters are reported to have shot down a Soviet reconnaissance plane and captured 20 soldiers.

The new offensive also coincides with a reported new push to "Sovietize" the Kabul government and other Afghan institutions. One way this is being done is through the Soviets' consolidation of Marxist-Islamic groupings, such as the recent merger of Iranian and Pakistani Baluchistani separatists.

Will Sudan become the new Iran?

The battle over "Islamic fundamentalism" between Sudan's Islamic North and Christian South may be reaching the point of irreversibility in the estimation of Egyptian intelligence sources, who predict that the Sudan will be like Iran by the end of the year. The last civil war between the two sections of the county, a decade and a half ago, was a bloodbath in which the minority Christian population lost heavily.

The sources report that Sudan President Gaafar Numayri, following the lead of Iran's Ayatollah Khomeini, intends in the coming weeks to change the country's constitution so as to establish himself as "Caliph of the Believers" and "Imam of the Muslims."

The conflict between North and South is reportedly being fueled by both the Chevron Oil Company (which has major oil fields in

Briefly

the Christian South), and Libya's Muammar Qaddafi, who is encouraging the South to secede. Chevron's adviser on the Sudan is Kissinger Associates, Henry Kissinger's private firm. Only 20% of Sudan's population lives in the South.

IMF "conditionalities" brought all development of the country to a standstill by the end of 1978. The ongoing civil disturbances in the South are now halting all the economic projects that began before that point.

Gromyko meets with Howe to chastize U.S.A.

Soviet Foreign Minister Andrei Gromyko on July 5 assailed U.S. policy as a "cult of terrorism in all its forms." Speaking in Moscow in the presence of British Foreign Secretary Geoffrey Howe, Gromyko recalled for his visitor the "solemn commitment" that the U.S.S.R. and England took as members of the anti-Hitler coalition "to bury war," and insisted that now the United States was the "main threat" to world peace.

Howe, who had gone to Moscow to convey U.S. readiness for discussions on space weapons, described the Russian attitude as "angry and petulant" in a London *Times* article on his Moscow trip. He emerged from discussions with Gromyko describing the Soviet leader as "negative" and "illogical."

A diplomat who accompanied Howe described the chances of dialogue by September between Moscow and the United States as "near zero."

KGB's peace movement sets its sights on Europe

An extraordinary series of high-level conferences involving the KGB's peace movement and other Soviet-backed institutions took place in Western Europe during the first weeks of July.

● A two-day conference against "weapons in outer space" was held July 7-8 at the University of Göttingen in West Germany, featuring U.S. Congressman George Brown

and "peace movement" activists from around the world.

● The period from July 7 through July 16 saw the annual leadership meetings of both the Club of Rome International (July 9-13 in Helsinki, Finland) and the Pugwash conference (July 9-15 in Sweden), both featuring leading KGB operatives from the United States and Western Europe as well as from the U.S.S.R.

● From July 14-16, the Cini Foundation in Venice was the site of the concluding session of the two-year-old Aspen Institute East-West Project.

Brandt's SPD sets ties with East German party

The West German Social Democratic Party (SPD), under chairman Willy Brandt, is in the process of establishing formal ties with the ruling Socialist Unity Party (SED) of East Germany and a "working group" toward that end has been formed. It will be the first such alliance since Germany was split apart in 1946. The "reunification" of Germany and a nuclear-free zone in Central Europe are the carrots the Soviet Union is holding out to West Germany in return for splitting with the United States.

On June 27, the SPD party leadership announced the formation of a special disarmament working group with the SED on a party executive level. The new institution, which held its first meeting in East Berlin on July 2 and 3, is designed to promote communication between the two parties around the issue of creating a "Central European zone free of chemical weapons." Few details about the meeting are available.

The SPD sent three of its main disarmament spokesmen, Egon Bahr, Karsten Voigt (who is heading the working group), and Hermann Scheer. All three known as leaders of the drive to "decouple" West Germany from the United States and as opponents of the U.S. Strategic Defense Initiative. The SED delegation is headed by Hermann Axen, a party hardliner.

Although there is opposition from inside SPD ranks to Brandt's move, there has been no public protest.

● **RUSSIAN** military ships have been allowed to train in Swedish territorial waters for 20 years, Sweden's Social Democratic daily *Aftonbladet* revealed on July 4, and Western sources speculate that Sweden may have already become the Soviet's 16th state. Recently parts of the West German fleet were forced to seek protection against a storm in Sweden's northern harbor Husum, and *Pravda* editorialized on July 4 that it was "scandalous" to see "how little respect NATO has for Swedish neutrality."

● **GREEK** Premier Andreas Papandreu announced in East Berlin on July 4 that he will sign a treaty on "legal assistance" with East German party boss Erich Honecker. The treaty includes "highly alarming passages," according to a West German source, including a commitment to extradite East German refugees who flee to Greece via Bulgaria.

● **COLOMBIA'S** drug trade is "part of the mechanism of Colombian self defense," declared Gabriel Garcia Marquez, the Nobel Prize-winning existentialist novelist from Colombia, in an interview with the *Village Voice* the first week in July. "Who knows the level of common crime we would have if it weren't for the breathing space the drug trade provides?" he queried. He insisted that when one determines not to die of hunger, anything goes—"some write novels, some traffic in drugs, some make movies, and others become presidents of the republic."

● **MARTIN BANGEMANN**, who is reported to know nothing about economics, was named West German economics minister on June 28, following the resignation of Otto von Lambsdorff, a leading member of Hans-Dietrich Genscher's Free Democratic Party (FDP). Bagemann is regarded as a "transitional candidate" in a government itself not expected to remain long in power.

How will Reagan respond to Soviet war moves?

by Mark Burdman

"The silence in this town is deafening," a well-informed Capitol Hill source commented to *EIR* on July 6 when asked what kind of response was developing in Washington, D.C. in response to the extraordinary pattern of Soviet military maneuvers that had been taking place in Central Europe during the week of June 28-July 5.

Although these maneuvers were occurring during the week that most Americans were involved in celebrations of the July 4 anniversary of American independence, the "deafening silence" referred to by this source cannot be attributed to a mood of vacationing in high places in the nation's capital. The lack of publicity and public discussion about the Soviet strategic threat belies two intensive processes going on behind-the-scenes in and around the Reagan administration and among leading American strategic planners.

On the one hand, in the view of numerous conservative and traditionalist military-related sources concerned about the trend, a faction of "pragmatists" and friends of Henry Kissinger in the orbit of the President's White House domestic political advisory staff has been working overtime to convince President Ronald Reagan to back off from honest and firm reactions to Soviet provocations, on the basis that the President, in order to get re-elected, must "counter" the appeasement policies of Walter Mondale and Co. by taking an appeasement approach himself!

This faction, most visibly centered around White House advisers Michael Deaver and James A. Baker III, "may create a terrible strategic mistake," a Washington insider reported. "We may start seeing an arms-control mentality entering in precisely after four years of a firm approach toward Moscow. This, ironically, may politically boomerang against the President by showing him to be inconsistent."

In the view of such observers, the Soviets may be upping

the military-strategic pressure on Europe to create a "war of nerves" in which the administration in Washington is induced, in part through efforts of European appeasers like NATO Secretary-General Lord Carrington and West German Foreign Minister Hans-Dietrich Genscher, to enter a no-win "arms control negotiations process." Thus, although the President, in the diplomatic back-and-forth between Moscow and Washington around space-weapons negotiations that began on June 28 and peaked with Reagan's two-hour meeting with Soviet Ambassador to the United States Anatoly Dobrynin on July 3, has stood firm in insisting that he will make no *substantive* concessions to Moscow, the fear is that the President may become emotionally locked into a *process* of summitry that will blind him to the monstrous realities of Soviet strategic provocations.

This is described among Washington insiders as the "slippery slope" problem, of the same sort that Henry Kissinger induced in Richard Nixon with Kissinger's Rasputin-like hypnosis of Nixon on the matter of superpower "summitry."

Some pockets of strategic sanity

On the other hand, a very different mentality is discernible among planners and analysts associated with traditional circles in the Pentagon and the Washington national security community. Our sources report intense concern and monitoring of Soviet moves in Europe by these circles, especially insofar as these maneuvers occur in the wake of the gigantic Soviet naval maneuvers of the March-April period.

Aside from growing concern over the situation confronting Germany itself, especially the potential of the Soviets mounting a provocation in and around Berlin, our sources report two other geographical areas arousing grave concern among Pentagon and national security planners.

One of these is Yugoslavia. Not being a NATO country, Yugoslavia is vulnerable to Soviet provocations in a way that West Germany is not, these planners estimate. There are reports being reviewed of growing Soviet military pressure towards Yugoslavia and of growing patterns of internal unrest and economic dislocation within Yugoslavia.

A second, and possibly even more dangerous area, in the view of these sources, is the theatre of the Iran-Iraq war. According to one contingency being actively reviewed, the hard-pressed Iranian military may turn against Ayatollah Khomeini's religious fundamentalists, and the Soviets might use that eventuality as a pretext to drive into northern Iran, especially given the enormous superiority of their armed forces strength relative to that of the United States. U.S. contingency actions under such a situation are being reviewed.

Concern over a strategic unraveling intersects growing fears among the President's backers opposed to the Deaver-Baker-Kissinger faction that the world is on the brink of a severe economic depression, to break out at some point within the next weeks or months. Such an economic crisis would create a morass of difficulties from which the United States would find it almost impossible to extricate itself, even were the President to secure re-election by a wide margin.

As *EIR* founder-editor Lyndon LaRouche stressed in a statement before the historic founding conference of the Schiller Institute in Arlington, Virginia on July 3, it is impossible to judge how the President would actually react were the Soviets to go beyond provocative maneuvers to an attack on Europe. At that point, the command-sense that manifested itself when the President launched the American beam-weapon development on March 23, 1983 might reassert itself, LaRouche pointed out, if the President avoided counsel from "flight-forward cowards" in his entourage.

Short of that moment of conjunctural decision defining the President's actions, the single tangible sign of active intervention by the White House into the ominous European situation is the scheduled trip of Strategic Defense Initiative director General James Abrahamson to Europe beginning on or about July 9. Sources close to Abrahamson report growing urgent concern over the on-the-ground political and military situation in Western Europe.

It is too early to tell if that urgent concern will lead to an increasing convergence of approaches toward European-American relations of administration defense planners and the speakers at the July 3-4 Schiller Institute meeting (see article, page 34).

Appeasers on the move

While there may be a sense of ambiguity over what to expect from the White House in the coming days, there is no ambiguity at all over what can be expected from the leading Kissinger-connected appeasers in the United States. They are on a state of mobilization unseen in years.

From the period of July 7-16, the period intersecting the most intensive pattern of Soviet threats to Europe in postwar

history, the continent of Europe will be invaded by hordes of KGB agents from the United States, to try to weaken the will of Western Europeans to resist Soviet blackmail and to try to negotiate the surrender of the United States through various "back-channels" into the U.S.S.R.

The kickoff for this post-July 4 explosion of treason is a conference against beam weapons being held at the University of Goettingen in West Germany on July 7-8, featuring the KGB's favorite Congressman, George Brown of California. Soviet watchers in West Germany have told *EIR* that the Soviets intend to use their agents in Congress in a massive way during the July-November period to pressure the President into compromising on his beam weapons policy.

On July 9, both the Pugwash Conference and the Club of Rome, the two main organizational tools of the KGB in undermining the Western world, will be beginning their annual get-togethers in northern Sweden and in Helsinki, Finland, respectively. An array of America's worst Aaron Burrs, typified by the scurrilous head of the Pugwash Conference in Geneva, Dr. Martin Kaplan, will be meeting with Soviet interlocutors from the Soviet Academy of Sciences, the Moscow U.S.A.-Canada Institute and other Soviet institutes.

Days later, on July 14, at the Cini Foundation in Venice, the Aspen Institute will be holding a hush-hush three-day meeting to finish up the past two years' Aspen "East-West Project," under which auspices leading friends of Henry Kissinger have been working out the concretes of handing over the continent of Europe to Moscow's Byzantine imperialists, including down to the details of expanded patterns of East-West trade grids.

Attendees at this meeting will include former U.S. Secretary of State Cyrus Vance, former U.S. Ambassador to the United Nations James Leonard, former Yale Divinity School head and current Aspen Institute Middle East Affairs director Colin Williams, and former West German Chancellor Helmut Schmidt.

The Aspen meetings will help make Henry Kissinger's pockets even fatter than they now are. In the last days of June, Kissinger was spotted in Italy cavorting with Italian magnate Gianni Agnelli of Turin-Fiat, making himself rich with a new business group called Euroventures, which is creating the infrastructure for an "independent European arms industry," to expedite the decoupling of Europe from the United States.

The United States itself will not be spared such conclaves of treason. From July 9-11, the Harvard Law School is coordinating a "joint crisis-management seminar" with Soviet officials, including Mssrs. Lukov and Sergeyev from Moscow, and Rogov from the Soviet Embassy in Washington. According to a Harvard insider, "we will discuss the *process* of crisis-management, not the concretes of any particular situation."

More correctly stated, such meetings are discussing the process of surrendering the United States to Soviet global hegemony.

The Normandy invasion: the battle that created the Western alliance

by D. Stephen Pepper

In the very same month that the present leaders of the nations allied in the Second World War met at Normandy to celebrate the 40th anniversary of the invasion of Normandy, 41 Senate Democrats, led by Sam Nunn (Ga.)—a nonentity even among nonentities—spit upon the graves of the brave men who died in that action by proposing to withdraw 90,000 U.S. troops from Western Europe. Such an action, if carried out, would send the political signal sufficient to dissolve the Western Alliance as surely as the men who fought at Normandy brought it into being. Since reliable witnesses describe Senator Nunn as one who not so long ago could not spell Europe, he is assuredly not the author of this strategic disaster. Rather the proposal conforms so closely to the policies of Henry Kissinger as outlined in his infamous March 5 *Time* magazine article that no doubt remains that Kissinger is behind Nunn's treasonous initiative.

For the last 40 years, the Western Alliance has been considered an inviolable compact on which the future of Western civilization depended. When the Western leaders met at Normandy in June, they intended to rededicate their nations to the alliance. The omission of Chancellor Helmut Kohl of West Germany, however, doomed the ceremonies to repeat the past instead of opening the alliance to a greater future. The decision tended to perpetuate the evil doctrine of collective guilt directed at the German people. It rests with the newly founded Schiller Institute to achieve the renewal of the compact, for the institute is founded on the deep current of republicanism shared by Europe and the United States, and in particular the shared outlook of Schiller's Germany and the young American republic in the closing years of the 18th century and the beginning of the 19th century.

Today the cross-Channel invasion and the victorious Normandy campaign stand out as the turning point in breaking the Nazi resistance. Even more importantly, they created the conditions for a Western Alliance eventually to include defeated Germany. In a recent bitter attack on the Normandy campaign, a Russian historian has called it, "an operation of local significance." The purpose of this attack is to destroy any effort to revive the alliance in the face of the Russians'

own onslaught on Western Europe. The fact is that the Russians demanded the launching of the invasion, the famous Second Front. The significance of Normandy today is to educate Americans to their unique stake in the survival of the U.S.-European alliance.

British opposition to the invasion

From the very beginning of the American entry into the war, the cross-Channel invasion was an American conception, vehemently opposed by the British. Already in the spring of 1942 the Americans had drawn up their plan for the invasion of northern France to take place in 1943. Codenamed Roundup, it was based on the plan to concentrate the buildup of American men and materiel in Great Britain during 1942. Already the American planners envisioned establishing a bridgehead in the Pas de Calais by September 1942. The author of the plan was Gen. Dwight ("Ike") Eisenhower, and Gen. George Marshall, U.S. Chief of Staff, presented these plans to President Roosevelt. On April 14, 1942, an Anglo-American strategy meeting took place, the first of many that would approve "in principle" the cross-Channel invasion, but with the British retaining the *caveat* that details would be resolved later. John Eisenhower, Ike's son, wrote in a recent book: "The interests of the two nations appeared ironically to be reversed. The British, whose island was located just off the continent of Europe, were more concerned by the war against Japan and the Indian Ocean. The Americans with their Philippine garrison about to surrender—and with public opinion railing against Japan—were urging a cross-Channel invasion through France and Germany."

In fact, this "irony" reflected totally different war aims and strategies. Although the British cloaked their objections to the cross-Channel invasion behind practical considerations of lack of men and materiel, some of which may have been valid in the 1941-42 period, their real object was to pursue a strategy of the periphery in which the brunt of the land fighting would be conducted by the Russians, while the British backed by American materiel would control the Mediterranean, the Balkans, and the Middle East. That is, the British

war aim was to emerge from the war with a strengthened Empire, and only secondarily was it to defeat the Nazis.

The essence of British strategy was presented by Churchill in the very first meeting between the Allies in Washington in December 1941. The third point of the British grand strategy was, "closing and tightening the ring around Germany from Archangel to the Black Sea, Turkey, the Mediterranean, and the Atlantic." Only after this strategy was completed would the direct attack through France be considered. In the same document the fourth point was "wearing down German resistance by bombardment, blockade and subversion." This policy led to the infamous and unnecessarily cruel strategic bombing of 1943-44. The American aim in such bombings was to hit vital war production capabilities as a support for the land invasion. The British viewed the bombings as an end in itself, since demoralizing the German people might render unnecessary a land invasion. As late as January 1943, Alan Brooke, the British Chief of Staff, "stressed the bombing of Germany and the encouragement of resistance in Nazi-dominated countries as a possible means of cracking enemy morale . . . he suggested that the Allies might need to launch only mopping-up operations on the Continent."

The British strategy was a replay of Pitt's strategy against Napoleon. In those wars, the British used their Navy to blockade the continent, directed subversion of their enemy through such agents as Talleyrand, and left the land fighting to others, namely the Russians and the Prussians. The one campaign in which the British engaged their own command was the Peninsula campaign in Spain, which was costly of lives, horrific in its butchery, and, in the end, peripheral. That strategy extended warfare in the continent of Europe for more than 15 years. But the result was the Congress of Vienna and the strengthening of the British Empire.

Not accidentally, General Marshall received for leisure reading on one of his return trips from England the first volume of Arthur Bryant's history of the Napoleonic wars in which Pitt's strategy was outlined from British General Hull. The Briton meant to impress upon the American British superiority in the game of grand strategy and to draw the analogies to the current period. Hence the British stressed the importance of the Mediterranean, the invasion of Rhodes, and the involvement of Turkey in the war. The campaign corresponding to Wellington's Peninsula invasion was, of course, the Italian campaign. As late as November 1943, when materiel and manpower were no longer the issue, Maj. Gen. John Kennedy, Brooke's aide, wrote in preparation of the Cairo-Teheran conference, "We have now crystalized our ideas as to the strategy to be advocated in the coming conference. The main points are to continue the offensive in Italy, to increase the flow of supplies to partisans in the Balkans, to bring about the upheaval by inducing the Balkan powers to break away from Germany, to induce Turkey to enter the war, and to postpone Overlord [code name for the cross-

Channel invasion]." He added after the conference, "Had we had our way I think there can be little doubt the invasion of France would not have been done in 1944." Brooke himself wrote, "I despair of getting our American friends to have any strategic vision. Their drag on us has seriously affected our Mediterranean strategy and the whole conduct of the war." It should be noted that the Italian campaign cost 300,000 allied casualties, by far the most expensive campaign of the war.

Clash of two strategies

The fact is that the issue was not the lack of American strategic vision, but the clash of two differing strategies. This Brooke would never concede. Another Briton, Sir John Dill wrote, "The American chiefs of staff have given way to our views a thousand times more than we have given way to theirs." The Americans were willing to make concessions to obtain an ironclad guarantee from the British for Overlord because they were convinced the war would be won in a direct attack across the Channel through France to the German homeland and that everything else was peripheral. This reflected the central strategic doctrine of the American military. Put succinctly it was, "History shows that the surest way to take the fighting spirit out of a country is to defeat its main army!" This theme was repeated over and over again. Thus an American instructor at the War College wrote, "When war comes, there should be only one question that will ever be asked a commander as to a battle . . . Did he fight?"

Almost a year before Pearl Harbor, the Americans and British held a conversation in Washington on strategy. The Americans held that to defeat the Axis the main armed strength of the main enemy army would have to be assailed and destroyed. At the time Eisenhower wrote, "We've got to go to Europe and to fight."

This doctrine reflected the history of American arms, just as the war of the periphery reflected British tradition. U.S. Army doctrine was based on the methods employed by Grant and Sherman in defeating the Confederacy. In the campaigns of 1864-65 what distinguished the Union forces under these commanders was their resolute determination to engage the enemy and to keep him engaged until he was defeated. Therefore Grant in the campaigns of the wilderness through to Appomattox maintained constant pressure on Lee for 118 days. Sherman, although he suffered several defeats during his drive to the sea, never stopped attacking.

This strategy of continuous engagement distinguished the Americans in Normandy from the British. Patton's Third Army from its activation on Aug. 1 to the surrender of German forces on May 8, 1945 was in constant contact with the enemy. The same was true of the U.S. First Army under Gen. "Fighting Joe" Collins and General Hodges. This was in marked contrast to the British Second Army under the command of Field Marshal Montgomery and Gen. Miles "Bimbo" Dempsey. They chose set-piece engagements from fixed

positions at well-defined targets, preceded by easily spotted concentrations of attacking forces. The result was a series of attacks each of which stalled far short of its objective.

Overlord was finally confirmed at the Teheran conference held in December 1943. There Stalin supported the American position and insisted that all other actions be subordinated to it. It was finally set for May 1944. Immediately afterward, back in Cairo, Churchill once more tried a diversion operation to insist on an invasion of Rhodes, hence robbing the main effort of much needed landing craft. It was then that Marshall made his famous retort, "You can do what you please but I promise you that not one goddamned American soldier will die on that goddamned beach." That was the end of the matter.

The Normandy campaign

After the war, Field Marshal Montgomery wrote the following self-serving statement: "The outstanding point about the battle of Normandy is that it was fought exactly as planned before the invasion. This plan had been relentlessly followed in spite of the inevitable delays and minor setbacks which the changing course of battle had imposed upon us, and had brought us to overwhelming victory." One immediately suspects that this remarkable statement was meant to answer critics. Indeed, Montgomery's statement is demonstrably at variance with the known facts.

The battle of Normandy was planned with the British attacking to the east, and the Americans to the west. The U.S. forces' responsibility was to take as quickly as possible the Contentin peninsula, the jut of land ending in the port of Cherbourg. They were then to turn south and west along the Atlantic coast to take the Breton port of Brest. The British were to strike south and east, taking the key town of Caen on D-Day + 1 and to continue to press the attack so that the allies would be at the Seine by D-Day + 90 with control of sufficient port facilities to supply the thrust to the east.

The American historian Carlo D'Este has demonstrated that everything Montgomery said and wrote before the invasion indicated that this was the master plan. He even quotes Montgomery's order of battle to his commanders: "The best way to interfere with the enemy concentrations and counter-measures will be to push forward fairly powerful armored force thrusts on the afternoon of D-Day. . . . I am prepared to accept almost any risk in order to carry out these tactics." As it happened, however, despite relatively easy landings on the British sector, the deep thrusts by British armor to prevent enemy buildups never took place, and, instead, the campaign on the British front settled down rather quickly into stalemate. Caen, the key town, was not taken until August, something like D-Day + 70 rather than D-Day + 1.

The breakout, when it came, took place on the American front, not at all where it was expected. Therefore, after the campaign, Montgomery justified his generalship with the following claims: "I have made it clear that in planning to

break out from the bridgehead on the western flank [i.e., the American sector], a prerequisite was the retention of the main enemy strength in the eastern flank." The main reason why the German concentrated forces against the British was that they were operating in the flat Falaise plain, ideal for offensive operations, whereas the Americans were operating in the hedgerow country which favored the German defenders.

Normandy was won by an extraordinary effort on the part of the American infantry. Unlike the great battles of the Eastern front where tanks carried the assaults to clear way for the infantry, the "bocage" (hedgerows) denied the offensive use of tanks. From the start, the Americans were confronted by situations that favored the defense.

The entire operation was nearly lost at Omaha Beach, one of the two American assault sectors. The situation was so perilous that Gen. Omar Bradley, commander of U.S. forces, almost ordered a pullback. The situation can be summed up by a famous order of Col. George Taylor to the men pinned down on the beach, "Two kinds of people are staying on this beach, the dead and those who are going to die—now let's get the hell out of here." The battle of Omaha was won by a handful of men who inspired others. It was these leaders who by their bravery, initiative, and tactical skill secured the cliffs overlooking the beach. Exemplary of this attack was the achievement of the second Ranger battalion that scaled the sheer cliffs at Pointe du Hoc under enemy fire.

When it finally came, the breakout took place on the American front in the attack codenamed Cobra that jumped off on July 25. It was spearheaded by General Collins's VII Corps. Within six days, it was clear that the attack was not simply a breakthrough but a full-scale breakout that was taking place. This was the moment for Gen. George Patton to move in and fulfill his destiny. Patton realized that operations in Brittany could be minimized in favor of trapping the entire German army deployed west of the Seine in a giant pincer. In two weeks of continuous fighting he pushed his newly activated Third Army to close what is now known as the Falaise with the Canadian First Army to the North. Despite the fact that the pocket was never closed, due to Montgomery's deliberate sabotage, it was the single most brilliant maneuver of the campaign, captured 100,000 men, and closed the Normandy campaign in complete victory.

The cross-Channel attack and the Normandy campaign was possibly a new start for Europe. But just as the First World War ended with the disaster of Versailles, so the victory in the West was betrayed at Yalta. John J. McCloy, Harvey Bundy, and W. Averell Harriman saw to it that the military victory ended in political defeat. However, the founding of the Schiller Institute provides the basis of hope. Today, only new institutions dedicated to the establishment of a genuine moral order can save civilization. To the memory of the men, both Allies and Germans, who died at Normandy we owe its dedication to these tasks.

How not to combat terrorism

A report by our special correspondent on the Jonathon Institute's Conference on International Terrorism.

The consensus among leading factions in all Western intelligence agencies is that the threat of Soviet KGB-sponsored terrorism, including terrorism on the soil of the United States, will become increasingly immediate over the days and weeks to come. On June 24-26 in Washington, D.C., at the Second Conference on International Terrorism sponsored by Israel's Jonathon Institute, a bid to take control of the method and the means of fighting terrorism was made by an influential group of self-professed "anti-terror" experts, predominantly British and Israeli.

Every speaker insisted adamantly that the Soviet Union was responsible for international terrorism. And yet, Soviet terrorist deployments and strategic objectives would not be impeded, but significantly abetted should the policy grouping represented at this conference gain control over the U.S. anti-terrorist fight. Their paramount concern was to gain credibility with the American administration by emphasizing Soviet blame, the more effectively to cover up Soviet method: alliance with the Nazi International.

The speakers said many correct things, mostly parroting *EIR's* exclusive exposés—but always with the magnificently revealing omission: not a word about the Nazi-Communist alliance, the counterintelligence framework without which no effective anti-terror operations can occur. "Yes," as Lyndon LaRouche put it in his introduction to *EIR's* special report on this subject (*The Nazi-Communist Alliance Behind International Terrorism*), "the Soviet KGB is behind international terrorism, but not in the way that disinformation-agents such as Claire Sterling, Robert Moss, and A. de Borchgrave might wish us to believe. The KGB is behind international terrorism through its alliance with the Nazi international. . . . To find a dangerous Soviet agent today, don't look for a copy of Marx's *Capital* under the suspect's bed. . . ."

With Her Majesty in command. . .

The Jonathon Institute—named after Israeli commando Jonathon Netanyahu who died in the 1976 raid on Entebbe—held its first conference in 1979 in Jerusalem. This second conference in Washington was basically an Israeli embassy-sponsored affair, run out of the office of Netanyahu's brother Benjamin, second-in-command at the Israeli embassy. High-level Israeli figures appeared, including former Prime Min-

ister Yitzhak Rabin and current Defense Minister Moshe Arens.

Yet, the direction of the conference was at least equally British. The conference moderator was Henry Kissinger's friend Lord Chalfont, a director of British IBM and Lazards of London. Other British insiders included Paul Johnson, former editor of the *New Statesman*, lately a "neo-conservative"; Prof. Bernard Lewis, author of a plan to break the Mideast up into ethnic and tribal conclaves; and Julian Amery, a top Conservative Party defense and intelligence spokesman.

There was also Michael Ledeen of Jesuit Georgetown University; Claire Sterling, and Arnaud de Borchgrave; New York's Rep. Jack Kemp, Sen. Daniel Patrick Moynihan, and Sen. Alphonse d'Amato; and *Commentary* magazine's Midge Decter and Norman Podhoretz. Secretary of State Shultz spoke, as did Federal Emergency Management Agency head Louis Giuffrida, FBI director William Webster, and White House special counselor Edwin Meese III.

In speech after speech, the repeated themes were, as per Secretary Shultz's formulations June 24, that an international "League of Terror" is controlled by the U.S.S.R., and the PLO is the core of this "League," without differentiating PLO factions.

On one level, the conference revolved around the prearranged proposal of Israel's Rabin for a "voluntary international organization of sovereign states" outside the framework of the United Nations to "work together against international terror and against states that promote and assist it." The organization should be headed by a "senior American representative," said Rabin, and should be based in Washington. Its functions should include: "intelligence and counterintelligence; the creation of effective defenses and preventive measures against terrorism; operational assistance against acts of terror; and coordinated political activity against countries that initiate or assist terror."

A Washington insider stated the obvious, that influential British and Israeli circles want to take control of the U.S. counterterror effort. On the conference's second day, however, U.S. Defense Secretary Caspar Weinberger diplomatically repudiated this, saying that existing anti-terrorist mechanisms were sufficient.

At a deeper level was the question of terrorist and coun-

terterrorist methods. Here, the conference was wholly devoted to providing Nazi-Communist terrorism with a smokescreen. While speaker after speaker buttressed his remarks with repackaged *EIR* material on the Soviet Union as a "home base" for terrorists (Ledeen), or Islamic fundamentalism's roots in the 10-12th century "Assassin" cult (Lewis), they always managed to leave out or distort how such terrorism is actually fostered and run by Moscow.

This disinformation quality of the proceedings was clear at the outset. In his keynote speech, Bension Netanyahu, father of the deceased Jonathon and a Judaic Studies professor at Cornell, cited Giuseppe Mazzini and Fyodor Dostoevsky as sources for his arguments against terrorism. Both were 19th-century fascists, and both were instrumental in the *creation* of modern terrorism.

Similarly, France's Alain Besançon, after identifying "spiritualism, romanticism, and gnosticism" as the root of the terrorist mentality (correct), called the St. Petersburg branch of the Czarist Okhrana the exemplary "anti-terrorist structure" of the 19th century. But the St. Petersburg Okhrana created and funded terrorist organizations—including Bolshevik cells. It also concocted the fraudulent "Protocols of the Elders of Zion," fomenting anti-Semitism throughout Europe. It also provided the core of hereditary KGB families running terrorism from Russia today.

Just as suprising for an Israeli-sponsored conference, only one speaker, Hamburg's Christian Lochte, mentioned the increasing global terrorist threat posed by cooperation between neo-Nazis and the Soviet Union, and even he shyed away from asserting that the Soviets deploy and finance Nazi groups. The Swiss and other Nazis around Genoud were never mentioned. No one mentioned Genoud's former Algerian president, Ben Bella and his operations.

On the day after the conference, the Reuters news agency in Washington circulated a Munich-originated wire about the new breed of Nazis who have adopted "leftist slogans" and renounced Adolf Hitler in favor of the "anti-capitalist and anti-Western" propaganda of Georg Strasser and Ernst Roehm who wanted alliance with Russia, victims of Hitler's famous "Night of the Long Knives" mass murder 50 years ago. The piece reported that "former wartime army general, Otto-Ernst Remer, has emerged as the most pointedly pro-Soviet of neo-Nazi leaders. Russia, he believes, is more concerned with a threat from China and would welcome a reunited Germany to hold the Western powers in check."

The Jerusalem Temple Mount plot making headlines in Israel was also never mentioned, even though the Israeli and other press call the Jewish organizations involved a "terrorist underground." Their commitment to rebuild "Solomon's Temple" by blowing up the second most holy site in Islam, the Dome of the Rock, is the potential trigger of unprecedented racial and religious warfare in the Middle East and the United States.

Even Georgetown's Ledeen, who had just authored a four-page sensationalist piece on the "Temple Mount Plot"

for the *New Republic*, failed to mention it during his June 25 panel. But then, Ledeen's wife Barbara has used her editorial position at the *Biblical Archaeological Review* to "prove" that the Dome of the Rock is where Solomon's Temple should be rebuilt.

EIR corrected this and other omissions by arranging circulation of a flyer on the closing day of the conference, reporting on "Sufi-tainted Shi'ism developed at the Tashkent Oriental Institute run by Soviet Politboro member Gaidar Aliyev. It is this same Institute, directing the work of the Soviet secret services, which is developing a brand of fanatical Jewish fundamentalism which will be the counter to Islamic fundamentalism in a scenario for long-term religious wars to destroy every nation-state in the Middle East. A key component to this scenario is the Temple Mount plot."

The signals to the U.S.S.R.

Perhaps the most suggestive moment of the conference was the otherwise-anomalous appearance of Sen. Alan Cranston, who at first seemed out of place among these "neo-conservatives." But his diatribe against "nuclear terrorism" and against ostensible nuclear bomb-development plans by Iran, Iraq, and Pakistan, threatening Israel's destruction with only "three bombs," culminated in a demand for a cut-off of all U.S. aid to Pakistan. Cranston thus boldly offered the entire subcontinent to the Soviet Union on a silver platter—the objective he shared with his "neo-conservative" hosts.

In this regard, the perfect "Delphic oracle" was de Borchgrave. Admittedly, the Soviet-Nazi relationship is at the center of an extremely sensitive fight inside various intelligence services. But de Borchgrave, a Belgian count associated with Britain's Robert Moss in "anti-Soviet" disinformation, otherwise expresses his position by joining Soviet agent-of-influence Henry Kissinger in demanding that U.S. troops be withdrawn from Europe! It is Europe he puts on the silver platter.

He warned that the United States itself would be the target of coordinated terrorism from Cuban-controlled Puerto Rican groups, the Armenian ASALA, the Iran-connected Islamic Guerrilla Army, and various Syrian-, Libyan-, and Palestinian-backed groups—a forecast nowhere seen before except in another *EIR* special report, *The Terrorist Threat to the 1984 Los Angeles Olympics*. And yet another first but for *EIR*, he warned: "What if Jesse Jackson were to be assassinated? All the ghettos in the United States would explode overnight. I don't have any specific information, but all the secret services are worried about it."

But what it all came to, again, must delight Moscow. He insisted on divorcing terrorism from broader Soviet strategic objectives. The United States should stop pushing beam-weapon defense systems (as Moscow is doing) and not worry about a strategic confrontation (as Moscow is preparing). Said de Borchgrave: "The main enemy is not directed energy beams, but the five-ton truck driven by the kamikaze driver. Terrorism, not nuclear war, is the main enemy."

Kissinger Watch by M. T. Upharsin

Henry welcomed by Italy's Black Nobility

Henry Kissinger is in Europe again, dispatched there by the European oligarchy for several reasons, the most important being to attempt to stop the international activities of the head of the republican faction on both sides of the Atlantic, Lyndon LaRouche. Unlike his usual practice, the former Secretary of State did not only meet his accomplices in Europe's financial and political circles, but also the members of the highest rungs of the oligarchy, in particular the Roman Black Nobility.

The blue-blooded families are in a panic: While the would-be Prince Metternich was kissing the hands of the princesses and went so far as to publicly embrace their sons and husbands, LaRouche was meeting Argentine President Raul Alfonsín at the Casa Rosada in Buenos Aires to discuss a counterattack against the oligarchs' financial warfare against Ibero-America.

Kissinger's visit was organized just at the moment when Britain's Lord Peter Carrington (one of Henry's most important puppet masters) was officially inaugurated as Secretary General of NATO. The oligarchs' decision to show themselves publicly by meeting Kissinger was considered risky by some among them, but was nonetheless deemed necessary at this time.

The strategy elaborated by Kissinger and blessed by the new Holy Alliance is based on three fundamental points. First, a tactical alliance with the new Czars of the Kremlin is to be cleverly used to destroy the last republican and American influences in Europe. This is the import of the Com-

munist victory in Italy during the recent elections for the European Parliament.

Second, a financial-economic restructuring is to be achieved by exploiting the indebtedness of the Ibero-American countries and of basically every Western nation. Through this, the oligarchy would be able to carry out unlimited looting in Europe and abroad, and to retake the "colonies" through a "debt for equity" mechanism.

Third, and a direct consequence of the above, new institutions are to be created as a transition to the total elimination of the concept of national sovereignty. The *conditio sine qua non* is of course to stop LaRouche.

Kissing the princesses

On June 23, Kissinger arrived in Rome from Paris. His visit, which at first was kept secret in order to prevent understandable hostile reactions, lasted for five days and was organized by the president of FIAT, Giovanni Agnelli. On June 25 Kissinger was received by Pope John Paul II and by President Alessandro Pertini. He then met Prime Minister Bettino Craxi, Foreign Minister Giulio Andreotti and Defense Minister Giovanni Spadolini. He was received by the head of the Army General Staff, Gen. Umberto Cappuzzo, and Italy's most important bankers and industrialists. Finally, he made his appearance at the palaces of the Black Nobility.

Evidently after his last experience in Rome, when he barely escaped detention for questioning on his role in the assassination of former Prime Minister Aldo Moro, Kissinger was concerned with refurbishing his image.

The liberal media leapt to his assistance. The daily *La Repubblica's* coverage on June 27 was headlined: "Hand-kissing and Princesses—Doctor Kissinger in Rome." "The Roman

holidays of the former Secretary of State became the most important issue of discussion in the circles of Rome that count, and, of course, among the black-clerical aristocracy," the paper reported. "In a few days Henry met the most important persons, who appreciated his very special sense of humor, his jokes, his realistic comments, but above all his hand-kissing of the noblewomen.

"Kissinger was welcomed with open arms by the Pope, who was impressed by his deep knowledge of Church history and of the Polish saints." More kisses from Pertini, then on to the Colonna palace to embrace "my friend Gianni" Agnelli.

But this was nothing compared to the "luxurious Boncompagni palace, where Princess Letizia offered a madly chic dinner, very much appreciated by the First Lady, Nancy. Finally in the house of Mario D'Urso [an Italian member of Kissinger Associates], Kissinger greeted his friend Pupetto, alias Prince Francesco Caravita di Sirignano."

The Kissinger solution

The message Kissinger brought to Italy was that President Reagan will win the election, but with a narrow margin that will still enable the oligarchs to control him. The Soviets, he said, will return to the negotiating table after the American election. The election victory of the Italian Communist Party is not considered a problem.

Kissinger was particularly keen on stressing that the Ibero-American debt bomb will be defused. His solution, which has been published as a syndicated article in numerous newspapers worldwide, boils down to the recommendation that the International Monetary Fund abandon its foolish belief that more blood can be sucked out of the debtor economies; now is the time to go for flesh instead.

One-world disarmament resolution introduced

One of the most outrageous proposals for supranationally-dictated disarmament to be proffered in the postwar period is receiving renewed attention on Capitol Hill. On June 19, the top Senate advocates of one-worldism and arms control introduced Senate Concurrent Resolution 125, calling on the President to initiate discussions with the Soviet Union around the "Joint Statement of Agreed Principles for Disarmament Negotiations," known as the McCloy-Zorin agreement of 1961.

McCloy-Zorin calls on nations to divest themselves of their military sovereignty and to gradually turn over all of their weapons, both conventional and nuclear, to the United Nations, which is to function as an international police force.

McCloy-Zorin resurfaced in 1982 when it was grafted onto the House version of the nuclear freeze resolution. That action caused a political stir when *Executive Intelligence Review* revealed that the policy initiative came directly from the World Federalist Society, the offspring of the late Bertrand Russell, the granddaddy of the One Worlders and the nuclear freeze.

Now the congressional proponents of Bertrand Russell's conception of supranational arms control have decided to make another bid on behalf of McCloy-Zorin. Club of Rome member and Soviet fellow-traveler Sen. Claiborne Pell (D-R.I.) introduced the resolution in the Senate along with Senators Mark Hatfield (R-Ore.), Alan Cranston (D-Cal.), Charles Percy (R-Ill.), Spark Matsunaga (D-Hi.), Robert Stafford (R-Vt.), and Paul Sarbanes (D-Md.).

In a floor speech accompanying the resolution, Pell described McCloy-Zorin as calling for "an international accord on general and complete disarmament in stages, . . . establishment of the United Nations peacekeeping force, and creation of an international disarmament organization to implement control and inspection of the disarmament process."

Congressman George Brown (D-Cal.), a top collaborator of Soviet-influenced anti-space-weapons networks in the United States, heralded the Senate resolution in a June 27 floor speech and pointed out that he had introduced an identical House resolution two years ago, following the failed attempt at congressional passage of the nuclear freeze resolution.

Brown is scheduled to attend a major anti-space-weapons conference in Göttingen, West Germany in July, which is expected also to have representatives from the Soviet Union participating.

Dole puts U.S. export policy up for sale

Congressmen and senators from both parties introduced legislation on June 21 to create a National Commission on Agricultural Trade and Export Policy. The legislation, S.J. Res. 413, will give the international grain cartels an opportunity to purchase control over U.S. agricultural export policy.

Spearheaded by Sen. Robert Dole (R-Kan.), the commission would be wholly funded by private contributions! The legislation contains no limits or restrictions on who may contribute. When asked by *EIR* if anything

stood in the way of the grain cartels buying up the commission, a spokesman for one congressional supporter replied, "well, there is public disclosure of the contributions—that should prevent any abuses."

In his floor statement Dole admitted that the "initial idea to establish a Commission on Agricultural Trade was first raised by the private sector about two months ago." A letter of support for the resolution, addressed to Senator Dole on the same day that it was introduced, contains the signatures of several national farm groups and Farmland Industries—a nesting ground for neo-Malthusians such as Jimmy Carter's Agriculture Secretary, Bob Bergland.

The 35-member commission, to be appointed by Congress and the President, will conduct a sweeping examination of American agricultural export policy. It is mandated to produce an interim report by March 1985—in order to influence the congressional deliberation on the 1985 Farm Bill, and a final report by 1986.

Dole has taken the lead in recent, successful legislative initiatives to reduce price supports and cut U.S. agricultural production. He expressed the hope that the Commission could be working by this fall.

S.J. Res. 413 is co-sponsored by the chairman and ranking Democrat on the Senate Agriculture Committee, Jesse Helms (R-N.C.) and Walter Huddleston (D-Ky.) and Senators Alan Dixon (D-Ill.), Rudy Boschwitz (R-Minn.), Patrick Leahy (D-Vt.), Thad Cochran (R-Miss.), Ed Zorinsky (D-Neb.), Roger Jepsen (R-Iowa), Nancy Kassebaum (R-Kan.), and others. Companion legislation has been introduced on the House side by leading

members of the House Agriculture Committee.

Deadlock in defense conference committee

The House-Senate Conference Committee to resolve the differences between the two bodies on the fiscal 1985 Defense Authorization Bill was at an impasse when Congress recessed for a three-week summer break. According to committee sources, the discussions were "frank and informative"—diplomatese for the fact that nothing was resolved.

Apparently no progress was made in any area—from overall spending to specific weapons systems. The House bill is \$15 billion smaller than the Senate version and contains restrictions on the deployment of the MX missile, the sea-launched cruise missile (SLCM), and antisatellite (ASAT) weapons.

The House bill provides for only \$1.4 billion for President Reagan's Strategic Defense Initiative (SDI) program for ballistic-missile defense, while the Senate funds the vital program at a level of \$1.7 billion.

During the prolonged and heated Senate floor fight, efforts had been made to impose restrictions similar to those passed in the House. However, pro-defense spokesmen in the Senate took an unusually hard line in the debate, strongly implying that the Soviet Union was directly complicit in supporting such attempts by liberal senators.

The Senate debate took place in the wake of a series of national television addresses by Democratic pres-

idential candidate Lyndon H. LaRouche, Jr., which shocked Washington by exposing the collaboration between the Soviet Union and the arms control and anti-space-weapons networks in the United States. LaRouche proved that the Soviet embassy had helped to draft legislation against testing of antisatellite weapons which was then submitted to the Congress.

Jack Kemp continues 'anti-IMF' posturing

Rep. Jack Kemp, who has "criticized" the conditionalities imposed on the Third World by the International Monetary Fund in favor of a more unrestricted form of looting, has attacked the U.S. Agency for International Development for pressuring Jamaica on behalf of the IMF. According to Kemp, AID withheld \$25 million in balance-of-payments assistance until after Prime Minister Edward Seaga buckled to the IMF's demands to increase taxes and the level of government austerity in his country.

Kemp attached an amendment to the supplemental appropriations bill which would prevent American aid from being made subject to the policies of supranational organizations. In a letter to Secretary of State George Shultz, Kemp said that with the "IMF conducting its conditionality in direct contradiction to the economic policies which we support, our bilateral aid program should not be subordinated to it."

True to the hedonistic principles of his anything-goes, free enterprise philosophy, Kemp appeared to be most exercised by the taxes which Seaga

had imposed on such items as beer and spirits, licensing fees on hotels and car rental agencies, and fees on Jamaica's duty-free shops.

Kemp has thus far been silent on IMF conditionality programs in Mexico, Brazil, and Argentina, which have crippled their state-supported nuclear production facilities, steel development efforts, and infrastructure projects.

Byrd blames defense budget for debt crisis

In an exercise in demagoguery geared toward the upcoming Democratic convention, Senate Minority Leader Robert Byrd (D-W.Va.) claimed that the Third World debt crisis has been caused by President Reagan's efforts to restore the defenses of the United States.

Byrd, a top congressional defender of Federal Reserve chairman Paul Volcker and the International Monetary Fund, maintained that "there is a future to fear—a future of large deficits and high interest rates, of bank failures, competitive decline, and Third World defaults." Byrd blamed the recent increase in the prime rate on the administration's deficit and charged, "When the American prime moves upward, already troubled debtor nations will be put in an even more difficult situation."

Byrd concluded that the problem is Reagan's "ideological commitment to excess Pentagon spending and tax cuts for the wealthy" which preclude any possibility of reducing the deficit and hence interest rates.

National News

Dem delegate panel on guard against LaRouche

Democratic Party officials have shaped delegate selection regulations to prevent candidate Lyndon LaRouche from "grabbing delegates," according to a report in the *Indianapolis Star* on July 1.

During a recent meeting of the ad hoc commission formed to hear Jesse Jackson's complaints about the national convention's delegate selection rules, Congressman Andy Jacobs (D-Ind.) asked the commission to respond to Jackson's objection that the delegate selection process is unfair. A commissioner replied that they "didn't mean to be unfair to anybody, but did Jacobs want, say, Lyndon LaRouche coming in and grabbing a handful of delegates just to make trouble?"

To which Rep. Jacobs replied: "How could they [the commissioners] say the rules *didn't mean to be unfair*? The commission had just said it wanted to be unfair to LaRouche."

The *Star* reported that then "there was a little recess during which Jackson told Jacobs he had put his finger right on the trouble." The meeting ended with the commission telling Jacobs the rules absolutely could not be changed.

State Dept. sabotages Japan-U.S. beam effort

The State Department has thrown a monkey wrench into U.S. relations with Japan, threatening to jeopardize the possibility of cooperation between the two allies to develop an antiballistic-missile defense capability.

Paul Wolfowitz, Assistant Secretary of State for Far East and Pacific Affairs, told Congress on June 12 that Japan had agreed to allow its military technology transferred

to the United States to be re-exported to third countries.

Japan never did any such thing, and the Tokyo government promptly protested against Wolfowitz's statement. Japan is not forbidden by law to export any armaments, and has made an exception only in the case of military technology transfers to the United States. The Japanese are demanding that the Wolfowitz testimony be corrected.

The clash threatens to sabotage the work of the Japan-U.S. Military Technology Transfer Commission, created in November 1983. This commission is the vehicle through which any joint Japan-U.S. effort on beam weapons would be coordinated. Tokyo is urging greater cooperation in laser research and related fields.

Teller defends Reagan, warns of economic crash

Physicist Dr. Edward Teller, speaking at a conference in San Diego at the end of June sponsored by Accuracy in Media, ripped the press for ridiculing President Reagan's proposal for a space-based defense system by branding it "Star Wars," and said that U.S. policy should now be to recruit all Western nations to work jointly on the project for antiballistic-missile defense.

The Soviets are unequivocally the strongest military power in the world today, said Teller, and President Reagan was "honest enough" to point this out, even though it was not to his political advantage to do so.

With the advent of the so-called "Star Wars" program, the United States is now working on a defensive weapon that promises to be effective against a Soviet missile attack, Teller went on. It will be good enough to scare off "the grizzly bears in the Kremlin." Even if the system were not perfect, the Kremlin would still have to think twice before launching a nuclear attack and "the very doubt can and will save the peace."

Teller also came out in favor of the MX missile, provided it is protected by a point-defense system. The United States needs to maintain its retaliatory capability, which can be achieved by maintaining a heavy defense and a light retaliatory power. The latter could be reduced, he added, as our ability to protect our missiles from enemy attack increases.

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Mondale adviser: Soviets intent on beam defense

The Mondale campaign's top defense adviser has admitted that strategic defense is a key component of Soviet military policy. Walter Slocombe told a reporter that the Soviets "probably spend more than we on ballistic-missile defense research" and that a commitment to strategic defense is "definitely" an integral element of the Soviet Union's military strategy.

Despite this, said Slocombe, the United States should not have more than a small research effort, because "there is almost no chance that the kind of system Reagan was talking about, one that would make nuclear missiles obsolete, could be developed. The technical difficulties are too great."

Slocombe's admissions are significant because the U.S. anti-beam lobby usually insists either that beam defense is against the laws of physics, or denies the mounting evidence of Soviet breakthroughs in x-ray laser and related technologies essential for an effective ABM defense. Richard Garwin of the IBM Corporation, a vocal opponent of President Reagan's Strategic Defense Ini-

tative, has been known to go into an apoplectic fit whenever the issue of Soviet progress in this area is raised.

Slocombe, who served in Jimmy Carter's defense department before signing on with the Mondale campaign, confirmed that Mondale will make the President's Strategic Defense Initiative one of the central issues of his presidential campaign.

McNamara demands more death in Third World

Not satisfied that population rates have drastically declined in the decade since the 1974 Bucharest population conference, Robert S. McNamara took to the pages of the summer issue of the Council on Foreign Relations' journal *Foreign Affairs* to demand that the developing sector submit to even sharper reductions in its population level.

"Action now to initiate, or to accelerate, fertility decline is imperative," asserted McNamara, going on to state that he hopes this thesis will be debated and adopted at the World Population Conference in Mexico City in August.

McNamara painted a grim picture of what will ensue should countries such as Nigeria, Kenya, and El Salvador continue to grow. There will be "dire consequences" and the "penalties to the poor of the world . . . will be enormous." Third World countries will undergo the "Malthusian scenario" of higher death rates and lower living standards; they will be forced to adopt coercive population control measures, as China has done; political instability will increase; and the modernization programs of developing-sector countries will be hopelessly blocked.

Blasting the lack of "political will" that has allegedly prevented developing countries from adopting effective birth-control programs, McNamara called for the development of "country fertility targets" and a plan of action to achieve them. He also de-

tailed a series of measures the "international community" should undertake to make sure enough pressure is exerted on the developing countries to meet their population reduction quotas, including increased assistance for birth-control programs, the development of better contraceptive methods, and a propaganda campaign to explain to targeted nations the "accumulated lessons of historical and contemporary experience" which, he claimed, demonstrate that population reduction is essential to social advancement.

Weinberger: 'Soviets want Reagan's defeat'

Defense Secretary Caspar Weinberger has charged that the Soviet Union staged its walkout from the Geneva nuclear arms negotiations in order to make trouble for President Reagan and prevent his re-election in November. "I think that has to be one of their motives," he said. "They've been extremely explicit about it. I would be very hopeful that soon they will see that their attempts to defeat the President's re-election aren't successful."

Weinberger also denounced efforts by Senate Democrats led by Sam Nunn of Georgia to pass a resolution calling for the withdrawal of 90,000 U.S. troops from Europe by 1990. This plan—which is also backed by Henry Kissinger—is "absolutely deplorable," Weinberger said.

Weinberger underscored the American commitment to defend Western Europe, stating that an American troop withdrawal could force the NATO allies "into a position of shrugging their shoulders and saying that 'we don't have any American support left, so the situation is hopeless, so let's work out a nice détente with the Soviet Union in which we give them essentially what they want.'"

"This is not the time for us to try to weaken NATO," Weinberger emphasized.

Briefly

● **GEORGE BALL**, in an op-ed in the June 25 *New York Times*, issued a not-so-subtle assassination threat to President Reagan. Noting that Reagan will be nearly 78 when he completes his second term, Ball said, "But death may not permit him to complete it, for, under insurance actuarial tables, a 74-year-old man has only a two-thirds chance of surviving for four more years. In fact, a President's chances are even less than that, since, in this century, one-eighth of our dead Presidents were assassinated—an occupational hazard that the actuarial tables do not reflect."

● **PATRICK BUCHANAN**, the conservative syndicated columnist, on June 25 called on President Reagan to veto the Simpson-Mazzoli immigration bill for its premise of population control. Buchanan said that the "nationalistic and patriotic ring" of the phrase "getting control of our borders" is a ploy aimed at population control and therefore anti-American. "Does Ronald Reagan believe . . . that people are the problem? . . . Perhaps the Environmental Fund can tell us precisely which groups contribute most to polluting the environment it worships."

● **SENATE** Minority leader Robert Byrd (D-W. Va.), smarting from the recent setbacks in the Senate to liberal attempts to dismantle U.S. defenses, lashed out at two admirals who had dared to publicly criticize the War Powers Act and other laws that weaken the President as commander in chief. "It is outrageous," fumed Byrd, "that the uniformed leaders of one of our armed services should take to the podium to voice such constitutional and political arguments. . . . If our admirals wish to debate national law and policy, they should divest themselves of their military duties and authority and run for office as politicians."

Olof Palme's KGB tactics exposed!

Swedish prime minister Olof Palme ordinarily takes great pride in his reputation as a defender of civil liberties. When it comes to dealing with the journalists of the *Executive Intelligence Review*, however, Palme is about as "democratic" as his boss Marshal Ogarkov of the Soviet Union.

The scene of Palme's indiscretion is the Arlanda International Airport, the main airport of Sweden. For years now, *EIR* has been sold at the airport's check-in area, which is characterized by the city authorities as a "public place." Then on May 9, 1984, Stockholm Police Chief Hans Holmer and Stockholm Airport Chief of Police Sven Smedjegaarden informed the *EIR* that it would no longer be able to carry out "informational activity" or "contact persons" in the airport. On June 25 a letter officially confirming this policy was delivered to the *EIR*.

Such arbitrary activity against the *EIR* is not unprecedented. On April 9, 1984, IMF Director Jacques de Larosi re took equivalent action to bar the *EIR*, which had attended every IMF meeting since 1975, from reporting on their spring meeting. The reason? *EIR* was accused of "misuse of press privilege" for publishing articles "deleterious to the IMF."

At least the IMF had a touch of honesty. It sincerely objected to *EIR*'s exposure of their genocidal schemes against the non-white peoples of the world. In order to prevent this truth from being published, it was willing to violate the rights of free press. Such an action was totally consistent with IMF policy in economics as well: Democratic rights are the last consideration when the IMF rams through its austerity "adjustment" policies.

Olof Palme, on the other hand, did not even attempt to rationalize his action. As in the Soviet Union, he simply ordered his bureaucratic apparatus to enforce the ban, contrary to all visible law of the country. But the Kafkaesque quality of such "justice" does not stop there.

Under Swedish law, no mere police decision can arbitrarily ban representatives of one particular publication from soliciting subscriptions at the site. To jus-

tify the decision, the police would have to present to the court hard evidence that the *EIR* representatives have disturbed the public order, or obstructed the pathway through the airport.

But the Swedish police cannot do this, for the simple reason that the evidence does not exist. In fact, other literature salesmen continue to stand in exactly the same place as the *EIR* representatives!

This fact would devastate the police's case were the issue of the ban of *EIR* to come before the courts. Thus, in typical KGB fashion, Palme's minions are doing everything possible to keep the case from coming before the courts.

How then can *EIR* get a legal hearing in Sweden? It was determined that the only possible way would be to violate the order, and get arrested. *EIR* representatives thus showed up at the airport on June 26 and June 27 to carry out their ordinary activity. Police chief Smedjegaarden soon appeared also. While ordering his constables to bodily remove the *EIR* salesmen, he simultaneously ordered them *not* to arrest the organizers.

"No, not to the station!" he shouted. "No, don't write anything!"

Finally, on June 29, the Swedish European Labor Party staged a demonstration against the KGB ban of *EIR* at the airport. Seven people were arrested and held in solitary confinement for five hours. In their fury, the Swedish police arrested a passerby and a photographer, as well as the demonstrators.

Yet, Palme's police are still intending to keep the case out of court! Indications are that they will use the so-called LTD law, a law authorizing temporary arrest, but exempting the police from the necessity of consulting a prosecutor, or even reporting the incident!

Olof Palme knows he's in trouble. *EIR*'s exposes of his collusion with the KGB and Nazis have hurt him badly, during a time when there is growing recognition that "liberal" Sweden is a police state.

Let the Swedish government know what you think of their actions against *EIR*. Spread the word about Palme's police state.

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