

EIR

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EIR

From the Managing Editor

The *Special Report* shares with those *EIR* readers who weren't present at the Sept. 21-23 conference of the Schiller Institute in Wiesbaden, West Germany, Helga Zepp-LaRouche's historical perspective on the dangerous strategic situation—a situation which has grown more grave in the few months since the Schiller Institute was founded to strengthen the Western Alliance. Mrs. Zepp-LaRouche argues for the urgent need to revive those cultural values that enabled the United States to win its War of Independence, and to defend the Union in the Civil War of 1861-65—the values that produced, during the era of the German Wars of Liberation in the early 19th century, the highest efflorescence of poetry, music, science, and political thought the world has yet seen.

We expect that her assertion that *only* the noble ideas of Friedrich Schiller, the poet of republican freedom, can defend Western civilization now, will be one of the most controversial this publication has printed. After all, we live in an age of "cultural relativism," in which culture has been degraded to mere "taste," even among the most relatively moral of our citizens. But what about the fact that this supposed "freedom of personal taste" was a deliberately concocted, malicious product of the most notorious enemies of freedom, the "divine right" oligarchs who connived at the Congress of Vienna in 1815 to stop the spread of the American Revolution throughout Europe?

Take note in this week's coverage of the hot spots where U.S. foreign policy must either shift to Schiller's notion of republican freedom, or quickly collapse:

- The alarming gains of the Soviet-linked fascist Green Party in West Germany;
- What looks to Mexicans exactly like White House backing for the Nazi-affiliated PAN party;
- The expansion of the drug mafia's war on governments to Venezuela;
- The "Philippines treatment" being meted out by Washington to Egypt and Israel, our keystone allies in the Middle East.
- Soviet pincers on Pakistan.

Next week our feature will examine the real story behind the ballooning international debt being used as an excuse for atrocious U.S. policies in many of these spots. If it weren't for Paul Volcker, most of it would not exist!

Vin Berg

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Special Report



NSIPS/Stuart Lewis

Helga and Lyndon LaRouche at the first international conference of the Schiller Institute, in Arlington, Virginia on July 4.

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The keynote presentation of Helga Zepp-LaRouche to the Second International Conference of the Schiller Institute in Wiesbaden, West Germany on Sept. 22. "Not only are borders being redrawn, but entire empires are supposed to be newly divided" in the weeks ahead, she warns. "We could lose the entirety of human civilization because of the illusions of those involved." Hence, we turn to Schiller, whose "life and work, his plays, poems, historical and philosophical writings, are a fiery appeal for human freedom, a heroic attack on every form of tyranny which degrades citizens to mere subjects."

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Soviets make power play in the world gold markets

by David Goldman

Harry Oppenheimer's London front organization, Charter Consolidated, raised its stake in the London gold pool bank Johnson Matthey from 27.9% to 46% in the course of a Bank of England bailout operation announced on Monday, Oct. 1. The new manager of JMB brought in by the Bank of England, J. N. Clarke, is head of the Oppenheimer-linked Charter Consolidated mining group.

All indications are that the reorganization of one of the five London gold pool banks, under the direction of the Bank of England, reflects a fundamental strengthening of the Soviets' hand in world gold markets. With South Africa in economic desperation, the latter's flexibility in gold marketing no longer matches that of the Soviets, who have been able to obtain new credits at an \$8 billion annual pace during the third quarter of this year.

The context for the apparent reorganization of the gold pool is the waiting game over the U.S. dollar. As we wrote in the Foreign Exchange column last week:

"It appears that the same European banking cartel which plans a 'monetary Pearl Harbor' against the United States has cut a deal with the Reagan administration: The dollar will remain strong, at least through the election, provided the United States 1) can use the full power of the State Department to terrorize the restive Ibero-American debtors, and 2) will agree to accept a major degree of supranational surveillance in the context of next April's super-meeting of the International Monetary Fund's Interim Committee."

In light of the reported results of the Reagan-Gromyko meeting on Sept. 28, the viability of such a deal must be questioned. In the minds of Secretary Reagan and his friends in the administration, such a deal unquestionably exists. Whether it will be honored by the Soviets and their friends in Western European financial circles is an entirely different matter.

Swiss financial circles, probed during early September, indicated that the results of the Reagan-Gromyko meeting

would heavily influence Soviet strategic planning on the financial markets. The threat of a debt crisis in the dollar sector, with possibly disastrous impact on President Reagan's reelection chances, has been a weapon in the Soviet arsenal all along.

The fact that the Johnson-Matthey disaster coincided with the Reagan-Gromyko meeting is, by itself, cause for concern. Also, the fact the Oppenheimer group brought in new capital and new management points toward the Soviets; in July 1980, Oppenheimer negotiated the first Soviet-South African agreement for exchange of gold-market information, paralleling their combined operations in the diamond cartel.

EIR reported on July 22, 1980: "Consolidated Goldfields, the London-based holding company that controls South Africa's second largest mining group, sent a team of gold experts to Moscow last week to confer with Soviet officials. A source at Consolidated Goldfields says the visit was at the invitation of the Soviet government, and marks the first time ever that the Soviets have shown a willingness to share intelligence on the market.

"If Consolidated Goldfields is going to Moscow, it is probably correct to conclude that they are discussing the coordination of gold sales," commented a European gold source."

The above report was re-circulated by the London *Financial Times'* David Marsh, and was denounced as "Goebbels-like misinformation . . . and fabrication" in the Nov. 30, 1980, *Izvestia*. The same month, however, Harry Oppenheimer's son-in-law, Anglo-American Mining official Gordon Waddell, turned up in Moscow for discussions with the Soviets, as a result of which the Soviets' Zürich gold outlet, the Bankhaus Wozschad, emerged as the best-informed gold trading operation in the world.

Johnson Matthey's problems have been variously attributed to Nigerian trade credits, Hong Kong real estate, Taiwanese tanker loans, and a variety of other bum loans. One

Zürich banker commented that its collapse is "part and parcel of the international debt crisis. There are so many foul situations, especially in the U.K. and the U.S. You will be seeing many more of these bank failures over the next 12 months. Large amounts of dollar debts will simply disappear." But the Bank of England's decision to bring it down, rather than bail it out silently, indicates that more was at stake than a simple bad-loans situation. Wire service reports from Oct. 5 indicate that Britain was threatened with a generalized withdrawal of gold transactions from London on the part of Mideast purchasers, as well as the Soviets themselves:

"London (DJ)—Johnson Matthey's troubles have sent ripples throughout the international gold market. If the Bank of England hadn't intervened, 'there would have been wide-scale withdrawals of gold and silver from London,' says a Zürich trader. The crisis even 'caused a flutter in Moscow,' because of the Soviet Union's major gold sales in the West, says an official at Moscow Narodny Bank.

"Johnson Matthey traditionally was known as one of Britain's most conservative, old-line firms. It helped found the London gold 'fix' in 1919, where five British firms set the world gold price twice a day.

"Gold specialists say JMB's Mideast clients will feel nervous about channeling their business to what is now a subsidiary of the Bank of England. The British central bank says it isn't meddling in the fix, and is running the bullion side of JMB with maximum autonomy. Even so, bankers expect the Bank of England to offer the bullion division—with its seat at the London gold fix—for sale soon."

Don't make waves

A high degree of anxiety regarding the state of the international banking system is evident in an abrupt shift of policy on the part of the American money-center banks, who, until last week, had refused to extend their exposure to Argentina by another nickel. Argentina faced major deadlines at the beginning of this week; not a word has appeared in the financial press. However, *EIR* has learned that Argentina was given a roll-over until January 15 of one \$750 million loan due Sept. 15. In addition, Argentina owed \$950 million in overdue interest payments on Sept. 30, of which the country only paid \$200 million on Oct. 1. But based on Argentina's new IMF agreement, the banks, on Kissinger's urging, agreed to give Argentina a short-term "bridge loan" for the remaining \$750 million, to be repaid when the IMF loan comes through later. This allowed Argentina to pay the interest on time and prevented the U.S. banks from taking big Argentine losses in September.

Postponing trouble for the banking system with respect to the Ibero-American debt mess is essential to preserving the capital inflows into the United States for at least the next several weeks. However, the tremors on the markets today following First Chicago's announcement of a \$70 million third-quarter loss indicate how shaky the situation is. The sharp fall of other bank stocks in the context of First Chicago's

problems indicates how nervous stockholders are; the sharp rise in Treasury bill prices show how nervous depositors are.

On Wednesday, Oct. 3, when First Chicago's stock failed to open for trading on news that the bank would report a \$70 million third-quarter loss, Treasury bill rates fell 5 to 10 basis points. One wire service reported that morning, "A number of bank rumors emanating from the futures pits in Chicago have also spurred a minor flight to quality. The three-month bill is now bid at 10.14%, down 11 basis points while the six-month bill is down five basis points to 10.28%, and the year bill is down 10 basis points to 10.30%."

It is worth noting in this context that the *New York Times* on Oct. 5 led its business section with a feature story under the headline, "Swiss Banks Avoid the Storm," writing: "While most big international banks have been buffeted in recent years by the world financial crisis, Switzerland's Big Three have been quietly scoring success after success . . . analysts cite the Swiss banks' conservative lending policy, through which they managed to avoid the high-risk Eastern European and Latin American loans that have proved so troublesome for their West German and American competitors."

The Swiss-British-Soviet consortium on the other side of the table from the U.S. Treasury may decide, before the elections, that the execution is mightier than the threat.

An additional weapon in the Soviet arsenal is the softness of the international oil price. Although fears of an early oil price collapse evaporated over the summer, recent developments show the potential for a renewed collapse of OPEC oil prices. This, at this moment, would have devastating impact on especially Nigeria, Mexico, and Venezuela. The latest indication on the present "soft" world oil market is the warning on Oct. 3 by the United Arab Emirates that it may unilaterally lower its oil price. This is the first such warning from any OPEC member since the March 1983 OPEC vote to slash the OPEC price by 15%, which spread near-panic in banking circles then. According to French industry sources, UAE is considering a 50¢ per barrel price cut in order to move more of its light crude. UAE accuses Qatar of exceeding its OPEC agreed quota of 250,000 barrels per day by selling 450,000 barrels per day, dumping up to 250,000 barrels each day on spot markets far below OPEC price. It is also reported that Saudi Arabia, over the last few days, sold 1.5 million barrels via Singapore from its huge floating stock at almost \$2 below OPEC official price.

As a result of such spot dumping by other OPEC members, the UAE has dropped sharply below its daily official output ceiling of 1.1 million barrels per day (bpd) and seeks to increase output to 1.5 million bpd. Present OPEC output is 1 million below its official ceiling of 17.5 million bpd because of glut conditions.

At the same time, the UAE is involved in negotiations with France to barter, outside OPEC production limits, 15 million barrels of crude for 18 Mirage 2000 jets, a deal valued at \$450 million.

Egypt gets 'Philippines treatment': IMF economic pressures and riots

by Thierry Lalevée

For the first time since January 1977, Egypt experienced food riots on Sept. 30, as violent protests erupted in the small city of Kafr al Dawwar, about 30 kilometers from Alexandria. The trigger for the riots, which went on for a full day and left at least three persons dead, was a government test of a "two-tier" bread system: a subsidized bread of a reduced quality, and a more expensive, higher-quality bread, which most Egyptians couldn't afford. Introduced only in Kafr al Dawwar and immediately revoked by President Hosni Mubarak hours after the beginning of the riots, the experiment had been undertaken as a result of pressures from the Washington offices of the International Monetary Fund (IMF) and World Bank.

Though limited in scale compared to the three days of riots which erupted in 1977, the Kafr al Dawwar riots represent a warning to the Egyptian government of what it will mean to capitulate to the Anglo-American forces associated with Henry Kissinger and his representative in Egypt, U.S. Ambassador Nicholas Veliotis. The State Department policy toward Egypt is very much like the State Department policy toward the Philippines of Ferdinand Marcos and toward the Iran of the Shah. Indeed, as an Egyptian source noted, a certain Mr. Precht, who was director of the Iranian Desk at the State Department under Jimmy Carter, has been sent to the Cairo embassy.

Egypt's strategic significance in the Mideast parallels that of the Philippines in Southeast Asia—it is the linchpin U.S. ally in the region. In both cases, U.S. policy, by enforcing the ferocious austerity demands of the IMF, is destroying allies—Marcos and Mubarak—whose loyalty to the United States is above reproach.

The assault against the Egyptian economy

Paving the way for the Sept. 30 riots were months of warfare against the Egyptian economy and a systematic sabotage by the IMF, the State Department's Agency for International Development (AID), and the U.S. Treasury Department of Egypt's industrial and economic development program. Repudiating previous political and economic agreements, the American Export-Import Bank on the advice of AID announced late in 1983 that it was refusing to guarantee credits for Egypt's program to build five nuclear plants. The decision forced the Westinghouse Company to withdraw from

the projects altogether, compelling Cairo to "postpone" the program for five years. The postponement may actually mean the program's death, despite Egypt's urgent need for nuclear power to support both large-scale desert land reclamation and city-building projects.

Then, through the "Children of Sadat"—private bankers who have been allowed to operate a black market since the implementation of the "Open Door" policy toward foreign investment in 1976—the government effort to crack down on the black market and the mafia, an effort to curtail the monstrous growth of a parallel and unproductive economy, was sabotaged.

The crisis exploded in July when economics minister Mustafa al Saeed announced his decision to unify once and for all the official and black-market dollar exchange rates. Worth 72 Egyptian piasters on the official market, the dollar was worth 112 piasters on the black market. Saeed decided to fix the official rate at 120 piasters, in an effort to thus draw dollars otherwise used speculatively toward the public sector. The private bankers managed to defeat this policy by buying the dollar at 118 and selling it at 112, transactions made at a loss as part of a show of strength against the government-controlled public sector banks.

In subsequent weeks, Saeed had to deploy police against black marketeers as well as bankers, even including the arrest of the managing director of one of Cairo's five largest banks, the Jammal Trust Bank, who was caught speculating against the public sector. Saeed addressed the issue publicly at the end of July, denouncing "those bankers" who are plotting against the state, and "plotting to get rid of me. . . ."

These bankers have been for years the strongest advocate of the full implementation of IMF austerity programs, including the cut of government subsidies on food. This is indeed no coincidence. Their war against the government was directly guided from the IMF offices in Washington, and consistently ignores the obvious fact that if the government cut the subsidies, it would have to increase the taxes on the private sector, in order to generate the revenues to create jobs for the masses of poor and unemployed who are currently kept alive by government subsidies. Until now, under the "Open Door" policy, there is little to no tax pressure on private enterprise.

In coming weeks, the government will sponsor a national

conference on the issue of the subsidies, but it made clear in September that despite IMF pressures, it will not eliminate the subsidies, underlining the point by announcing an increase of 20% in subsidy allocations.

The new political crisis

Faced with such an assault, the Egyptian leadership clearly believes that it is unable to fight on all fronts simultaneously and that it is forced to compromise. One such compromise was the surprising leniency displayed on Sept. 30 by an Egyptian court toward some 300 Islamic fundamentalist terrorists who led the extremely violent riots in the upper-Egypt city of Assiut in 1981. Countless civilians and 66 policemen died in the well-organized riots, which were led by Sheikh Omar Abdel Rahman, spiritual leader of the Egyptian branch of Al Jihad, the same group which had claimed responsibility for the murder of President Anwar Sadat that took place a few weeks earlier. Despite a call by the general prosecutor for dozens of death sentences, more than 270 rioters were actually released on the spot, including Sheikh Omar himself! Only a few life imprisonments and some 6-16-year sentences were handed out.

It is symbolically important that these releases took place the same day as the food riots. Moreover, the official police declaration blamed the riots on "left-wing elements," never mentioning the leadership of the fundamentalists. This points toward a dangerous revival of the former Sadat policy of playing off the Islamic movement against the left, a policy made more dangerous still by the fact that most elements of the so-called left are not communists, but nationalists who could strengthen the regime and national stability, whereas the Islamic fanatics of the Al Jihad type only produce tension with the large Coptic Christian minority.

The newly elected Egyptian parliament now includes five official representatives of the fundamentalist Muslim Brotherhood (Ikhwan) within the Wafd opposition party, and there are growing calls for the full imposition of the Islamic law (Sharia) on the Sudanese model. Doing so is more than merely playing with fire; it is setting a time-bomb under the Egyptian regime. As has occurred in Sudan, imposition of Islamic law would produce a violent rebellion from Coptic quarters.

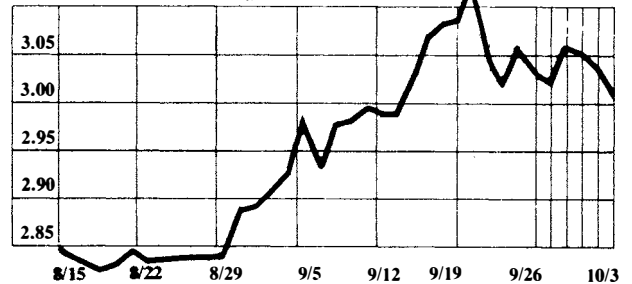
This is exactly what the Veliotos crowd in Cairo wants, as expressed last August in a series of articles by *Le Monde's* Eric Rouleau, who warned of the "Lebanization" of Egypt. Most Egyptians recognized that these "warnings" were a precise scenario for which Rouleau, as he did before in Iran, is working, together with the U.S. Eastern Establishment and his friends in Egypt's Communist Party.

With the approval of the New Yalta negotiators, Moscow's calculations are that increased IMF pressures, a growing Islamization of the country, and a more and more aggressive Libyan regime, are the best cards to play to force Cairo to re-establish the relations with the Soviet Union which Sadat broke off in 1972.

Currency Rates

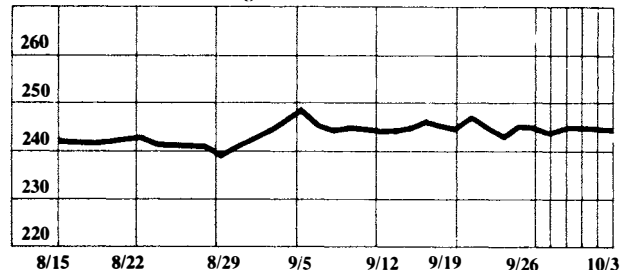
The dollar in deutschemarks

New York late afternoon fixing



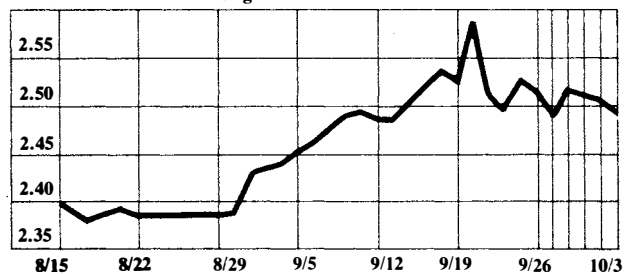
The dollar in yen

New York late afternoon fixing



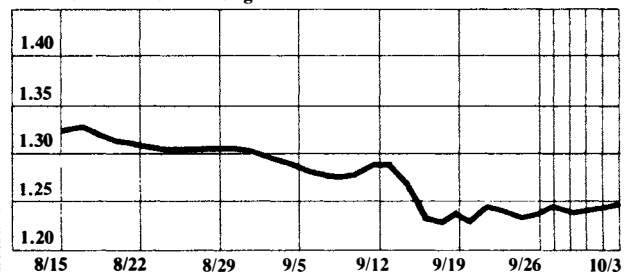
The dollar in Swiss francs

New York late afternoon fixing



The British pound in dolla

New York late afternoon fixing



Argentina bites the IMF bullet

by Mark Sonnenblick

Argentina once again prevented a debt blowout on Sept. 30 by pulling out of the hat yet another of those midnight bank bailouts. This time, however, President Raúl Alfonsín had to “bite the bullet” and put his country under strict IMF conditionalities. These were immediately reflected in decrees reducing real wages while raising internal interest rates by 1.5% monthly.

As Sept. 30 approached, Argentina could only scrape up \$100 million of the \$950 million in interest due between April 2 and June 30. To ward off automatic default on interest overdue more than 90 days, the banks rolled over the remaining \$850 million. They also extended a \$750 million bridge loan first granted on December 31, 1982 to tide Argentina over until it settled with the IMF.

The new \$850 and \$750 million loans “are both overnight rollovers, that is, they are being extended on a day-to-day basis pending firm agreement with the IMF,” a banker who advises the New York Council on Foreign Relations told *EIR*. “Argentina,” he said, “will get some money from the IMF during the fourth quarter and make its debt payments through December, but by next year it will be clear that they are out of compliance with their IMF austerity guidelines,” the banker said. “They can’t meet the conditions the IMF is demanding. Then the IMF will cut them off, and by the end of the first quarter 1985 Argentina will be in trouble all over again.”

‘Hunger, marginality, and misery’

The core of the technical memorandum Argentina signed with the IMF on Sept. 25 is “a substantial reduction in the growth rate of credit and money supply.” The orthodox monetarist tourniquet on credit means depression. Unless inflation magically descends from the 27.5% for the month of September (687.6% in the past 12 months) to the 8% monthly level fixed by the end of 1985, Argentina’s industrial economy will be put through the wringer again.

In New York, the day before the IMF agreement was announced, Alfonsín accused the IMF of imposing “hunger, marginality, and misery with its recessionary prescriptions.” Those words could be engraved on his political tombstone were he to fight to implement his agreement with the IMF.

The political storm is just beginning. The Peronist deputies put out a communiqué stating that President Alfonsín’s IMF memo “provides for: zero growth; wage reductions; increased taxes, utility rates, and interest rates; devaluation;

total payment of interest on the foreign debt; elimination of price controls, shrinking of State companies; and reduction of the already insufficient federal aid to the provinces.”

The Christian Democrats demanded Alfonsín make public any hidden clauses in the IMF agreement. “The foreign debt must not be paid at the price of the economic collapse of the nation, which will invariably happen if the interior minister is correct in saying half of the income coming from Argentine exports will go to paying debt service,” their statement declared.

Even the youth section of Alfonsín’s own Radical Party voiced its protest. By Oct. 2, the Radical Party lost its slim Congressional majority when three provincial deputies went over to the opposition.

The Peronist-run CGT labor movement put itself on a “state of alert” in response to the government’s Oct. 1 announcement that wages would be increased only 14% monthly, half the inflation rate.

Why did Alfonsín yield to the IMF? Ask Henry Kissinger, who went to Buenos Aires to visit the Argentine President on Sept. 11-12 and then hosted his luncheon with top creditors in New York on Sept. 26. Kissinger’s threat was replayed in a Sept. 26 *New York Times* editorial: “Buenos Aires is bound to make a sincere effort [to comply with the IMF] or risk a cutoff in its credit and trade, especially as other Latin debtors show progress in bringing their economies into line.”

‘Brazil will be the Argentina of 1985’

With Argentina committed to the IMF and negotiating the restructuring of \$24 billion in debt to private banks, all the members of a potential “debtors’ club” are now locked into “the system.” Yet, neither the causes nor the effects of the debt crisis have been solved. Thus, as fast as the bankers get their hooks into one country, another “falls apart.”

“Brazil will be the Argentina of 1985,” the CFR-related banker warned. “Phase II of their IMF program is over at the end of December. The old government is completely discredited. They have a new government coming in next year, and the banks won’t even know whom they are negotiating with. By the end of the first quarter, it will be unable to pay the interest on its debt.

“The press has been saying that the Brazil debt negotiations will go like clockwork like Mexico, but they are wrong. They can get a Mexico deal on their principal, to stretch out the principal, but it won’t solve their problem because Brazil, unlike Mexico, can’t pay their interest.

“The difference is that Mexico can cut its imports to the bone, Brazil can’t,” he explained. “Brazil’s imports have been cut to \$15 billion and that is the bone—50% of imports are oil. So Brazil’s trade surplus is only going to be \$11-12 billion in 1984, and their interest bill is \$12-13 billion. So Brazil’s problem is that it needs new money to fund this current account deficit through the 1980s, and the small banks will just balk.”

The Kra Canal

and the

Industrialization of Thailand

A Conference Sponsored by

The Communications Ministry of Thailand
The Fusion Energy Foundation, U.S.A.
Executive Intelligence Review Limited Partnership, Bangkok

Oct. 31–Nov. 1, 1984

Dusit Thani Hotel Bangkok, Thailand

Wednesday, October 31

9:00 a.m.

Opening and Keynote Address

His Excellency Minister Samak Sundaravej, *Minister of Communications, Thailand*

9:45 a.m.

The Economic Feasibility of The Kra Canal

PANEL CHAIRMAN:

Dr. Chitti Wacharasindhu, *Deputy Permanent Secretary of the Communications Ministry of Thailand*

PANELISTS:

Dr. Nimit Nontapunthawat, *Vice-President, Chief Economist, and Manager, Economic and Marketing Research Center, Bangkok Bank*

Sattaporn Tavitanun, *Deputy Secretary General of the Board of Investments of the Office of Prime Minister*

Dr. Uwe Henke v. Parpart, *Director of Research, Fusion Energy Foundation*

2:00 p.m.

Advanced Technologies For Canal Construction

Dr. Milo Nordyke, *Lawrence Livermore Laboratories, California*

Harry Ekizian, *T.A.M.S., New York*

Pongpol Adireksarn, *Member of Parliament, Thailand*

Thursday, November 1

9:00 a.m.

High-Technology

Industrial Development in the Canal Zone

Dr. Svasti Srisukh, *Former Secretary General of the Office of Atomic Energy for Peace, Thailand*

Ramtanu Maitra, *Editor, Fusion Asia*

Douglas Headley, *Engineering specialist, Pacific Engineers and Constructors, Taiwan*

Scott Morrison, *President, Dorwood Industries; past executive vice-president, Sealand*

2:00 p.m.

International Policy—

Regional Development and Cooperation

Pacifico Castro, *Deputy Foreign Minister of the Philippines*

General Saiyud Kerdpol, *former Supreme Commander, Thai Armed Forces*

R. K. Hazari, *economist, Bombay, India*

Representatives from the nations of ASEAN

Pakdee Tanapura, *Fusion Energy Foundation, Thailand*

Admission: \$50.00

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Farm insect plague: Who's to blame?

by Marcia Merry

Idaho and Utah were both declared federal disaster areas this summer because of grasshopper damage, and other western range states were plagued with the same infestation. Next summer, the grasshopper population could double or triple, causing massive damage.

Grasshoppers are just one of several pests threatening to spread out of control. The national fruit, vegetable, and crop-seed supplies are potentially threatened by the arrival of a new mite that debilitates honey bees—needed for pollinating plants. Fire ants are moving from their stronghold locations in the South, farther west toward California. Gypsy moths, bagworms, beetles, cutworms, and other insect populations can cause extensive damage if they are not contained by proper cultivation and eradication measures.

Are the grasshoppers, the mites, and the bugs the “plague of locusts” that inevitably visits the house of those who stray? In some ways, yes. In 1983, federal subsidies to cover one-third of the cost of grasshopper-control spraying, which had been routinely available to ranchers, were discontinued. Other federal pest-control programs have also been cut, while farmers have been less and less able to pay for pest controls because of collapsing farm credit and income.

Since the early 1970s, the impact of the environmentalist movement has undercut the research, development, and application of needed advances in pest-treatment measures. Constant R&D and pest controls are needed to prevent the development of “pest time bombs” which can explode, the way malaria mosquitoes have done in the world since William Ruckelshaus unnecessarily banned the use of DDT. According to Dr. Michael Shinkle, an entomologist and pest-control expert with Environmental Management Services, Inc. in Illinois, “We’re talking about 36% of the world species of flies now being resistant to one or more of the world’s pesticides. And 15% of the beetles. Fifteen percent of the biting bugs, like ticks, are resistant.”

Effects of the lack of fertilizer

When land is underfertilized, and crops also receive insufficient herbicides and pesticides, the conditions are created to breed pestilence and plague. Inability to afford proper measures has cut production of crops on some farms by 30%. Wherever weeds or unwanted plant cover increase, there is more opportunity for destructive insects to proliferate. Be-

tween seasons, the crop residue needs to be cleared away to break up the infection cycle.

In Maine this summer, many farmers were forced to leave at least one-third of their blueberry crops to rot in the fields, because the price they were receiving did not cover the harvesting costs.

Because of insufficient fertilizer use in the past few years in U.S. corn production, the protein content of corn has fallen from 10% to 8% in the Midwest, and as low as 7% in the South. As the protein content drops and the carbohydrate content increases, conditions become even more favorable for the growth of various fungi, especially where the corn is not dried properly.

The byproduct of one fungus—*Aspergillus flavis*—is aflatoxin, one of the most deadly toxins known. In several areas of the United States, aflatoxin in the corn fed to chickens has affected their immune systems, drastically lowering egg production and eventually killing the affected poultry.

Since 1979, the amount of nitrogen fertilizer use per capita in the United States has fallen, for the first time ever. Though this trend may be statistically the result of averaging in the 1983 Payment-in-Kind program where 90 million acres of land were removed from cultivation, nevertheless the consequences are serious. Farmers have scaled back production inputs, even according to U.S. Department of Agriculture analysts, who weakly explain: “A late, wet spring, continued high interest rates, and a record farm debt-asset ratio have kept fertilizer, pesticide, and farm machinery purchases lower than previously forecast.”

Invasion of the grasshoppers

Grasshopper infestations built up this year in Arizona, New Mexico, Colorado, Utah, Wyoming, Montana, and Idaho, and forage losses were significant throughout the region. But federal disaster declarations and associated emergency funds were too little and too late to affect the laying of eggs which will produce next year’s population. Eggs are laid by Aug. 1 (in the soil and thus invulnerable to current pesticides), but the limited federal aid was not available until mid-August.

A new species of honey bee mite has shown up in Texas, the *Acarapis woodi*, that attacks the breathing channels of bees. The colonies of bees weaken, the population goes down, and fewer bees are present to pollinate food crops. The acarine mite was detected in the Rio Grande valley last month—the first time in the United States. New federal and state regulations have been implemented to restrict movement of bees, and research is underway on potential damage the mite could cause.

Approximately one-third of the food consumed in this country requires honey-bee pollination directly or indirectly. This includes most fruits, many vegetables, berries, and the seed industry for vegetables and for forage crops, which in turn support dairy cows.

New economic model a deliberate fraud

by Carol White

In volume 225 of *Science* magazine, four economists, Cutler J. Cleveland, Robert Costanza, Charles A. S. Hall, and Robert Kaufmann present an economic model pretentiously labeled *Energy and the U.S. Economy: A Biophysical Perspective*. The authors correlate national energy use to Gross National Product, which they relate to labor productivity.

Their point of view is adequately expressed in their summary, which I quote in part: "A large portion of the apparent increase in U.S. energy efficiency has been due to our ability to expand the relative use of high-quality fuels such as petroleum and electricity, and also to relative shifts in fuel use between sectors of the economy."

"The concept of energy return on investment is introduced as a major driving force in our economy, and data are provided which show a marked decline in energy return on investment for all our principal fuels in recent decades. Future economic growth will depend largely on the net energy yield of alternative fuel sources, and some standard economic models may need to be modified to account for the biophysical constraints on human economic activity."

The authors appropriately introduce the question of quality in considering energy use, identifying petroleum as a higher-quality energy resource than coal in the production of power, and raising the question of nuclear energy as a replacement for both. They do so, however, in order to give credibility to what is, in fact, a devious attack upon advanced technology.

They present a number of studies which show the correlation between both output per worker and Gross National Product, and energy use. They offer these to contradict those studies which purport to show that labor intensity can be substituted for capital intensity. They make the correct point that "a large component of increased labor productivity over the past 70 years resulted from increasing the ability of human labor to do physical work by empowering workers with increasing quantities of fuel, both directly and as embodied in our industrial capital equipment and technologies."

And they write: "Changes in natural resource quality affect the ease and cost of fuel and matter throughput in

human economies because lower quality resources nearly always require more work directly and indirectly to upgrade them into goods and services. Technological change can counter changes in natural resource quality to varying degrees, but historically, many technical advances that have lowered unit labor costs have been realized by increasing the quantity of fuel used directly and indirectly to perform a specific task."

This of course will have appeal to developing sector economists struggling to oppose the imposition of austerity upon their nations under the guise of "appropriate technology." Nonetheless, their aim is precisely to give cover for International Monetary Fund demands that countries in Asia, Latin America, and the Mideast stop developing nuclear power. What other explanation can be given for their citing the fact that a recent survey of 40 nuclear power plants shows that they will eventually cost an average of seven times their first cost estimates if they are to be completed?

They cite this without mentioning that this cost overrun occurred for purely political reasons as the environmentalist movement was able to repeatedly delay construction of these plants in a period of rising interest rates, etc.

The systematic blunder

It is important to identify the key systematic blunder of the authors, as opposed to their deliberate ideological misdirection of the unwary reader. They assert that their so-called correlation between energy use and productivity demonstrates that negentropy in economic processes is necessarily a local and temporary phenomenon, located in the broader tendency toward entropy. Thus they write:

"The human economy uses fossil and other fuels to support and empower labor and to produce capital. Fuel, capital, and labor are then combined to upgrade natural resources to useful goods and services. Economic production can therefore be viewed as the process of upgrading matter into highly ordered (*thermodynamically improbable*) structures, both physical structures and information [emphasis added]."

The point is made clear by the fact that they correlate the following productive industries (sic!) with energy use, in the order of increasing energy use and increasing so-called productive output: wood containers, forestry and fisheries, iron ore mining, real estate, government, and finally households. Not surprisingly with these as their criteria, they agree with President Reagan that we are in the midst of an economic recovery from the 1980-82 recession.

Without criteria which can distinguish productive labor from overhead, they will never locate those critical investments in technology which guarantee continued negentropic development of real productivity. These, of course, are located in precisely those areas which do not appear on their charts, the capital goods sector, and particularly that section of it which produces capital goods for the capital goods sector itself.

First Chicago next to go?

Volcker enforces domestic bank losses, but with Kissinger's help, covers the Latin American hole.

Stocks of the major money center banks collapsed on Oct. 3 after First National Bank of Chicago announced a \$70 to \$74 million loss for the third quarter, compared to a net profit of \$49.1 million in the same quarter of 1983. The loans admitted bad were largely in U.S. energy and agriculture, with one large Mideast shipping loan written down.

This was predicted in *EIR*'s Confidential Alert of Sept. 5, which noted that although U.S. banks had "come back" during August, the third quarter would see renewed bad losses and more depositor "walks" out of major institutions. On Sept. 11, it was noted in this column that Manufacturers Hanover itself in New York had actually suffered a hushed-up deposit outflow in August.

Stocks of major banks fell \$1 and \$2 a share, led by First Chicago. Citicorp, Citibank's parent company, fell \$1 after Dean Witter analyst Lawrence Cohn cut his third-quarter earnings estimate for the bank to \$1.50 a share from \$1.85 a share. Manufacturers Hanover, which many thought would take big losses in Argentina, did not announce any losses, but fell by \$1¾. Chase Manhattan fell \$1¾, Bank of America fell \$1½, and Bankers Trust and Morgan slumped as well.

All this despite the fact that not one bank has bitten the bullet on the Latin American debt crisis! In fact, a secret attempt at bailing out Argentina is now under way, despite the fact that the country did not pay some \$1.6 billion in debts due by the end of September last week.

That is, Federal Reserve Chairman Paul Volcker and the other regulators have decided for now to force the banks to continue to take large domestic U.S. losses, but to cover up the worst of the huge international bad loans, at least until December, and perhaps until next March. First Chicago continues the pattern established in the Continental Illinois bankruptcy, of writing off domestic loans only.

Apparently Volcker is working with those British and Swiss bankers who are willing to keep deposits in the U.S. banking system for now. But they have demonstrated in the Continental Illinois bankruptcy that they can bring down the U.S. banking system and run Reagan out of office by pulling out deposits, anytime they want to.

At this writing, no major run has begun on First Chicago's deposits. However, although First Chicago chairman Barry Sullivan said that "a provision of this magnitude is a one-time event," First Chi's troubles have just begun.

Meanwhile, Argentina failed to go bankrupt on Sept. 30 because the New York banks bailed it out after Henry Kissinger's lunch for President Alfonsín on Sept. 26, a top banker associated with the New York Council on Foreign Relations (CFR) said Oct. 4. Kissinger plans to postpone the Latin American debt crisis until after the election, which translates: after he has consolidated his grip on Reagan. So, Citibank and Chase Manhattan loaned Argentina \$1.6 billion to keep the country's debts current. The report was confirmed by the Argentine daily

Clarín on Oct. 1.

Argentina was given a roll-over until Jan. 15 of one \$750 million loan due Sept. 15. In addition, Argentina owed \$950 million in overdue interest payments on Sept. 30, of which the country only paid \$100 million. But based on Argentina's new IMF agreement, the banks, on Kissinger's urging, agreed to give Argentina a short-term "bridge loan" for the remaining \$850 million. And U.S. banks avoided taking big Argentine losses.

The entire charade, however, is deliberately scheduled by Kissinger to come apart at all seams later. While it could do so at any moment, collapsing the U.S. banking system, the CFR banker said Kissinger's timing is for a blow-out at the end of the March 1985 quarter, right before the IMF holds its big April meeting on Kissinger's plan to expand the IMF into a one-world government.

"Argentina will get some money from the IMF during the fourth quarter and make its debt payments through December, but by next year it will be clear that they are out of compliance with their IMF austerity guidelines," the banker said. "They can't meet the conditions the IMF is demanding. Then the IMF will cut them off, and by the end of the first quarter 1985, Argentina will be in trouble all over again."

Brazil's debt will blow out at the same time, he predicted. "Brazil will be the Argentina of 1985. Their IMF program is over at the end of December and they will be unable to pay their interest. They have a new government coming in next year and by the end of the first quarter it will be unable to pay the interest.

"People who think the debt crisis has gone away are wrong. We will see it in the first quarter of 1985, a repeat of 1984"—when Continental Illinois collapsed.

The oligarchy goes west

Multi-hundred-million dollar investments in U.S. mining properties are now under way.

Sixty percent of the world's bullion supply is held by Western European investors, in hoards that never sell. Only 10% is held by Americans. As the International Gold Corporation writes in a recent paper entitled "Gold: An Economic Analysis of Supply and Demand":

"Our analysis implies that privately held above ground gold stocks pose only small risk to the dollar gold price. These stocks were estimated at approximately 10,000 metric tons in 1980, equally divided between coin and bullion. They represent an inventory equal to about 25 years at current rates of coin and bullion accumulation. While changes in the dollar gold price over our sample period have substantially increased the value of these stocks, there is no evidence of substantial net dishoarding to reap windfall gains, particularly in 1973-74 and 1979-80. And the liquidation accompanying the 25% 1981 dollar gold price decrease was modest, less than one billion dollars, compared to a 50 billion dollar reduction in the market value of all privately held above ground gold stocks. Bullion and coin demand appear to be true hoarding phenomena, sensitive to changes in the external international environment, rather than the size of existing above ground stocks."

Very quietly, during the past year, several hundred million dollars of European capital has accumulated what might be called below-ground gold stocks in North America. The investors include the major British and

South African mining companies, leading European metals and chemicals firms, as well as wealthy private individuals.

For the individual investor, this report is bittersweet; it shows the extent to which sophisticated money appreciates gold as an investment, but also how far removed the individual of modest resources is from access to the best form of investment.

The Europeans are extending their interest to below-ground gold stocks for four very good reasons.

First, the ability to buy gold at the cost of production rather than at the market price permits fewer investment dollars to turn into more actual gold.

Second, the weakness of the gold price translates into financial desperation on the part of numerous owners of mining properties and technologies, and bringers of substantial capital can strike remarkable bargains in the present environment.

Third, small investors have no hope of participating in such direct investments, and even less hope of benefitting from gold mining investments through investments in development-stage, or penny-stock mining companies.

Fourth, Americans are too dull to appreciate the opportunities involved.

I know personally of more than \$75 million worth of investments by Europeans, Canadians, and South Africans in American precious-metals mining during the past year alone. It also appears that these investors, along

with a few from Hong Kong and the Philippines, represent the only capital sources available. For example, one of America's best-known and most prestigious venture-capital firms has sought in vain for an entire year to raise several million dollars of equity for a highly attractive mining venture in California, with proven reserves and proven recovery technologies. American investors simply appear to be uninterested.

As hinted above, this is hardly a recommendation for the tawdry race of Vancouver or Denver gold-mining stocks. Although one or two might, the pattern to the contrary, represent viable investments, the penny-stock market represents the nastiest form of suppression of mining development. This works in two ways.

First, so many fraudulent mines are offered to investors that even portfolio managers, let alone individual investors, find it impossible to distinguish between the real and the false. No one who does not employ both a good geologist and a metallurgist specializing in precious-metals refining has a hope of knowing whether a certain mine is good or not.

Second, the capital costs of developing even a relatively modest gold mine (compared to the well-known South African or North American mines) are enormous, running well into the tens, if not hundreds, of millions. Penny stocks are merely a form of speculation in gold-bearing land; the funds raised through their initial offering are usually inadequate to complete exploration and prove reserves, let alone to mine and refine gold or silver.

Under the rather unusual circumstance that a gold penny stock were to prove reserves, the public company would have to cede enormous advantages to whoever brought capital to proceed to the mining stage, at the expense of the existing stockholders.

What kind of 'heavy lira'?

Craxi announces a reform everyone associates with LaRouche and Italy's European Labor Party.

Recently, the Italian government announced that the heavy lira will be introduced in 1985.

The announcement was made on Sept. 23 by Premier Bettino Craxi to an audience of farmers in Cremona: "I hope we will be able to consolidate this process of healing the Italian economy so that possibly next year we can restore, nominally and formally as well, a more solid value to the lira with the *heavy lira*, a lira that is again a lira and replaces the present 1,000 liras. Then housewives will no longer have to go shopping with too many zeros attached the lira." He added, "I hope that we could strengthen our economy so as to pay one-and-a-half liras for one dollar, and not 2,000 [the current exchange rate]."

So far, Craxi's "heavy lira" has no content: It is being presented as a technical intervention to streamline cash operations and to cause certain hazards defined "psychological effects." But it will immediately evoke the fall 1980 proposal of economist and U.S. presidential candidate Lyndon H. LaRouche, which created a flurry in the Italian press and government circles in the early months of 1981. LaRouche designed a currency reform expressly for Italy around the heavy lira, in a famous pamphlet titled, *A Gaullist Solution to the Italian Monetary Crisis*. His proposal was adopted by the European Labor Party (POE) and became one of the programmatic points of many electoral campaigns. The heavy lira of the POE is not simply a technical measure, but one with

real substance, a step which will be indispensable whenever Italy's government decides to initiate a program of economic development.

In brief: According to U.S. and Italian intelligence estimates, at least 25% of the Italian monetary supply comes from the black market, from illegal and speculative activities centering around the international traffic in illegal drugs and weapons—in other words, the so-called Bulgarian Connection. Drug money is "laundered" in Switzerland, in London, and other artificial paradises, and also in Italy, via nominally legal activities, particularly real estate and insurance speculation. These are the activities that cause inflation, by absorbing growing portions of financing from productive industrial and agricultural activities. It is no accident that only such illegal or borderline-legal activities are managing to survive in a climate where money costs 25-30% and more.

LaRouche's "heavy lira" proposal was modeled in many respects on the successful "heavy franc" currency reform carried out by Charles de Gaulle's economic adviser Jacques Rueff at the end of the 1950s. LaRouche stressed, however, that Italy should go beyond the French reforms in bringing under control the effects of the spiraling valuation of fictitious ground-rent.

The heavy lira, introduced within a program for economic development and according to implementation conditions which cannot be described here, but which would have to be

worked out between the government, the judiciary, and the customs service, operates, by eliminating the cancer of illegal financing, rapidly and with relatively little effort. At the moment old banknotes are traded for new, the government can exert effective controls on capital, to find out its origin, and so forth.

Once the heavy lira has been introduced, the government can launch a healthy credit policy based on the "two-tier credit window." That means long-term, low-cost credit for productive, agro-industrial activities, oriented toward fostering newly developing technologies, and tight financing and rigid controls for speculative activities. Thus, the government can direct monetary flows to favor activities in the national interest.

This is an economic measure in the best tradition of industrial capitalism, of Western economics, as reflected in the writings of George Washington's Treasury Secretary Alexander Hamilton, Friedrich List, and the Neapolitan economists of the 18th century, Intieri and Genovesi.

Without this heavy lira, every type of financing would be absorbed by the speculative and organized-crime circuits, as has occurred over and over with the credits for the development of the Italian South.

Will the Italian government have the courage to deliver such a necessary and urgent blow to the mafia, the "camorra" of Naples, and the illegal drug trade?

Today, the government is making it known that it would be only a technical measure which will not touch anyone's dirty interests. Italy has no need for technical measures and cosmetic operations, but it does need to put its nearly destroyed productive economy back to work. The POE's heavy lira is the precondition for that.

Down on your knees

The U.S. economy may be crawling by early next year—just in time for the World Bank, IMF, and GATT meeting.

The U.S. economy may get a new vantage point early next year from which to judge its future: on its knees.

The "Wunderwaffen recovery"—faster than a speeding bullet, able to leap bankruptcy court in a single bound—is coming to an end. The cold winds of collapse blow over it.

The recovery grew on piles of credit, large consumer spending, stock-market and bond-market profits, hypothecated stock issues, and very little real economic activity. The real economy grew the way someone's stomach swells when he contracts worms—there is weight gain, but much of it is related to unwholesome activity.

Helping this process along was the subsidy the United States continues to extract from the rest of the world in the form of manufactured goods imports bought cheaply with a super-strong dollar. The margin of imported manufactured goods, equal to about 7% of U.S. domestic manufactured goods output, fed whatever real economic activity is occurring.

But the import subsidy cannot offset the contraction of credit and the unraveling of the hypothecated profit centers. As credit dries up, while interest rates hold firm, the economy withers. Moreover, the import-subsidy has deflationary implications.

Take housing, for example. Sales of new single family homes fell again in August. A chart showing sales of new home units would start at the level of 755,000 in December of 1983, fall

to 685,000 in January of this year, rise again in February to 705,000 and then continue to fall continuously, down to a level of 569,000 in August. The 8.1% decrease in August was one of the steepest monthly declines.

The decline in the steel industry is even more pronounced. Raw steel production has plunged from over 9 million tons in May to 6.9 million tons in September. Of the six major U.S. steelmakers, four are expected to report an earnings loss in third-quarter orders. There are now various theories to explain why steel operating capacity has plunged from 80% in April to 53% currently.

One theory holds that there was inventorying of steel products in anticipation of an expected long steel strike, and that that cut down on new steel orders and, hence, production. But the strike is on the verge of being settled, with no visible upturn in steel output; nor did the steel output downturn start only at the point of the strike, but many months before that. Noticeable is the fact that steel products prices are falling sharply. Rolled steel, used for flooring of refrigerators, is selling at as little as \$100 per ton, or 20% below list price.

Why are steel prices below list price? Partly, there is the collapse of the steel market, because of the slow-down of housing and other industries. But the super-strong dollar, which has subsidized the economy, is also working a pernicious influence. As the dollar appreciates by 2-3% per month, the

cost of foreign steel products imported into the United States falls by 2-3% per month. U.S. steel producers must respond, in turn, by cutting their prices.

Thus, the strong dollar and lack of sales opportunities is causing a deflationary spiral in steel, as well as in aluminum and other industries. This deflationary spiral has nothing to do with the arid debate among newsletters as to whether there will be a deflation or inflation over the next few months. Rather, the deflation will cause shake-outs in industry.

But there is more. Corporations have contracted massive short-term debts during the recovery. This is unusual for a so-called recovery, when companies usually swap short-term for long-term debt. For the first time in U.S. history, during the first half of 1984, short-term liabilities constitute more than half of all liabilities.

The inability to retire expensive short-term debt means that corporations are now paying more than \$1 out of every \$4 of cash flow for debt service. A deflation in wholesale prices will make this debt all the more difficult to finance, especially as a downturn will shrink profits and cash flow.

Where will this leave the United States? This deflationary price spiral will knock out some of the value of the import subsidy and the downturn in production, concomitant with a credit downturn, will continue.

The first tremors of output downturn, exemplified by the fall in factory orders in September for the second month in a row, will reach earthquake proportions.

Around April of 1984, just at the time that Henry Kissinger's planned super meeting of the IMF, World Bank, and GATT takes place (see *EIR* issue of Oct. 9), the U.S. economy will be on its knees.

Business Briefs

Trade

Financing for Soviet grain imports

Rumors are circulating in Washington, D.C. and in the *Wall Street Journal* that the Reagan administration will shortly announce a plan to finance some of the Soviet grain purchases from the United States. A guest editorial in the Sept. 26 *Wall Street Journal* began with this headline, "Why Has Gromyko Come to Town?" and answered, "For money, of course. For big and quick money that the Soviets suddenly found they desperately need right away to contract for a record amount of American grain this fall. Some say his visit is about the race in space and global competition, but in reality it is about earth, dearth, bread and butter."

During the week of Sept. 24, a Soviet delegation in Washington, D.C. met to make grain import arrangements with Department of Agriculture Undersecretary Daniel Amstutz, for 25 years a top Cargill executive and commodity specialist with the Kissinger-connected Goldman, Sachs brokerage house. No details are yet available.

American Agriculture

'Experts' testify: Lower U.S. output

During the week of Sept. 24, a string of "experts" came before the Congressional Joint Economic Committee to testify on how to further reduce U.S. output and to call for other nations to reduce their production.

Four former USDA secretaries joined in—Earl Butz (under Nixon and Ford), Bob Bergland (Carter), John Knebel (under Ford after Butz was kicked out), and Clifford Hardin (Nixon before Butz). All four called for keeping farm price supports very low so that U.S. farm products will be competitive in world markets. Hardin emphasized that unilateral American efforts to reduce production to maintain higher prices and to lower world crop supplies are an open invitation for foreign countries to expand production under the U.S. "price umbrella."

Even according to the USDA's falsified figures, U.S. farmers are getting only 51% of parity and are operating at a loss. But media and "experts" are promoting lies and cover-up while farmers go bankrupt and the national and international food supply base collapses. For example, the Washington, D.C. lobbyist for the National Milk Federation blames the national milk problem on the "highly subsidized" European dairy exports.

Debt Crisis

Brazilian industrialist: Austerity must be reversed

Thanks to IMF-imposed "adjustments," Brazil's GNP per capita went down 11% from 1982 to 1983, its industrial product went down 15%, and imports went down from \$23 billion to \$15 billion, the head of the São Paulo State Industrial Federation, Luis Eulalio Vidigal, told a New York business luncheon during late September. Today, 8 million workers are unemployed—15% of the work force. This austerity must be reversed—and fast—he warned: "Tensions are mounting every day. . . . For Brazil to grow rapidly again, capital transfer abroad must be slowed."

He added: "I showed the bankers that there are two Brazils: the Brazil of the dollar which is paying its accounts, and the Brazil of the cruzeiro which is having problems."

Space

NASA agreement proposed by 3M

The Minnesota Mining and Manufacturing Company has proposed a 10-year agreement with NASA for the commercial use of space, including experiments aboard as many as 72 Space Shuttle flights, the company announced on Oct. 2.

The agreement with NASA would allow

3M to perform basic research in organic and polymer science, specialties of the company, and would enable the company to assist NASA in developing a chemistry laboratory aboard the \$8 billion space station planned to be operational in the early 1990s.

Lester C. Krough, vice president of research and development, said the agreement would establish a relationship between 3M and NASA designed to produce the widest possible dissemination of scientific information of benefit to the country, while providing 3M with proprietary technology aimed at development of commercial products. It is hoped the agreement will be completed and approved by the end of the year.

For the interim, 3M has signed a two-year agreement allowing the company to conduct experiments aboard one Space Shuttle flight this year and one next year, and also to participate in NASA's "Getaway Special" program, which allows placement of self-contained experiments in special containers located in the shuttle's cargo bay. The first experiment, designed to grow organic crystals in near-zero gravity, is scheduled for launch in early November. The second, scheduled for March 1985, is designed to study the creation of thin crystalline films formed from a vapor produced from organic solids. A third experiment will test the effects of near-zero gravity and vacuum on the directional growth of micro-crystals in thin organic films, and is tentatively scheduled for next August. 3M is also interested in studying the photo-optical, magnetic, and other properties of crystals to see how they might be used in advanced products in electronics, videotapes, and computers.

NASA and 3M announced plans last February for a joint research program that could develop into a joint production facility, making 3M the first tenant on the space station.

U.S. 'Recovery'

Mayors report housing crisis

Boston Mayor Raymond Flynn says low- and moderate-income families are running out of affordable housing. Flynn made the

Briefly

comment on Oct. 2 in Washington as he and other mayors asked for more federal assistance for housing.

The mayors described tight housing conditions at a meeting of two House subcommittees, and backed up their comments with a report from the U.S. Conference of Mayors held this past summer. The report says that a survey of 66 cities showed the demand for housing assistance is rising but aid continues to be inadequate.

The report says the demand for housing assistance is so large that 61% of the cities have closed their waiting lists. The cost of modernizing the existing public housing was estimated at \$1.7 billion. And, 89% of the cities said the private sector cannot solve the housing problems without subsidies.

Flynn said that the median rent in Boston went up 16% during the past year and that the vacancy rate is 2%. He said families are having trouble finding "safe, decent, and affordable" housing.

Chicago Mayor Harold Washington said in a written statement that 23,000 people are on the waiting list for housing in his city, and that Chicago has lost 70,000 housing units in the last 10 years.

Washington said the federal government should direct more housing assistance to low- and moderate-income neighborhoods with an emphasis on rehabilitation.

Austerity

State Department plans murder of Israeli economy

Syndicated columnist Jack Anderson leaked the details of an internal State Department policy paper on the demands planned by a State Department task force on the Israeli economy for Israeli Prime Minister Shimon Peres and Deputy Prime Minister Yitzhak Shamir during their visit to Washington in mid-October.

According to Anderson, Secretary of State George Shultz will insist on:

- "comprehensive" across-the-board budget cuts, including defense, education, and social services;

- an agreement that these budget cuts

be "irreversible" and not subject to complaints by the Israeli population about austerity;

- the transformation of the Bank of Israel into an Israeli version of the U.S. Federal Reserve Bank;

- the "privatization" of large sectors of the Israeli economy and ending of government subsidies on many items;

- the termination of cost-of-living allowances that have until now allowed workers to receive wage levels commensurate with the growing rate of inflation.

The effects of such austerity pressure in Israel are being reflected in decisions made by the Peres-Shamir "national unity" government prior to the upcoming Washington trip. According to the Sept. 26 *Jerusalem Post*, the budget of the Israeli Energy and Infrastructure Ministry is being slashed by 10%, with most of these cuts hitting the Mediterranean-Dead Sea canal project, an ambitious plan that involves creating a grid of nuclear plants along a canal to be built between the two seas. The new cuts may kill the project altogether.

Ibero-America

IMF deal hits Argentine labor

The Argentine government decreed savage wage cuts and increases in domestic interest rates on Oct. 1 to implement the deal signed with the IMF last week. During each of the next three months, wages will be raised by only 14% against an inflation rate of 27.5% in September. Inflation will rise further as the government implements other IMF provisions to raise prices for public utilities by 10% in real terms and removes subsidies from basic necessities. Also contributing to inflation and depressed conditions is the tight money, including a 1.5% increase in internal interest rates.

The labor movement declared itself in a "state of alert" to plan general strikes or mass demonstrations to respond to the Alfonsín government's betrayal of its promise to raise real wages by 6% this year. The unions claim wages were reduced by 21% during the June to September period.

- **THE GUYANESE** government, to meet debt payments under IMF conditionalities, has banned the import of food. Prime Minister Desmond Hoyte stated on Oct. 1: "We must continue to confront and oppose resolutely the benighted persons in our midst who still yearn for wheaten flour, sardines, and apples."

- **THE BRAZILIAN** Association of Commercial Banks (ABBC) has signed a letter of intent with American Express which affiliates another 29 small and medium commercial banks to the latter's international networks. The agreement will create a means for foreign banks to bypass Brazilian laws blocking direct participation of foreign financial institutions in Brazil. The ABBC is a strong advocate of Brazil's international creditors "converting at least part of their loans into direct investments."

- **ARTURO ROMO**, one of the leading spokesmen of the Mexican Confederation of Workers (CTM), called on President de la Madrid to fulfill his role as leader of the nation. Romo, speaking in CTM president Fidel Velázquez's name, told the General Assembly of the CTM on Sept. 28 that "the [debt] crisis not only threatens the people's material levels of life but also their liberties." Romo said that the workers "had held back their legitimate demands because we understand that a bankruptcy of the economy of the country could mean falling into political chaos. . . ."

- **FRITZ LEUTWILER**, in a long interview with West German magazine *Der Spiegel*, claimed that the debt bomb has been defused, and the debt problem is now under full control, but that not one inch of progress has been made toward solving the fundamentals of the debt crisis. "The real bomb is the social and political situation of debtor countries, [which] has worsened, on balance, not improved." But, said Leutwiler, "I want to keep them under pressure: no debt forgiveness."

Schiller—the poet of freedom for the defense of the West

by Helga Zepp-LaRouche

We publish here the keynote presentation of Helga Zepp-LaRouche to the Second International Conference of the Schiller Institute, held in Wiesbaden, West Germany on Sept. 22. The speech is translated from the German.

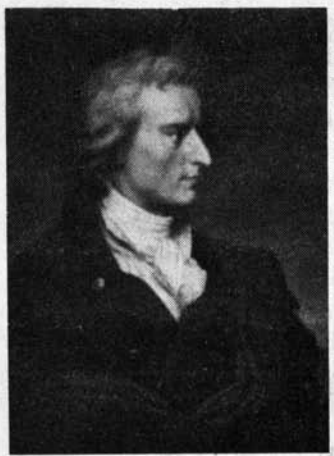
We have come to one of the turning points in history, when very great decisions are made, and the greatest issues of mankind are at stake. We have reached a point at which not only are borders being redrawn, but entire empires are supposed to be newly divided, and we could lose the entirety of human civilization because of the illusions of those involved. Perhaps we will only lose Western civilization, but that is certainly no consolation, for humanity would be thrown back some 3,000 years.

As things have turned out, this second international conference of the Schiller Institute here in Wiesbaden has become a decisive point of crystallization for the battle over these great issues. For you are not the only ones who are engaged in the subjects we will be discussing here, ladies and gentlemen: Many of those who rule this world, who, of course, would have preferred to do their business behind closed doors, are also at work, while the Schiller Institute was the only force to kindle the debate around the issues that are so crucial for our future.

And so, we can be quite confident of having the unusual honor that no small number of centers of power on the planet will be following this conference with the greatest attention.

In the last weeks of preparations for this conference, we have run up against the not surprising realization, that Moscow considers the efforts of the Schiller Institute and especially this conference to be the most important threat to its own plans. Just at the time that the Soviet Union sees itself within grasp of its ultimate goal, the decoupling of Western Europe from the United States, the Schiller Institute sets a powerful counterpoint for the rescue of the Alliance, and especially for a regeneration in content of the Western Alliance!

Since Moscow has recognized the catalyzing effect of the entire idea of the Schiller Institute, that we are actually in the process of bringing together the best



The Second International Conference of the Schiller Institute in Wiesbaden, West Germany, held under the banner "For the strengthening of the Western Alliance." Helga Zepp-LaRouche is seated, center.

republican forces of the United States, Western Europe, Ibero-America, indeed the entirety of the free West, under a new impulse in the spirit of the American Revolution and the humanist ideals of the German classical period, precisely for this reason, Moscow has muscled all the levers and points of influence at its disposal into motion against us. As we have been told by various well-informed sources, Moscow reportedly made it a condition of the forthcoming meeting between Reagan and Gromyko, that the U.S. administration avoid any public association with the Schiller Institute!

But the list of people among the decoupling faction in the West that have marched to the front against this conference is considerable, too. As we can prove, the U.S. State Department attempted to prevent the success of this conference, along with the U.S. embassy in Bonn, the West German foreign ministry and—against the explicit policy of U.S. Secretary of Defense Weinberger—the undersecretaries in the Pentagon, Fred Iklé and Richard Perle, along with McGeorge Bundy representing the entirety of the Eastern Establishment, and, not least, Lord Carrington. And look at the rumors circulating, look at how many people were put under pressure, how overburdened the telephone lines have been, how many people were set into motion!

The 'New Yalta' deal

What is the explanation for this extraordinary show of force, just what is the raw nerve that we have hit directly on target?

The reason which gave the impetus to the founding of the Schiller Institute is a now obvious, unmistakable reality: The

"New Yalta" agreement between the Soviet Union and the oligarchical forces around Carrington and Kissinger, according to which the spheres of influence of the superpowers in the world should be redistributed, has gone into its full operational phase. While the infamous article by Henry Kissinger, published in *Time* magazine on March 5, was only the first barrage, the decoupling Kissinger appealed for is now in an advanced stage of development, namely that Western Europe is supposed to be sold out to the Soviet Union, according to this group's plans.

The chorus of voices of those who view NATO and the Western Alliance as a thing of the past is myriad. There are those, like McGeorge Bundy, the uncrowned chieftain of the Eastern Liberal Establishment, who voiced the opinion during a public meeting recently in Baltimore that the West could get along fine with a Soviet occupation of the Federal Republic of Germany, but that it would be a hollow victory, of no great import even for the rest of Europe. There are those who openly talk about letting "the old, used up and pessimistic Europe" drop, like [former Montana Senator] Mike Mansfield or former Assistant Secretary of State Lawrence Eagleburger, and others who are offering the same American disengagement in various other delphic packages. This group includes Vernon Walters, who claims that the United States would have to withdraw troops from Western Europe in order to credibly show Western Europe that America is committed to fight the communists in Central America.

Last but not least are those representatives of the New Yalta in influential positions in public office, who think it is now opportune to pay lip-service to the Western Alliance, at

least for the next few weeks, and who are meanwhile using the power of their offices to turn the decoupling of Western Europe into practical reality, in direct and indirect agreement with Moscow. Among these people are Fred Iklé and Richard Perle in the Pentagon, Arthur Burns at the U.S. embassy in Bonn, and Lord Carrington in NATO.

A further dangerous step toward consolidation of the New Yalta agreement was taken during Carrington's recent trip to the United States, at meetings in the Georgetown Center for Strategic and International Studies and in the context of Kissinger's founding of the "Grand Strategy Forum." Here additional moves were agreed upon, among them another push by Sen. Sam Nunn (D-Ga.) to negotiate for a quick withdrawal of U.S. troops from Europe this year, as well as the proliferation of studies of the military options of the United States once the decoupling has been accomplished.

President Reagan, Defense Secretary Weinberger, Director of the Strategic Defense Initiative Lt. Gen. James Abrahamson, and part of the U.S. military do not understand what the game is. It was urgent after the recent Soviet maneuvers that NATO Supreme Commander Gen. Bernard Rogers warned, and repeatedly so, that any conventional attack by the Soviet Union against Western Europe would be answered with the full nuclear potential of the U.S.A. Under the doctrine of Mutually Assured Destruction (MAD), the American nuclear umbrella still represents the only effective deterrence. As long as President Reagan, and the combination of Defense Secretary Weinberger and General Abrahamson are in power, Moscow will surely think twice before starting a global nuclear war.

But if Mondale should win the election, which is highly unlikely, but cannot be totally ruled out, or if Kissinger becomes a dominant influence in the next [Reagan] administration, the withdrawal of U.S. troops would be a *fait accompli*. The 250,000 U.S. soldiers who are here with their families, are currently the guarantee that the United States is serious about defending Western Europe. If these troops were withdrawn, it is highly unlikely that the U.S.A. would react to a Soviet attack. Moscow would then have the choice between a relatively low-risk military operation, or the total Finlandization of Western Europe, where Western Europe would be degraded to the status of an East bloc satellite.

Paralysis in Washington

The greatest problem, which could turn out to be a fatal problem, is the total paralysis of the administration over the course of the election campaign up to Nov. 6. Reality has been declared tabu for the time being; neither the debt crisis in Latin America nor the crisis of the domestic banks, nor the beginning of an agricultural crisis, with the ensuing food shortages in the United States, not to speak of the real military dangers, can be discussed, because such subjects do not fit in with the desired image of a President who wants to be reelected—or at least, that is what his advisers claim.

The degree to which reality is blocked out of the Reagan administration has reached clinical proportions. In addition, most of the original conservative, patriotic team around Reagan, for example, press spokesman James Brady or the former National Security Adviser William Clark, have been driven away over the last year by various operations, and instead a regular palace guard, consisting of James Baker III and Michael Deaver, has hermetically sealed off President Reagan, so that many of his most loyal supporters and friends no longer have any direct access to him.

In the meantime, people in the Reagan camp are consoling themselves that at the moment the only thing that counts is Reagan's reelection, and that after November Reagan will solve all of the problems.

In certain circles of the Eastern Establishment, however, it is taken for granted that Reagan will be reelected, but that this second Reagan administration will be completely controlled by the Establishment, and the cabinet will be occupied by the present members of the palace guard. Kissinger, especially, is supposed to get an influential position, either as Secretary of State or as special envoy between East and West for disarmament negotiations, so to speak with the title of "Mr. Yalta." One of the reasons why the decoupling faction is so enraged, is that they also see this conference as a real threat to Kissinger's comeback.

In any case, it is not in the cards for President Reagan to have the opportunity, after his reelection, to seriously solve any problem, not to speak of initiating a "Manhattan Project"-style crash program for the implementation of the Strategic Defense Initiative. Instead, the option which is foreseen is that Reagan and his closest political advisers can be hit at any time with an Abscam type of financial scandal. The Watergate of the second Reagan administration will make the Watergate of Nixon look like a kindergarten birthday party.

We have the so-called Kissinger Commission for Central America to thank for the fact that the United States presently has fully worked out plans for military operations in Central America. Not only General Gorman, a close confidant of Kissinger's and chief of the U.S. forces in the Caribbean, but also former NSC head Richard Allen and State Department roving envoy Vernon Walters are forcing such a military operation for the near future, and the think tanks of the Eastern Establishment have managed to condition a large part of the Republican Party and President Reagan himself into believing that immediately after the elections a dramatic clean-out operation against communist forces in Nicaragua, possibly El Salvador, and probably even in Mexico, has to be carried out.

The latter, unfortunately, is one of the most probable options that the New Yalta group intends to use to get the decoupling of Western Europe from the United States really rolling. That real provocations, coordinated with Moscow, are to be the pretext for sending U.S. troops to Central America, and then lead to a partial withdrawal of U.S. troops from

the Federal Republic of Germany, is just what Vernon Walters has already announced.

If the Soviet Union were to exploit this moment, either to launch a full-scale Berlin crisis or a conventional attack against Schleswig-Holstein in northeastern Germany, what would the reaction be of a—Kissinger-controlled, of course—U.S. administration?

Oh, certainly the harshest words of protest would fly

“The situation in the Federal Republic has been described by Western observers for some time as hopeless, and if we were to take the official reactions to this conference as a yardstick, one might well come to that conclusion. But the Schiller Institute has gotten it into its head that it is going to turn the rudder around.”

around, perhaps there would even be threats of military retaliation measures and ultimatums, but would the United States under Henry Kissinger’s aegis really use its strategic nuclear forces for the sake of Schleswig-Holstein? This is not only doubted by many in the United States, but also in Western Europe, and especially in the Federal Republic of Germany, given the American behavior around the building of the Berlin wall and after the Cuban Missile Crisis.

If we look at the situation in Western Europe, it becomes clear how much the Western Alliance is hanging by a silken thread. The situation in the Federal Republic has been described by Western observers for some time as hopeless, and if we were to take the official reactions to this conference as a yardstick, one might well come to that conclusion. But the Schiller Institute has gotten it into its head that it is going to turn the rudder around.

One thing is certain, in any case, and that is that a coalition between the Green Party and the Social Democrats (SPD) would pull the Federal Republic out of NATO.

Since President Mitterrand was in Moscow in June, and made a global agreement which not only involved a deal with Libya for all of North Africa, but also included breaking off German-French discussions for strengthening joint defense—which means nothing other than the fact that France, in the case of a superpower confrontation, would strike out on a “third way”—France has dropped out as a pro-Western factor.

If we listen to Italian Foreign Minister Giulio Andreotti’s latest utterances, that “pan-German” tendencies represent the greatest danger to peace in Europe, which in no way are all that different from the propaganda emitted by Radio Moscow, then the extent of the already existing crisis between Europe and the United States becomes clear. And we have not even mentioned the corresponding events in Greece, Spain, Portugal, Belgium, Holland, Denmark, and Norway.

It takes no great force of imagination to recognize how, in this already very tense situation, a military operation by the United States against Nicaragua, a country with which France has very close relations, or a series of similar developments, could become the trigger for a final break. The Western Alliance is hanging by a silken thread!

No, such a danger does not exist, insist the Kremlinologists and spokesmen of the New Yalta. For months they have been producing volumes of information and proliferating, with some success, the political line that the Soviet empire is so weakened and on the verge of collapse, that the corrupt and factionally fragmented leadership could not dare launch an attack against Western Europe, because all of the nationalities and ethnic minorities in the entire East bloc would revolt and overthrow the Moscow leadership. And it seems as though the palace guard has succeeded in making this analysis plausible to President Reagan, as his repeated references to the invalidation of the old Yalta agreement and new hopes for a “rollback” indicate.

The Soviet imperial drive

This thesis of the crumbling Soviet empire, which, you will recall, has been prognosticated by Kissinger and Sonnenfeldt for a number of years for the year 1985, is not only very dangerous, it is the material out of which world wars are made. If history has proven anything, it is that it is highly suicidal to bet everything on the idea that the aggressor, the expansionist adversary, will collapse as a result of his internal weaknesses.

Such a line becomes totally irresponsible if it not only denies the real danger, but also risks the lives of countless people in the East bloc. For the West has no serious policy of liberating the populations of the East bloc—no one has doubted that since the uprisings in Hungary in 1956 at least.

Certainly, there exist tensions between Moscow and various forces in the East bloc, that much is obvious; but to conclude from that that Moscow is collapsing not only ignores the character of the present Soviet system, but also its capability of launching large scale deception maneuvers, among which one can count the whole drama of the supposed trip of East German chief Erich Honecker to Bonn.

And that brings us to the crux of the matter: What is the character and intention of the Soviet Union, and from what standpoint must we consider this intention as a threat, and from which standpoint can we live with this threat?

Now, most of you know that the clear position that the

Schiller Institute has taken on this issue has earned us a flood of slanders, and we have been called an almost inflationary number of names, like "cave men," the way *Izvestia* puts it, which was only the most perverse, because the slander was aimed at our support for beam weapons, the most developed technology, and not clubs. So I would like to tell you that all of the slanders against the Schiller Institute say much more about the enemy, and not very much about us. Because, as far as the evaluation of the Soviet Union is concerned, there is indeed a criterion of truth.

No one who takes the trouble of looking at the evidence can deny that the Soviet Union is in the midst of a large-scale preparation for war, following the years of so-called détente policy and the conclusion of the SALT and ABM treaties, which gave the Soviet Union superiority in almost all fields of conventional and nuclear weapons systems, up to a superiority of 3 or 4:1.

It became clear during the most recent maneuvers in July, which were the largest since the Second World War, that the Warsaw Pact has achieved not only a very close coordination of its command structure, but that the focus of the maneuvers was a surprise attack, without prior mobilization, against Western Europe. This surprise attack would destroy the tactical nuclear capability of NATO, using an optional combination of land, air and marine units combined with massive Spetsnaz sabotage actions. The discussion in the literature of the Soviet general staff, which puts the emphasis upon the priority of nuclear weapons in the same surprise attack orientation, must absolutely be included in this picture.

Not only does the full military mobilization of the economy, where the absence of military vehicles in the harvest was only one of the most spectacular measures, speak for itself. Only a dreamer can misunderstand the propaganda of Moscow: Reagan is no new Hitler, as Moscow claims, and also no war hawk—the Reagan administration will spend 7% less than Carter on its military budget. The Bonn government harbors no revanchism or militarism, nor has it the intention to annex East Germany. If one really wanted to tell the truth, one could only accuse Bonn of loss of sense of reality, of impotence, naiveté, and mediocrity. No, this revanchism campaign against the Federal Republic has one purpose, which any alert observer can recognize immediately: to provide the excuse for a possible military attack against the West.

No, it is often argued, the Soviets hardly need to move militarily, since the West will anyway soon fall into their laps. Of course, Moscow would prefer to bring the Federal Republic, Western Europe and finally the whole world under its hegemony; but it is also determined to sacrifice the Federal Republic and even East Germany, if necessary. It should be clear to anyone who doesn't want to be totally blind that Moscow is preparing both options. Naturally they would prefer the modern Neville Chamberlains serve them up the whole world piece by piece, on a silver platter; but the fully mobilized war machine is exactly the means by which to generate the terror needed to make the West capitulate.

Moscow thinks it is near its goal, the achievement of Soviet hegemony over the world, within which the U.S.A. is to be reduced to a third-rate power restricted to the Western Hemisphere, while the Soviet Union enjoys hegemony over all of Europe, Africa, and Asia.

The dynamic involved has very little to do with what left-wing students think of as Communism. The Soviet Union is ruled by an oligarchical elite, whose cultural matrix derives from the tradition of the Byzantine theocracy and the racist, imperialist doctrine of the Russian Orthodox Church, of Moscow as the Third and Final Rome, the center of a new world empire. Seen in this way, it makes perfect sense why Moscow supports the worst, most reactionary movements, whether separatist, ecologist, or fundamentalist. This is just a reflection of the imperialistic strategy to break up the rest of the world into small regions, which never can develop sufficient strength to challenge the dominant power.

Germany and Western culture

But what is obviously the most difficult thing for most people to understand, is the striking fact that the Soviet Union, from the beginning of its existence, and today more than ever, sees Germany as the key to the attainment of world hegemony. As soon as the Soviet Union has brought the Federal Republic under its power, whether by a limited military operation or a capitulation in the style of Egon Bahr, Horst Ehmke, and Oskar Lafontaine ["decouplers" from Germany's Social Democratic Party—ed.], Europe's back is broken: Without the Federal Republic, Western Europe is impossible to defend. Notwithstanding the high level of blindness to this fact in the West, the actual calculation of the Soviets is very simple: When the West European industrial and labor power potential is added to that of the Warsaw Pact, Moscow achieves such unbeatable economic power—and hence, military power—that world dominion becomes assured.

Some people are not at all worried about this perspective. [Saarbrücken Mayor] Mr. Lafontaine, for example, stated recently that it would not be so bad to live under the same system as East Germany. And at the Leipzig Fair, no less, [SPD parliamentary caucus chairman] Mr. Ehmke declared that the time had finally come to overcome the division of the working class—which in plain words means, submission to Moscow's rule.

Now, if you follow out the consequences of this proposal, how will the world look in 30 or 50 years? Assuming that the planned division and defeat of the West doesn't lead to World War III, which is hardly to be taken as given, then the entire world would be plunged over the next decades into a hell of hunger and epidemics in the southern hemisphere, and into a cultural New Dark Age. Compared to the conditions which would then exist in Western Europe, the present situation in Poland would seem a paradise. The German language would become a dead language like Latin. Given the negative birth rates, hardly any Germans would be left. The former "Nation

of Culture” would have lost all vitality in the new system, just like all the other nations of Europe.

In one or two generations, China, whose population would have reached one and a half billion people, would probably be the only problem for the Soviet empire. At the point, at the latest, the next catastrophe would hit. But the world would long have been a sad place. For, however much the various cultures of this earth possess this or that advantage, the disappearance of Western culture from the Earth means not only that the jewel of human creativity would be squandered, but also the loss of the only philosophical tradition within which a rigorous definition of truth is possible. The world would literally be cast back to the pre-Socratic, pre-Christian mystical world view.

But, what is the reason why only a small part of the population has even an approximate grasp of this danger, apart from a reasonable faction in the Western military who sees the Soviet menace from a purely military standpoint?

The problem is that far too many people are no longer a part of the culture we are about to lose; they no longer even know it. A large section of the population of the West, in America just as in Europe, no longer partakes of Western European culture, but has long since fallen victim to the same Gnostic world outlook which underlies the present Soviet thrust for world hegemony.

The moral crisis of the West lies in the fact that most people are concerned, not with our freedom, our nation, and the truth, but only with themselves. Whoever only cares about his private life, who cynically just thinks about his or her personal career, his or her personal advantage—that person’s soul has become too small for the great issues of mankind. The mental wasteland of our television society can be characterized epistemologically as follows: Only a few people accept the individual search for truth as their passionate task, in the way Friedrich Schiller described the philosophical mind in his lecture on Universal History.

Instead, a mass of Gnostic cults has spread, in which concepts such as truth and development have no place. Here instead are various confused visions of a dualistic world view, of the eternally recurring cycle and a personal indifference to the coexistence of light and darkness.

“Survival, not development” is the central preoccupation of mankind, according to all the environmentalist movements, the Club of Rome, the systems analysts and so forth, through to the various spiritualistic groupings, from believers in parapsychology to the countless fundamentalist religions.

Although these cults always pop up with new faces and names, they always come down to nothing but the same old “back-to-nature” current, the old “Mother Earth” cult, in which local mythologies are interwoven with the cyclical, pre-Christian world view and from which every variety of “motherland feelings,” of romantic navel-contemplation and racist blood-and-soil ideologies spring up.

This is the same garbage which Nietzsche revived. And just as before, the basis for the Gnostic outlook is a deep

cultural pessimism, a complete lack of belief in the perfectibility of man. It makes not the slightest difference, from this standpoint, whether one lives in a West dominated by Gnostic, oligarchical elites, or a Soviet empire dominated by Gnostic, oligarchical elites. If one has no culture, one has nothing to defend. For this Mr. Lafontaine is the best example.

Schiller’s concept of freedom

The Schiller Institute is so named, because for us, as for our great poet, there is no higher value than the republican freedom of the individual in a world of sovereign republican nation-states.

Schiller’s life and work, his plays, poems, historical and philosophical writings, are a fiery appeal for human freedom, a heroic attack on every form of tyranny which degrades citizens to mere subjects. Undaunted by the arbitrary power of the absolutist oligarchy of his time, he illuminated the schemes and inhumanity of the leading regimes, who exploited the national divisions and feudal separations for their own benefit. With astonishing insight, he uncovered the tricks of the contemporary oligarchy, and what means of thought control they sought to exercise over their subjects, from the manipulations of magicians described in the “Ghost-Seer,” to the Jesuits, from the centuries-old Inquisition in all its forms to the Freemasons—in brief, no means of spiritual subjugation remains unexamined in Schiller’s works.

One can imagine the fear of God which the oligarchs of his time experienced when they read his works, if we use the standard of the reactions of today’s decoupling faction: With what furor they react as we rally in our struggle for freedom under the banner of Friedrich Schiller!

Thus, in his 1787 ode “To Joy,” Schiller wrote more than a wonderful hymn to the potential of human society; the last stanzas of the final chorus run:

Festen Mut in schwerem Leiden,
Hülfe, wo die Unschuld weint,
Ewigkeit geschwornen Eiden,
Wahrheit gegen Freund und Feind,

Männerstolz vor Königsthronen—
Brüder, gält es Gut und Blut—
Dem Verdienste seine Kronen,
Untergang der Lügenbrut!

(Let these solemn words be spoken:
Firm resolve where Evil strike!
Oaths that shall remain unbroken,
Truth to friend and foe alike!

Pride before imperial power—
Cost us, brothers, what it may—
Truth in her triumphal hour,
Falsehood on its final day!)

And, in the poem "The Evil Monarchs," we read:

Berget immer die erhabene Schande
Mit des Majestätsrechts Nachtgewande!
Bübelt aus des Thrones Hinterhalt,
Aber zittert für des Liedes Sprache,
Kühnlich durch den Purpur bohrt der Pfeil der Rache,
Fürstenherzen kalt.

(Let your tow'ring shame be hid from sight
In the garment of a sovereign's right,
From the ambush of the throne outspring!
Tremble, though, before the voice of song:
Through the purple, vengeance will, ere long
Strike down e'en a king!)

The poet for all nations

Friedrich Schiller, Germany's great republican poet, was born on Nov. 10, 1759, the son of a captain in the army of the duchy of Württemberg. Although in his 46 years of life he never traveled outside his native land, Schiller—the "patriot and world citizen"—is beloved by many nations and claimed by them as their "national playwright." His plays examine the struggle of each of the countries of Europe to overcome absolutist feudal privilege and establish republican nation-states.

Germany's love for Schiller is best expressed by Ludwig van Beethoven, who took the poet's ode "To Joy" ("An Die Freude") as the text for his Ninth Symphony, and intended for the opening recitative the words: "Let us sing the song of the immortal Schiller."

Although the young Schiller wanted to study theology after graduating from the Latin School in Ludwigsburg, the autocratic Duke Earl Eugen of Württemberg forced him to attend the newly established Military Development School from 1773 to 1780. It was there that Schiller wrote his first play, *The Robbers*. Its first performance in Mannheim in 1782 was a smashing success.

Enraged at the republican content of the young man's writings, the duke forbade him "from writing all comedies and poems," threatening him with imprisonment if he disobeyed. Schiller fled Württemberg for Mannheim, where he became Theater Director in 1783.

In 1785, he moved to Leipzig and then to Dresden, writing, studying philosophy, and beginning his historical studies. In 1788, he became a professor of history at Jena University, where he delivered his famous inaugural lec-

ture, "What Is World History and To What End Should It Be Studied?"—one of the greatest statements in world literature.

Again and again we hear the argument that Schiller was just a poet, that one should abstain from relating his work to the political problems of the present. Whoever argues in this way forgets that Schiller's poetical works and writings are probably the most highly political ever written in the German language down to this very day, and that Schiller himself characterized the attainment of true political freedom as the highest work of art. He referred directly to the political circumstances of his day, in a Germany split into 300 tiny oligarchical principalities, when he wrote in "On the Sublime":

Freedom in all of its moral conflicts and physical evils is for the noble soul an infinitely more attractive drama than prosperity and order without freedom, where the sheep patiently follow the shepherd, and the self-ruling will is degraded into becoming the sub-



Among Schiller's other best-known works are: *The Conspiracy of Fiesco at Genoa* (1783), *Intrigues and Love* (1784), *Don Carlos* (1787), *History of the Revolt of the Netherlands* (1788), *History of the Thirty Years' War* (1792), "The Cranes of Ibykus" (1797), *Wallenstein* (1800), *Maria Stuart* (1801), *The Maid of Orleans* (1801), *The Bride of Messina* (1803), *Wilhelm Tell* (1804), and the unfinished *Demetrius* (1804-05).

servient part of a clockwork mechanism. The latter makes man into merely a clever product and happy citizen of nature; freedom makes him into a citizen and co-ruler of a higher system, where it is infinitely more honorable to take the lowliest place, than to lead the ranks in the natural order.

Furthermore, every single drama written by Schiller deals with the great questions of personal freedom, and almost always with republican national sovereignty. From *The Robbers*, subtitled, "In Tyrannos," all the way to the unfinished *Demetrius*, Schiller's stage becomes a tribunal, before which the reckless whims of despots, the corruption of the powerful, and the suppression of human rights are judged.

In *Intrigues and Love (Kabale und Liebe)* he bitingly ridicules the sale of the Hessian youth into military service against the American Revolution. This earned him an immediate ban on the performance of the play. In *Don Carlos*, the Marquis of Posa, the "ambassador of mankind," pleads with the world ruler of the time Philip II, to restore "the lost nobility of man," to be himself a king among millions of kings, a truly republican idea. The appeal, "give them freedom of thought, Sire," became for all time the measure by which every system must be judged.

The *Maid of Orleans* led her people to victory against foreign oppression. Schiller could not stand to see this champion of the Idea of Freedom disfigured by the droolings of Voltaire. "What is innocent, holy, humanly good, if not the struggle for our fatherland?" says Joan. But, also, "Despised be the nation, which giveth not all, joyfully, for its honor."

The defense of freedom, of natural law against tyranny in *William Tell* addressed the political issue so directly, that the play was forbidden in the Third Reich.

The idea of republican freedom which Schiller defended is the essence of European civilization's contribution to human development.

The idea of the *Filioque*—anticipated by Plato and explicitly articulated in Augustinian Christianity—that the Logos, the will of God, proceeds both from the Father and the Son—allows man, through the gradual perfection of his knowledge, to grasp the lawfulness of universal creation in ever greater fullness. Truth is not particular knowledge at a given level, but man's capacity for creative thought, for the higher hypothesis, as reflected by the process of perfection of knowledge.

This divine spark is in each and every one of us; its development constitutes the essence of the individual personality, the individual soul.

The Judeo-Christian concept of the individual soul, which is missing in every collectivist totalitarian state, is the essence of Western civilization—the concept from which the idea of democratic republicanism, rooted in natural law, derives. Only this notion of the individual soul participating in the universal creative process can be the basis of the

concept of inalienable human rights, the idea of the inviolability of human freedom.

Nowhere is that divine spark more gloriously celebrated than in Schiller, and it is no accident that Beethoven in his Ninth Symphony translated this particular poem into the most beautiful musical language:

Freude, schöner Götterfunken,
Tochter aus Elysium,
Wir betreten feuertrunken
Himmlische dein Heiligtum.
Deine Zauber binden wieder,
Was die Mode streng geteilt,
Alle Menschen werden Brüder,
Wo dein sanfter Flügel weilt.
Seid umschlungen, Millionen!
Diesen Kuss der ganzen Welt!
Brüder—überm Sternenzelt
Muss ein lieber Vater wohnen.*

(A literal rendering of these lines, which however fails to capture their musical quality, might read: "Joy, fair godlike spark, / Daughter of Elysium, / We enter, fire-enraptured, / Heavenly one, into thy holy presence. / Thy enchantments bind anew / What custom has ripped asunder, / All men become brothers, / Where thy soft wings linger. / Be embraced, millions! / This kiss to the whole world! / Brothers—above the starry tent / must a loving Father dwell."—ed.)

That's it, joy is the spark of God, the divine spark in each of us! And is it not true that only the man who is good, as the republican concept of humanity defines good, is truly capable of experiencing joy? Joy over growth and development, over new discoveries, over creative powers, over the advancement of the human power of reason?

And is not this human joy in creativity the greatest challenge to those pathetic cultural pessimists with their boring cyclical theories of eternal recurrence, whose only capacity for joy is malicious glee and cynicism?

It is natural to think that Schiller's "Freude, schöner Götterfunken" ("Joy, fair godlike spark") is meant not only to call forth a pun on the concepts "Freude/Freiheit" = Joy/Freedom," but also an association with Benjamin Franklin, who through his inventions in electricity as well as his organizing of the forces for freedom in Europe, was known as the Prometheus of the 18th century. Prometheus was the symbol of human freedom: He brought the tamed fire, useful energy, down to Earth and challenged the formidable oligarchy of the Olympian gods.

* Joy, immortal incandescence, / Daughter of Elysium, / Breathing fire from thy presence, / To thy temple-ground we come! / Whom the world estranged from others / Thy enchantments reunite; / Kings and beggars shall be brothers / Where thy gentle wings alight. / Be embraced, ye millions! Gather / Unto ye the kiss we sent. / Far above the Firmament / Must there dwell a loving Father. (Translation into poetic lines by David Goldman)

Schiller and the American Revolution

It is one of the most fortunate developments in human history that the American Revolution and the creation thereby of the first democratic republic, together with the German classic period, not only marked the highest point of the history of civilization, but also contained in the combination of these two elements the key with which the gate to the Age of Reason can be opened.

When today the decouplers on both sides of the Atlantic claim that both Europe and America have undergone an irreversible shift in values, and that for this reason a common basis for the Western Alliance no longer exists, this is only true if both continents have abandoned their best traditions, their true souls. For the ideas of the German classics and the American Revolution were absolutely identical. Indeed, German culture was so integral a part of the American Revolution, that to the degree to which German culture was the dominant influence in America, to that degree the idea of a free republic was more nearly realized; while, to the degree to which German culture was undermined and suppressed, America drew further and further away from its republican values and became a tool of the British empire.

How completely the German classics embodied the same ideas as the American Revolution, is exemplified by the following quotations. In the Declaration of Independence of the United States of America of July 4, 1776, we read:

We hold these truths to be self-evident: that all men are created equal; that they are endowed by their Creator with certain inalienable Rights; that among these are Life, Liberty, and the pursuit of Happiness.

That to secure these rights, governments are instituted among Men, deriving their just powers from the consent of the governed,

That whenever any Form of Government becomes destructive of these ends, it is the Right of the People to alter or to abolish it, and to institute new Government, laying its foundation on such principles, and organizing its powers in such form, as to them shall seem most likely to effect their Safety and Happiness. Prudence, indeed, will dictate that Governments long established should not be changed for light and transient causes; and accordingly all experience hath shown that mankind are more disposed to suffer while evils are sufferable, than to right themselves by abolishing the forms to which they are accustomed. But when a long train of abuses and usurpations, pursuing invariably the same Object, evinces a design to reduce them under absolute Despotism, it is their right, it is their duty to throw off such government, and to provide new Guards for their future security.

It is exactly these "inalienable rights" in natural law, which are the issue of the "Rütli Oath" in *William Tell*, the

drama destined to inspire both the German Wars of Liberation and the patriots of the American Republic:

No, limits tyrannical power does have, / When the repressed seeks in vain for law, / When the yoke becomes unbearable—He reaches / into heaven for his courage, / And takes his grasp upon his eternal rights, / That wave above inalienable, / And as imperishable as the very stars—/ The old state of nature returns, / Where man stands proud to face his fellow man, / And as a last resort, where no other avails, / To him is the sword bestowed—/ That which we hold most dear we may defend / against Tyranny—We stand up for our country, / We stand by our wives, our children!

"Every single drama written by Schiller deals with the great questions of personal freedom, and almost always with republican national sovereignty. . . . Schiller's stage becomes a tribunal, before which the reckless whims of despots, the corruption of the powerful, and the suppression of human rights are judged."

The connection between the idea of republican freedom, and the ideal of humanity in German classical culture, was seen by the European and above all the British oligarchy as the greatest threat to their system. They refused even for a moment to accept the loss of their most important colonies and the spread of humanist ideas. During the Revolutionary War itself, Britain attempted through various agents to knock Washington out of the saddle. The whole 19th-century history of America is characterized by the continuing British attempts to reverse the American Revolution and especially to root out the growing influence of German culture in America. It took them about 100 years to accomplish this.

Although the political forms of a democratic republic had been achieved, as Franklin and Washington knew quite well, the final goal had not yet been reached. "Now you have a republic. Make sure you keep it," said Franklin. For in his works, especially in the *Demetrius* fragment, Schiller put forward the challenge that the true purpose of a great and courageous nation was only realized, when that nation, "free in the most sublime perfection of its power, obeys that which is beautiful in humanity." For Schiller, the state is

only complete when power and beauty are merged into one.

This ideal can only be attained through the improvement of the condition of society, and an improvement in the political domain is only made possible through the improvement of the individual. Better concepts, purer principles, and higher morals must be introduced to the citizenry. Freedom is only guaranteed when the noble and sublime in the individual resists every form of external, despotic force, and when our "moral independence" stands up despite all outside pressure, even if the individual's own life is put on the line.

Schiller writes in *On the Pathetic*: "For a moral resistance against suffering is absolutely required of man, a resistance which can alone allow the principle of moral freedom, the intelligence, to make itself known in it." Only this moral independence, then, constitutes freedom, only thus can man harmoniously develop all his inner powers, and only when the citizens of a nation have achieved this principle of freedom within themselves, have developed themselves into beautiful souls, for whom freedom, necessity, duty, and passion coincide, is a nation truly free and the humanistic culture of the republic fulfilled.

Alas, how do we look today as measured against *this* standard! Where is moral independence, the unique mark of true freedom, in those who would rather lose Europe than a contact in some ministry? The cowards keep saying that the Schiller Institute is right in what it says, but one cannot stick one's neck out that way, one can't expose oneself to so much pressure! "Besides, influential people say that the Schiller Institute is very dangerous."

Dangerous for whom? Well, obviously for nobody except the Soviet Union, which sees the Schiller Institute as the only barrier to its plans for hegemony. One thing is certain in any case: If Europe is saved, in spite of everything—and the people in this room represent the hope that this can still be done—then the Schiller Institute will have played the decisive role.

Republicanism vs. the Holy Alliance

Looking back, we can say that Germany never came closer to the ideal of national freedom than in the period of the Wars of Liberation, in which Schiller's ideas were the most important influence, and which were a belated attempt at realizing his political goals. "Had he experienced the great German moment of the year 1813, he would have rejoiced at the spirit and courage with which our people fought and sacrificed," wrote Caroline von Wohlzogen, the sister-in-law and biographer of Schiller.

Against this explosion of longing for freedom in Germany, which brought us quite close to the goal of a republican revolution and attained a level of culture that was probably higher than any other nation had ever achieved, the entire European oligarchy conspired—the evil Castlereigh and despicable Metternich (who not for nothing are both heroes of Henry Kissinger), Talleyrand in his silk stockings, the oli-



In Schiller's *Don Carlos*, the Marquis of Posa pleads with King Philip II to restore "the lost nobility of man." Here Philip (right) is portrayed with his son, Don Carlos.

garchs of Venice and Genoa, of Switzerland, Prussia, and not least of Russia—to throw all Europe into the darkest reaction with the Holy Alliance.

Not only does the present "New Yalta" grouping utilize the model of the Holy Alliance (Kissinger's book, *Great Power Diplomacy*, is direct evidence for this); but the Congress of Vienna undermined the influence of the Prussian reformers in Russia, and prepared the way for the most violent ideological propaganda about "the Holy Russian race" and the thesis of Moscow as "Third and Final Rome."

The forces of the Congress of Vienna were not entirely successful, however. True, they succeeded in preventing German national unification, and the resulting disappointment of the German republicans would soon capsize into pessimism. But, while Wilhelm von Humboldt was overpowered by the Vienna intrigues, science flourished around the circles of Alexander von Humboldt and later in Berlin and Göttingen. These networks saved Lazare Carnot and French science from being suppressed. Germany then produced the most extraordinary scientists of the 19th century.

The intentions of the Congress of Vienna to smother the sparks of republicanism failed in another crucial respect. Following 1815 there was a tremendous wave of German

emigration to America. The role of German settlers in building the New World had already been substantial: The emigrants, often called "Latin farmers," were not only the most highly educated, had not only made up the largest contingent in the Revolutionary War, but it is even questionable whether the war against England could have been won without the German von Steuben, who became Inspector-General of Washington's army. Now, after the Congress of Vienna, a process of at least equal importance was set into motion.

The Germans in America

Indeed, many of the best minds, inflamed by the Liberation Wars with the republican desire for freedom, could not tolerate the reaction of the Holy Alliance. Having once tasted the sweet fruits of freedom, they experienced the weight of the nobility quite differently. Through the mediation of these emigrants, for whom Schiller was the champion of freedom, and through the already well-known Schiller translations produced by John Quincy Adams, the sixth President of the United States, the influence of German culture grew rapidly. Already by the third decade of the last century, the author of *Wilhelm Tell* was a beloved poet in America.

This enthusiasm over Schiller grew even more in the 1830s and 1840s, and when hundreds of thousands more emigrants arrived after 1848. These were mostly well educated, freedom-loving people who had experienced in their youth the ideals of classical literature, music, philosophy, and science. Exactly in this period, from 1850 to 1854, when the anglophile slave traders of the South threatened the unity of the Republic and almost completely took over the Democratic Party, there came a new wave of 700,000 German emigrants. These became the driving element in the opposition movement from which the Republican Party then grew, at the founding convention in Pittsburgh as well as in the election campaign of 1856.

As one witness to these developments wrote, "the moral commitment, the elevated sentiment and the enthusiasm of the masses" in that election were mostly due to German idealism, whose motive power was for the first time felt in American politics. "Its victorious, rejuvenating, and transforming power should show itself even stronger in the next election," the reporter continues. Yes, it was none other than the German-American Gustav Körner, who first recognized the purity of character and intellectual stature of Abraham Lincoln, who pushed through Lincoln's nomination for the presidency at the memorable convention in Chicago, and who thereby won over America once more to the principles of the American Revolution. A half million Germans joined the Union Army and contributed greatly to the Union victory.

The Schiller Festivals in America in 1859 were probably the greatest celebrations ever held for any poet. The German-Americans were quite conscious of the magnitude of the contribution they had chosen to make to their new homeland:

But our mission is to bring the deepest moral sense of joy into our lives in America, which so often de-

generates into bleakness or hysterical outbursts of mirth. Who was it then, who through tortuous mental struggles discovered and sang out the liberating, divine idea of true joy? Who but our German poets: Klopstock first, and then above all, Schiller? And who praised him so splendidly, with tongues never heard, as the salvation of humanity, as our Beethoven with his last Symphony?

Linked to the moral value of joy, however, is the German concept of moral pleasure. What struggles the German spirit went through, between the monastic tradition of immoral, hypocritical asceticism and the antique penchant for riotous lust, the inheritance of fallen empires, to finally discover through our great poet and thinker the true ideal of moral pleasure.

Joy and noble enjoyment, how could they live in our souls and shine into our daily lives, without the German conception of true freedom? Nowhere does the difference between German and Anglo-Saxon thought stand out more sharply than in their images of freedom.

It is most fascinating to study the contemporary reports of this period, because we see that they not only were conscious of the relation between freedom and joy, but knew the bitter opposition of England and the Anglo-Saxon ideology.

In 1894, the Chicago professor Göbel could assert:

And the educated German in America still reminds you joyfully that the entirety of American higher education, i.e., that of his English-speaking fellow citizens, is today under the influence of Germany. It is not only that there is not one truly solid educational establishment today in which the German language and literature are not taught, and in which the representatives of the various sciences have not benefited from specialized training in German universities; but also, in broader circles of the population the study of German is promoted with enthusiasm and devotion. This is not merely a matter of fashion; behind it, there is the suspicion or conscious knowledge, that only the German spirit can set free the highest aspirations of the American people and point the right way to further development.

He continued:

I mention all of this not to praise us Germans as Germans. But who can, in the face of the aforementioned facts, dare to call our American civilization Anglo-Saxon?

Designs of the British empire

This was one aspect of the development which panicked the British oligarchs, since they must have feared that they would lose their empire forever. The notorious racist Cecil

Rhodes had in 1877, at the age of 24, written that the British must found a super-secret society in order to set up a worldwide Anglo-Saxon empire, even if it were to take 200 years, just as the defeat by which America was lost in the American Revolution must be reversed. The new empire would reconquer America and occupy the rest of the world as a colony.

In the 20 years before the outbreak of the First World War, Great Britain intensified its effort to push this subversion to extremes and to harness America to its imperialistic plans. Accordingly, Britain saw in the influence of German culture its greatest obstacle, and began wilder and wilder anti-German tirades.

Economically, Britain had long since been beaten: America and Germany were the two strongest industrial powers, and even France, Russia, and Japan had surpassed Britain. The alliance between Hanotaux of France, German industry, and Russia's Count Witte was predominantly oriented to the economic theories of the Careys and Friedrich List, and had a Grand Design for the development of the whole Pacific. Had these tendencies been able to fully unfold, then the course of the 20th century would have run very differently.

But what Cecil Rhodes expressed in his "Last Will and Testament" was the same mind-set which was also shared by Lord Milner, Lord Roseberry, and many others. In England the Coefficients and the Roundtable were founded, a kind of crisis management group, which was supposed to solve the problems of the sinking empire. Bertrand Russell, H. G. Wells, and Alfred Mackinder worked out the concepts of geopolitics which finally led to the First World War. The same subversive operation was carried out in the United States under the name "New Commonwealth," which was financed by Rhodes; the National Civic Federation worked in parallel to it.

In the following period, England launched various destabilization operations, setting up Japan against Russia, which quickly led into the Russo-Japanese War. England likewise manipulated, from backstage, the Russian Revolution of 1905, as a result of which Count Witte was catapulted out of power in Russia; the Spanish-American War which not only drove a wedge between Germany and the U.S.A., but also served British interests; and the Boer War.

The Grand Design powers were destroyed, and developments took their course toward World War I. No historian today can maintain the theory that Germany alone was guilty and therefore that the Versailles Treaty was legitimate. Behind it were the oligarchical powers in all the participating countries, and the British had by no means the smallest share in that. The Second World War was in many respects merely the logical outcome of the first.

One of the drastic results of World War I, however, was the fact that the United States eventually, after an intensive campaign of the Anglophile imperialist powers, made the fundamental mistake of entering the war on England's side against Germany, which led to the first deep breach in German-American relations. A witch-hunt against everything

German set in, and German culture was rapidly displaced in America by pragmatism and positivism. This cleft between Germany and America was only aggravated by World War II and everything that ensued from it.

The role of the Schiller Institute

Therefore, there is no point of departure for a solution within the 20th century. We must go back to the concepts from which the American Revolution and the German Classics took off. Thus we must see to it that the "eternally inalienable rights of all men of this world" are guaranteed, that the absolute sovereignty of all nations is respected, and that as many nations as possible, and we hope someday *all* nations, will be organized as humanistic republics, which organize their foreign policy relations for the mutual benefit of all. In order to work in that direction, the Schiller Institute has adopted the name of "Institute for Republican Foreign Policy."

Let us enter into the solemn pledge to not only fight for the continuation and renewal of the Western Alliance—and if man but be of good courage, he can often achieve the seemingly impossible—but also to work to end for all time every form of imperialism, and that means above all that we must bring about a just world order that will make possible the urgently necessary development of the southern hemisphere.

But I am fully in accord with Schiller, that any improvement in politics is only possible through the improvement of the individual. We need nothing less than a new classical renaissance.

I therefore call for the Schiller Institute in the United States, in the Western European nations, Ibero-America, Asia, and Africa, and if reason triumphs, also in the East bloc countries, to be built up, alongside its existing tasks, as a cultural institute, organized somewhat along the lines of the model of the Berlin Academy of Sciences in the 19th century. This will make possible the interchange of the best products of Western culture, which can unify the different nations for the greatest challenges of humanity, and become a bulwark of freedom.

The next great step therefore should be the biggest Schiller Festival that has ever taken place, including the great celebrations of 1859, and precisely on Nov. 10 on the occasion of his 225th birthday, which we want to celebrate in all countries.

At the end of the 19th century, when the catastrophe had not yet run its course, a German-American wrote in the spirit of Schiller: "What can stop us, from creating here in the future a spiritual Greater Greece, except our indolence, which has never become conscious of what a bond has been entrusted to it?"

Now, the bond has been discovered, and if the human race should reach the only circumstance which is fitting for it, the Age of Reason, then we will have played a great role in that, thanks to our Schiller.

Socialists deploy for Moscow in Europe and Ibero-America

by Nancy Spannaus

In the wake of President Reagan's refusal to give concessions to Soviet Foreign Minister Andrei Gromyko, none other than the Socialist International has come to the Soviets' aid. The objective? Create the new set of crises for Reagan that will guarantee a U.S. troop pullout from Western Europe, and hand the region over to the Soviet Union.

On the Western European front itself, the Socialists are pursuing the central objective of toppling the West German government and replacing it with what is known as a "Red-Green" coalition of Socialists and the Moscow-run, neo-Nazi Green Party. Meanwhile, the Socialist parties of Great Britain and Greece are doing their best to undermine their nations' resistance to Soviet demands for Western disarmament.

Should Socialist aims in Western Europe be successful, it is not to be excluded that West Germany would actually pull out of NATO "voluntarily."

But in order to accelerate motion in that direction, the Socialists have begun to work hand in glove with Henry Kissinger for the purpose of creating an explosion that will "justify" the withdrawal of U.S. troops for police action in the Western hemisphere. They may even succeed in accomplishing the aim of a U.S. invasion in Central America, for example, before the U.S. election.

Moscow is betting heavily on its Socialist International puppets, looking especially to the model of 1972 when Willy Brandt blazoned the way to Moscow, and created the conditions for Henry Kissinger's sell-out of U.S. defenses. But will Reagan, the governments of Ibero-America, and the remaining conservatives of Western Europe buy it? That is the question that will be answered over the crucial weeks.

Moscow's orders to Germany

The keynote for the overthrow of the Christian Democratic government of Helmut Kohl was sounded by Boris Ponomarev, the Soviet Politburo's veteran Cominternist, in

addressing a visiting delegation of 15 leaders of West Germany's Social Democratic Party (SPD) headed by Egon Bahr and Horst Ehmke in late September.

"The Socialist International has not given its best yet," said Ponomarev. "It must do more to set this huge actually unrealized protest potential into motion." Ponomarev was instructing the SPD leaders to merge their operations with the Green environmentalists and the peace movement. Ponomarev told the delegation, "The traditional threat of West German revanchism is being enlarged by the stationing of new U.S. missiles and the policy of the present government in Bonn."

Meanwhile, back in Bonn, SPD party manager Peter Glotz promptly picked up on Ponomarev's instructions, accusing the Bonn government of Chancellor Kohl of "not being capable of launching a new Ostpolitik, but rather launching a new Cold War." Glotz attacked Kohl for trying to turn West Germany "into a powerless province of the U.S.A." and added that he thought that "it is high time this government was replaced."

Glotz was echoing Ponomarev and East Germany's expert on West Germany Herbert Haerber, who had just met with another SPD delegation to East Berlin, this time led by Hans-Jochen Vogel. After the meeting Haerber launched a series of attacks on Chancellor Kohl. Thuggishly, he threatened the Chancellor "had better keep out of foreign policy" and "stop playing himself up as the self-appointed guardian of East-West relations."

Calls for Kohl's overthrow

Supporting parts in the Moscow-orchestrated series of political moves were allocated to Romania's Ceausescu and Prime Minister Filipov of Bulgaria. Speaking for Bulgarian head of state Zhivkov, whose state visit to West Germany, like that of East German party chief Honecker, was cancelled

at the last moment, Filipov told Austrian journalists that the visit had only been "postponed" and could take place at any time, as soon as "the obstacle" of American Pershing II missiles in West Germany has been removed.

Ceausescu has for his part set the conditions for an upcoming visit to Bonn, asserting that he will go if he is met at the airport by Kohl himself, and if Kohl agrees to sign a joint declaration calling for a freeze of U.S. missile deployments into West Germany.

Socialist sabotage

Also participating in Moscow's campaign against the U.S. military presence in Europe are the leading Socialists of Great Britain and Greece.

At the annual convention of the British Labour Party, held on Oct. 4, a resolution calling for total unilateral nuclear disarmament was passed. "Can anybody really trust Ronald Reagan and his henchmen not to use these [U.S. bases] as warehouses for weapons of destruction?" asked Scottish labour representative Stewart Burnett. "Let's get Americans out of this country!"

The Labour Party resolution, which would be implemented should Labour replace the Thatcher government, demands the "unconditional removal" of all U.S. nuclear weapons in Britain, including Poseidon submarines, nuclear-armed F1-11 bombers, and 32 nuclear-tipped cruise missiles.

Nor is Andreas Papandreou, Greece's Socialist prime minister, to be outdone in appeasement of the Russian imperialists. On Oct. 3, Papandreou charged that it was the CIA, not the Soviets, which was responsible for the shooting of the Korean airliner last year, in which 269 persons were massacred. Papandreou's line, first manufactured in Moscow, argues that the KAL 007 was a U.S. spy plane on a mission. Therefore, presumably, he believes that the Soviets had a right to murder 269 persons in cold blood.

Meddling in Central America

Yet, the Socialist International is taking no chances. Should the Socialists direct efforts to drive the United States out of Europe fail, they hope to create the conditions for Kissinger's plan of redeploying U.S. troops into Ibero-America.

No rhetoric against the Reagan administration was spared at the recently concluded Socialist International meeting in Rio de Janeiro, Brazil. Resolutions were passed excoriating the United States for its high interest rate policy, provocations in Central America, and space weapons program ("militarization" of space), while demands for reduction of military budgets of the U.S.A. and Ibero-American countries were raised.

Most indicative of the Socialists' objectives was the deployment of former West German Chancellor, and arch-appeaser, Willy Brandt on an Ibero-America-wide tour. Brandt will visit most of the Ibero-American nations, and take a special interest in Central America. He has already an-

nounced that he will follow up his trip with a mass demonstration in Bonn, West Germany, on Nov. 3—a demonstration to protest "U.S. aggression" in Central America.

The program Brandt will take around Ibero-America is carefully crafted to appeal to the Ibero-American nationalists, but it is merely a tool to get them on the inside. Brandt has offered to "mediate" in the conflict around the upcoming elections in Nicaragua and in the Contadora negotiations. Not surprisingly, the first meeting which Brandt arranged between the Sandinistas and the social democratic opposition—which has demanded rescheduling of the Nov. 4 elections as a condition for its participation—resulted in a breakdown and heightened conflict.

Brandt will visit Nicaragua on Oct. 12, and go from there to Cuba. His next stop will be Washington, D.C., where he will put on a show of trying to "sell" his diplomacy to Reagan.

A little help from Henry

The Socialist International would not have a prayer of starting the kind of "little war" they would like in Ibero-America, were it not for the fact that Henry Kissinger has virtual dictatorial control over U.S. policy in that area. By no coincidence whatsoever, the Socialists' plans to whip up anti-American sentiment throughout the continent dovetail precisely with the plans of Henry Kissinger and U.S. Commander for Mexico, General Gorman, to provoke a conflagration in the area.

Kissinger's co-thinkers in the State Department are interfering left and right in the Central American situation, and it is an open secret that the administration would like to win itself some points against "communism" by invading Nicaragua, as Henry has said they could. It is even conceivable that the Reagan administration might try to launch an invasion before the elections.

The New York office of *EIR* has received calls from Marines over the last days, who report that they are on alert in Panama for a possible invasion.

Also heating up the area have been the Nicaraguans and the Cubans, both of whom made statements at the United Nations this week warning of a U.S. invasion on October 15. Clearly, the Soviets would appreciate such a move—which would turn into a wild cause célèbre in Western Europe, and give them an excuse to take action in Western Europe "in defense" of one of their allies.

Speaking to this issue in an interview on Oct. 4, independent Democratic presidential candidate Lyndon H. LaRouche, Jr. warned that the invasion of Nicaragua could function as a "tarbaby" situation for the United States—in other words, getting the United States into a situation from which it could not extricate itself. This situation must be avoided, LaRouche said, by the United States moving instead with correct economic development policies for the region. In that context the Contadora group, which should be the agency for solving the Central American crisis, would be able to solve the problem itself.

Green Party gains threaten Kohl regime

by Michael Weissbach

In municipal elections on Sept. 30 in the most populous and highly industrialized state of the Federal Republic of Germany, North Rhine-Westphalia, the fascist Green party emerged the only strong winner, capitalizing on voters' disillusionment with the traditional ruling parties.

Chancellor Helmut Kohl's Christian Democratic Union (CDU) polled 42.2%, a 4% loss, and is now, for the first time since the early 1950s, no longer the largest party in local government. The Social Democrats (SPD) polled 42.5%, a 2.4% drop. And this is their party's traditional stronghold, the industrial heartland of Germany. Finally, the Free Democrats (FDP) sank from 6.5% to 4.8%—beneath the threshold required for parliamentary representation.

The Greens have replaced the FDP as the political "swing party," the maker or breaker of coalition governments. They scored almost 9%, and in some of the smaller cities up to 16%, as in the university town of Muenster. In Bonn, the capital of the Federal Republic, they received 12.3%. The 23 biggest cities in the state will all have Green city councilmen, and some are undoubtedly heading for local-level "Red-Green" coalitions with the Social Democrats.

The Green victories consolidate the gains they made in the European Parliament elections in June, when they polled an unprecedented 8.2% of the vote.

This election marks a turning point in the postwar history of the country. The Greens hitherto had the greatest difficulty in getting a foothold in the SPD-dominated working-class layers of the Ruhr region. Their votes in recent years never exceeded 1-2%, whereas in more rural, backward areas of Germany, the Greens had been able to gain seats in local and regional governments.

There are a number of reasons for these shocking results. First of all, the credibility of the so-called established parties, but especially the ruling coalition of Christian Democrats and the Free Democrats, has deteriorated rapidly as the economic crisis in the Ruhr area became more desperate and the Kohl government in Bonn continued to predict that prosperity was just around the corner. The steel industry and coal mining in the Ruhr collapsed, and unemployment reached levels of up to 18 and 20% in industrial centers like Duisburg, Gelsen-

kirchen, and Dortmund. Because of this rising unemployment, demoralization and despair spread among the working-class layers, but also among the unemployed youth, which the Greens and the left wing of the SPD could easily take advantage of. A continuing process of radicalization at the base of the trade unions and the left SPD was the result.

Second, the population of the country has been bombarded by the media with environmentalist propaganda for years. Political discussions are dominated by the phony issue of "the dying German forests." As the votes of the Greens in other areas of Germany rose and as they began to gain seats in state parliaments in Hesse and other regions, the Greens gained credibility, not just among student and youth layers.

Third, the rising votes for the Greens reflect a dangerous process of demoralization and resignation on the part of a growing portion of the German population. This is also expressed in the fact that the turnout for the North Rhine-Westphalian elections was a record low for the postwar period, with 36% of the population refusing to go to the polls at all.

Who are the Greens?

Since the Greens first appeared on the political scene, they have campaigned to turn the industrial republic of Germany into a rural "paradise" without industry, modern technology, and big cities. They have sabotaged major industrial projects like nuclear power plants, airports, and transport routes. In the state of Hesse, they formed a quasi-official government coalition with the ruling SPD of Governor Holger Börner, who had previously denounced them—correctly—as "eco-fascists."

It is the Greens, together with the Communists and the left SPD, who have organized the "peace movement," with financial backing from the Soviet Union. They are the front line in the campaign to get West Germany out of NATO, and they are the main force behind the terrorist acts and sabotage against NATO maneuvers and American military installations.

Next year, Germany will have state elections in North Rhine-Westphalia, in the Saarland—another crisis-stricken steel area, and in West Berlin. Red-Green coalitions are a possibility in each of these situations. If the states of Hesse, North Rhine-Westphalia, and the Saar all move in this direction, 40% of the Federal Republic and its most concentrated industrial areas, will be under the control of Moscow's "fifth column."

The European Labor Party (ELP) and its chairman Helga Zepp-LaRouche have for years warned of the threat which the Greens represent and demanded that they be banned. The larger parties lacked the courage to support that demand. Now the Green fascists have become a powerful weapon that the Soviets could use to topple the Kohl government and install a Red-Green coalition which would finalize Soviet hegemony over Germany. It is no surprise that members of the Green Party have intensified their harassment of the ELP and vowed to get its organizers "off the streets."

Soviets set up new plasma physics center

by Clifford Gaddy

A recent announcement that the Soviet Union has set up its first National Center for Plasma Physics Technologies may signal an important upgrading of what is already thought to be a near-crash program for the development of the directed-energy weapons systems required for a anti-missile defense of the U.S.S.R.

Plasma physics is the branch of fundamental science that underlies virtually all of the important components of laser and beam weapons applications, and the Soviets' historically strong emphasis in this area has given them—at least until recently—a significant lead over the United States in development of beam weapons. It now appears that their plasma physics and plasma engineering programs are going to be accelerated.

The new center, located in the Siberian city of Novosibirsk, was announced in a recent issue of the Soviet economic weekly, *Ekonomicheskaya Gazeta*. From now on, all phases of plasma physics research and development, from fundamental research to technology implementation, almost certainly including weapons applications, will be coordinated by the Novosibirsk center. The center has been organized on the basis of two existing bodies: the Institute of Thermal Physics of the famed Siberian branch of the Academy of Sciences of the U.S.S.R., and the Energokhimmash special-design office.

Some idea of the scope of plasma engineering under the new program can be gained from the details of the *Ekonomicheskaya Gazeta* article, even though that report not surprisingly ignores any military application of the technology. The article, entitled "100 Professions of the Plasmatron," describes some of the models, including photos, of existing Soviet plasma-generating devices, so-called plasmatrons, and their uses in the civilian economy. These models, already being produced on assembly lines in at least two major plants in Siberia, range from a "mini-plasmatron" used for light cutting tasks, to fairly high-powered devices used for plasma surface treatment of heavy-duty metal implements.

The article reveals that Siberian industries are already using plasma devices for a variety of applications, including the following:

1) Surface treatment of metals, e.g., ship propellor blades of ordinary carbon steel are given a surface as hard and corrosion-resistant as expensive alloys.

2) "Plasma furnace" devices for the destruction of toxic wastes; and "plasmatron reactors" for coal gassification.

3) Plasma chemical technologies for cheaply producing nitric acid for fertilizers, directly from air, water, and electricity.

Perhaps the most important function of the new Novosibirsk center will be in upgrading and expanding related education nationwide. According to *Ekonomicheskaya Gazeta*, several different departments at the Novosibirsk Institute of Electrical Engineering are starting specific training programs for engineers. Other universities are following suit. A special department of plasma engineering and research has been opened at Tomsk Polytechnic Institute, and Krasnoyarsk University this fall opened a design office for plasma technologies.

Renewed debate

One of the most significant points about the *Ekonomicheskaya Gazeta* article is that it is the first coverage of this subject in this publication in nearly two years. Since late 1982, it has apparently been a rigid policy not to make any reference to even the civilian applications of lasers, beams, and plasma technologies. One possible explanation for the shift in policy is that it is an attempt to place renewed emphasis on the problem of using high technology to solve critical bottlenecks in the economy. It is in the phase of introduction of new technologies into the production process, that a Soviet beam-weapons program will run into critical difficulties.

The *Ekonomicheskaya Gazeta* article concludes on the note that the establishment of the new center "is going to force us to look for new ways of combining the forces of scientists and production people so as to more quickly yield a tangible economic result."

Also evidence that the Soviet leadership is cautiously encouraging discussion of the bottleneck problem is another recent *Ekonomicheskaya Gazeta* article by the controversial economist, Viktor Krasovsky. This is the first time in well over a year that he has been allowed to write in this publication. Krasovsky has in the past taken the position that the notorious inertia of the Soviet economy can only be overcome by a radical increase in the rates of scrapping out-of-date technologies and a bold introduction of new technologies. That idea is by no means popular among Soviet economic-management strata. There is a whole school of economists who insist upon simply repairing and overhauling old equipment until it literally falls apart for good. In his *Ekonomicheskaya Gazeta* article, Krasovsky cites a major metal combine where the management has ordered one machine overhauled 38 times, at a cost far exceeding its original value.

Viewed against the background of the upgrading of the plasma technologies program, Krasovsky's reappearance may signal that the Soviets are now convinced that some substantial changes may have to be made in the Soviet economy if they are to win a beam-weapons arms race with the United States.

Military facilities sabotaged in Germany

An increased pattern of terrorist acts and sabotage against NATO's ongoing autumn maneuvers in the Federal Republic of Germany, combined with major election gains by the Green Party in the state of North Rhine-Westphalia, means that the Soviet-backed "peace movement's" bid to destroy the German republic has taken another major step forward. This situation is aggravated by the fact that neither the German political leadership nor the security forces has shown any determination to seriously crack down on this lethal danger to the state.

The most worrisome feature of this campaign has not been the number of people turning out for various demonstrations and protest actions, but the fact that the "activist" component of the peace movement has started to operate as a surrogate Spetsnaz force (Soviet commando squads deployed behind enemy lines), carrying out extensive surveillance of NATO and German military installations and sabotage of military sites and equipment.

An incomplete list of incidents shows the scale and intensity of recent actions. Approximately 500 cases of material damage and 20 physical assaults against military personnel have occurred. The actions show that several thousand hardcore terrorists are able to operate freely, under the protection of the supposedly "nonviolent" Green/peace movement.

- In the village Oerie, Lower Saxony, a group of 50 "protesters" armed with clubs and knives attacked the crew of a German armored personnel carrier. The crew had to withdraw into the vehicle, which was then vandalized from the outside.

- In Oldenburg, Lower Saxony, a molotov cocktail was thrown against a German military vehicle. The same occurred at other locations; at one site, stones were thrown at a border-patrol helicopter.

- In West Berlin, the guard at an American supply depot was held at gunpoint and robbed of his firearm and radio.

- In Wildflecken, Hesse, the airbreak pressure tubes of 40 railway cars were cut and the cars sprayed with anti-American slogans. Near Gütersloh, North Rhine-Westphalia, a railway track was sabotaged. The same happened near Mönchengladbach. Also near Heidelberg a locomotive was damaged when the track was blocked with stones and wooden and iron bars.

- A group of demonstrators managed to enter the U.S. airbase in Finkenbergl, Hesse, and sprayed the sensors of

three Hawk missiles. In several other cases, like Fulda and Grebenhain, Hesse, groups of demonstrators managed to get inside U.S. military sites.

- Several incidents occurred where firecrackers, stones, and other objects were thrown at soldiers. In one case, a British soldier was shot at with an air rifle, resulting in a head injury.

- One case is still under investigation where 10,000 liters of fuel leaked out of fuel trucks. The outlet valve had been opened and sabotage is suspected.

- A group of demonstrators coming out of "peace camps" near Hanau had to be scared away by warning shots when it attacked a police patrol car in the woods. Shortly before a police pistol was stolen by rioters during a police intervention.

Official blindness—or worse

As outrageous as this violence against U.S. and other military forces are the political moves being taken against American representatives in Germany. After the commander of the U.S. Army Vth Corps, Lt. Gen. Robert Wetzel, complained to the interior ministry of the state of Hesse about the lack of adequate legal and security measures to prosecute "the anarchists and criminals," he was denounced by state Interior Minister Winterstein, a staunch supporter of the Hesse government's unofficial coalition with the Greens. Speaking on behalf of the Hesse government, he informed the general that Germany was not the servant of the United States, and that the majority of the population supports the aims of the "peace movement."

Lest there be any confusion about the role of the "peace-loving" Greens in promoting terrorism and sabotage, let us cite some recent cases of the open alliance of Greens with terrorist circles. During the European Parliament elections in June, four out of the top six slots on the Green Party slate were given to activists with records of terrorist or other criminal activities, including the Hesse Greenie Schalba-Hoth who had poured blood over the former Commander of the U.S. Army Vth Corps.

In Dortmund, North Rhine-Westphalia, the local Green Party supported a "support action for political prisoners," a demonstration on behalf of jailed members of terrorist groups. One participant, a Protestant priest, has come under investigation for supporting a terrorist organization. In another case, representatives of the Lower Saxony state parliamentary faction of the Greens contributed to a brochure titled "Sabotage Concepts," which features advice on how to tear up streets, railway tracks, etc. The brochure was banned by a court order, but was printed anyway, with the support of Green deputies. In Frankfurt a group of Green parliamentarians cemented up the explosive chambers of a Frankfurt bridge (where retreating NATO forces would place explosives to blow up the bridge in case of a Soviet invasion). The police, under orders from Interior Minister Winterstein, watched without intervening.

Moscow closes in on Zia's Pakistan

by Linda de Hoyos

In their largest military operation yet against Pakistan, Soviet-Afghan jets crossed the border from Afghanistan on Sept. 26 and bombed the market bazaar of the village of Tri, killing 80 people.

From a tactical standpoint, the raid was aimed at the Afghan refugees and dissidents heavily inhabiting that region of Pakistan, and was an attempt to cut off supply lines to Afghan rebels. Strategically, the raid was aimed at Pakistan itself.

Since the end of August, the Soviet Union has steadily increased its pressure on the regime of Zia ul-Haq. The Soviets not only want Zia to cease his resistance to the Soviet occupation of Afghanistan and the Karmal puppet-government. Moscow wants to bring Pakistan back under its own thumb. This is necessary if Moscow is to fulfill its designs for a rim of hegemony over Asia stretching from Iran into Bangladesh.

The most efficient way for Moscow to attain this goal is by inciting a war between Pakistan and India, given that it is widely believed that if India attacked Pakistan, the United States would not come to Pakistan's aid. The Indian government of Prime Minister Indira Gandhi, however, is not willing to play the role of Soviet proxy in the region.

That is not stopping the Soviets from busily heightening Pakistani fears of an Indian military strike against Pakistan's nuclear complex, by putting out the demand, especially in the Moscow-linked press in India, that such action be taken. Even so, the Soviets lambasted Pakistan in the military daily *Red Star* on Oct. 2 for spreading rumors that "any day now" the Indian Armed Forces will launch a preemptive strike against Pakistan's nuclear capability. This is a "smokescreen," asserted *Red Star*, to cover up "dangerous U.S.-Pakistan military preparations. . . . The territory of Pakistan has for years served as an outpost for subversive actions carried out by U.S. special forces against India and Afghanistan."

Two weeks ago, at the Fifth Congress of Solidarity with Afro-Asian Nations, held in Tbilisi, the Soviets further condemned Pakistan for plotting with the United States to destroy India. The charge in turn sparked an outpouring in the Pakistani press against the "Soviet-India" axis against Pakistan. Then, on Sept. 28, the Soviet government daily *Izvestia*, citing an article in the Indian *Daily Express*, charged that

Pakistan might postpone its national elections, due to be held in March, in order to "aggravate a border situation" and "provoke a mini-war with India."

Stoking the fires

The Soviets are also letting Zia know that if he is not prepared to accede to their demands, they have plenty of cards to play inside the country. The Soviets have assiduously courted Pakistan's ethnic leaders and encouraged their separatism. Last week, the leaders of three provinces—Sind, Northwest Frontier Province, and Baluchistan—met and declared that if Zia did not grant them autonomy, then they would launch an independence movement in Pakistan against the central government.

From Baluchistan, tribal leader Abdul Mengal declared at the same time that the Soviet presence in the area poses no problems for Pakistan and that Zia only talks of the Soviet threat in order to stay in power. On previous occasions, Mengal has stated that he would not hesitate to call in the Soviets in an armed struggle for Baluch independence.

In the Northwest Frontier Province, Pushtoon tribal leader Wali Khan, who also has some strings tied to London, last month traveled to Kabul for talks with the Karmal regime and the Soviets. The Soviet plan, according to some sources, is to join the southern half of Afghanistan and the Northwest Frontier Province into a new state to be called "Pushtoonistan."

In the Sind, the stronghold for the Movement for the Restoration of Democracy, anti-Zia leaders, especially those known to be closest to Moscow, are now outspoken in their demand for an independent Sind.

Other plots are being hatched. In London two weeks ago, a secret meeting was held at the Muslim Institute for Research and Planning attended by Muslims from Egypt, Algeria, Iran, and Sudan. Topic: The necessity for an "Iran-style revolution in Pakistan." The Islamicization of Pakistan carried out by Zia, they charged, is but a hoax to divert the masses' attention from the hated regime. The problem with Pakistan, stated one Islamic fundamentalist present, is that it has not rejected Western values. Pakistan continues to ignore the "universal character" of the Islamic Revolution; it continues to adhere to the concept of the nation-state.

The Muslim Institute for Research and Planning is a nest of up to 75 Islamic fundamentalist-terrorists with networks throughout the Islamic world. Its leader, Kalim Siddiqi, likes to view Islam through the prism of Soviet systems analysis. His articles are published regularly in the British Communist Party magazine and he frequently travels to the U.S.S.R. The Islamic Revolution he and his friends want to export to Pakistan bears the markings "Made in Moscow."

An Islamic revolution in Pakistan would have devastating effects on India, including the anti-nationalist radicalization of India's own large minority Muslim community. For New Delhi, it is precisely such Moscow games that call into question the Soviets' protests of friendship toward India.

Ben Bella's latest terrorist operations

by Thierry Lalevée

On Nov. 1, Algeria will celebrate the 30th anniversary of the bombings which launched its independence war in 1954. Most of those who participated died either in the war or in subsequent factional warfare. But one survivor, the exiled former President Ahmed Ben Bella, is not likely to be invited to these ceremonies; he is reported to be planning his own celebration, either by launching a symbolic wave of terrorism inside Algeria or by sabotaging the festivities among the large Algerian community in France. Ben Bella, who has been all but forgotten by modern Algerians, is now deployed as a tool of the Swiss-based Nazi controllers of international terrorism and their Nazi-Communist networks, which want an Islamic fundamentalist-dominated Maghreb.

Ben Bella and his Paris-based group have been trying to build up arms stocks. On Aug. 10, French customs officials discovered some 20 machine guns and hand guns in a Swiss car which was travelling through the Savoy region on its way to Lyon. Inside the car were two Frenchmen and one Swiss, Philippe Eichbrunner, who happened to be a former member of the "Service d'intervention rapide" of Geneva, a semi-official auxiliary police force in charge of protecting diplomats and high level visitors. Eichbrunner happened also to work for Ben Bella, the close friend of Swiss Nazi François Genoud. In subsequent investigations, four more Frenchmen and two Swiss were arrested in Geneva; Eichbrunner was smoothly extradited to Lausanne, and then no further reports were published.

Though it has not been proven that the weapons were being smuggled on behalf of Ben Bella's newly created Algerian Democratic Movement (ADM), the suspicion lingers. The ADM was created in May in a Paris suburb as the "Algerian section of a new Arabo-Islamic international," whose aim is to overthrow a dozen governments, including the present regime in Algeria. Ben Bella and his movement have been implicated in at least three other instances of arms smuggling during the past year and a half.

It began in January 1983, when the French police raided Ben Bella's residence in the city of Montmorency close to Paris, and discovered an arsenal which included several weapons from Libya. One hand gun came from a lot which had been used two years earlier in an assassination attempt in London. It was also discovered that one of Ben Bella's bodyguards had been involved in June 1982 in a major robbery and had been underground ever since. After these discoveries, Ben Bella was declared *persona non grata* in France,

and sought exile in Switzerland under the sponsorship of Genoud and company.

Then on Aug. 16, 1983, four Algerians were arrested at the Franco-Belgian border while driving two cars fully loaded with rifles, hand guns, and ammunition. The arrest of the leader of the group, Abdel Wahab Ben Chenouf, who was working for Ben Bella, led directly to a successful crackdown against the network within Algeria. Then in May 1984, an Iranian, a Moroccan, and an Algerian named Yahya Gouasmi were arrested in the city of Dunkirk in France, and charged with plotting the assassination of anti-Khomeini Iranians in France and smuggling arms between France and Belgium. Yahya Gouasmi, as it turned out, served as a liaison between Ben Bella's ADM and certain Iranian operations.

Ben Bella's protectors

Though many of the weapons discovered were intended for use directly inside France, their main purpose was to supply a "resistance movement" in Algeria, which is actually a small group of isolated would-be terrorists. With 5-7,000 people traveling back and forth daily between France and Algeria, more weapons can reach Algeria from France than from anywhere else.

Furthermore, there is little doubt that Ben Bella's ADM receives protection from the apparatus of the French Socialist Party which is fundamentally pro-Libyan, and likes to play the Ben Bella card to pressure Algiers. Then there is the Communist Party—Moscow is displeased by Algeria's pro-Western turn. Thus known associates of Ben Bella like Saad Absy, his former secretary when he was president, or Mohammed Bakhouri, who lives in a suburb of Paris, have been regularly interrogated by the police, then set free, not because of lack of evidence against them, but because of high-level political protection.

It was due to such sponsorship, which reaches high into the l'Elysée Palace, to the circles around presidential adviser Regis Debray, that Ben Bella was allowed to come clandestinely to France in the weeks preceding the founding conference of the ADM. In the subsequent period, the ADM concentrated on building its apparatus within France, and has now consolidated a structure which even includes a counter-intelligence department, led by Mohammed Yadi, a former director of Algeria's National Sureté under Ben Bella. Based in Rome where he maintains liaison with both the Libyan and Iranian embassies, Yadi is the logistical coordinator of the ADM's arms network, which reaches from Belgium and Switzerland into France and Spain. One of Yadi's assistants is said to be the same Boukhari mentioned above, who is close to Iranians who are otherwise connected to the French terrorist group Action Directe. There is growing evidence that Action Directe, the Iranians, and the ADM are sharing the same arms smuggling ring, run from Belgium. When the facts of this are made known, they will create quite a scandal for those French political circles who are deliberately playing with fire.

Gavin and the U.S. State Department mobilize the PAN against Mexico

by Héctor Apolarin

The Sept. 11 issue of *EIR* reported on the grave diplomatic incident which occurred between the Mexican government and the U.S. government over the most un-diplomatic meeting that U.S. Ambassador John Gavin held with Carlos Amaya Rivera and Casimiro Navarro Valenzuela, leaders of the Nazi-affiliated National Action Party (PAN), as well as with the "black bishop" Carlos Quintero Arce.

The meeting flabbergasted the national political news media and foreign embassies in Mexico since it was obvious that Ambassador Gavin violated diplomatic standards accepted all over the globe. But that is the least of the matter. Some Mexican officials have commented that the problem that the U.S. ambassador has created comes from his carrying out "political activism" in favor of the PAN, which calls into question the ambassador's role. But according to the official position of the U.S. State Department, given out by spokesman Alan Romberg, the criticisms of Mexico's ruling PRI party that he "exceeded" his role "are unfounded." The Mexican officials say that if this is indeed his role, he should say so.

The flaunting of Gavin's meeting with the PAN leaders in the state of Sonora occurred in the midst of an electoral process Mexicans considered one of the most difficult they have ever faced. Official observers attribute much of the political force that the PAN is picking up to Gavin's proselytizing, since he is whitewashing the Nazi face the PAN got from its origins in the Sinarquist movement with a cosmetic pro-Americanism—a pro-Americanism it was far from proclaiming during World War II, when it worked for German foreign intelligence!

As Lyndon H. LaRouche, Jr. stated in the analysis published last week by *EIR*, "The Reagan administration is supporting the Nazi-Communist alliance in Mexico," the ambassador's meeting with the PAN is due to the erroneous evaluation pushed by U.S. national security adviser Robert McFarlane, that the PAN is the "Republican Party" of Mexico. Such an evaluation is seen in Mexico as the official policy of the administration, including Reagan personally, thanks to the strong ties of friendship between the President and Gavin.

This impression is playing into the Soviet KGB-dominated left wing in Mexico, which is fishing in troubled waters and exploiting U.S. blunders to the hilt.

In late September, a heavyweight Soviet delegation of the U.S.S.R.'s Supreme Soviet arrived in Mexico, headed

by no less a personage than Ivan Vasilievich, secretary of the central committee of the Communist Party of the Soviet Union. Vasilievich gave a speech before the Interior Minister Manuel Bartlet, in which he went out of his way to assert that relations between Mexico and the U.S.S.R. "are based on the principles of equality, mutual respect and non-intervention into internal affairs," an obvious reference to Mr. Gavin's activities. The Soviet offensive is not just words. It was announced during the same period that the Comecon countries will hold a huge industrial exposition in Mexico to increase trade with Mexico. This event will not be next year, but on Nov. 8 of 1984.

Paradoxes of U.S. policy

A sounding among political circles around the ruling party in Mexico indicates that the "nationalist line" of the PRI, headed by the CTM labor confederation, will take greater control of running the electoral process as a consequence of the PAN's extremist line. This was recently demonstrated when on Sept. 27, the state legislature of Nuevo León kicked out PAN deputy Mario Aguirre Villafaña, on charges that he had denigrated the legislative power. Apart from the fact that these charges were factual and proven, the action was seen as a political reprisal by state governor Alfonso Martínez Dominguínguez, a nationally influential politician who some years ago was president of the PRI. The PAN immediately orchestrated a press campaign against the governor, whom they accused of being a "thug and a repressor," in the hopes that the federal government and national PRI leadership would distance themselves from the governor's action. This has not happened.

On Sept. 15, in the state of Chihuahua, state police arrested several local leaders of the PAN who were hiding bludgeons and clubs in a safehouse for provocateurs who planned to wreck the parade of Sept. 16, national Independence Day—a holiday the PAN refuses to recognize.

There is therefore a lot of truth to the rumor that President Miguel de la Madrid, in the face of the PAN's attitude, is not merely worried but downright furious. A number of state governors loyal to the President have reportedly sworn that in 1985 "not one election will be lost" to the hands of the PAN.

In terms of political results, Ambassador Gavin's meetings with the PAN have thus been counterproductive, and the PAN has begun to feel the heat. The PRI kicked off a cam-

paigned accusing the PAN of "treason to the nation." This has sharpened the division in the ranks of the PAN between a more moderate grouping, also called the "loyal opposition," and the radical faction, known as the "Bolsheviks," headed up by the PAN leaders in Sonora. The split has cropped up already in the state of Mexico, where 70% of the country's industry is concentrated. In effect, the moderate group led by state PAN president Abel Vicencio Tovar blocked the candidacy to the municipal presidency of Naucalpan—the town with the highest budget in Mexico—for the PAN, even though the prospective candidate, José Armando Gordillo, was overwhelmingly elected deputy in 1982. Gordillo belongs to the Bolshevik faction of the PAN. On Sept. 20, Gordillo came out in favor of armed struggles in a statement to the Mexico City newspaper *El Universal*, where he said, "The citizenry no longer asks votes from me but arms" to defend the election results.

Of course the Bolshevik leaders of the PAN calculate that violence will break out because the government will not recognize their "electoral triumphs" in the 1985 elections, the year when the House of Deputies and the governors of seven states are up for reelection.

Some long-standing observers of the PAN think that the threats of violence are intended to pressure the de la Madrid government for major political and economic concessions. These sources indicate that the man behind the pressure campaign is Pablo Emilio Madero, the current president of the PAN and former manager of Vitro, a major company in Nuevo León headed by Rogelio Sada Zambrano. Madero has not one iota of independence. His appointed mission is to keep the de la Madrid government from abandoning the policies of the International Monetary Fund.

The PAN bosses think the only way to guarantee this is for the PAN to get more positions of power in Mexico. For this reason, they have put forward another of their flunkies as the candidate for governor of Sonora, Adalberto Rosas López. The PAN desires to obtain 200 federal deputies' seats next year. They are using the threats of social violence in an attempt to blackmail the de la Madrid government into letting the PAN win that number of positions. Although privately the PAN leaders admit that this figure is stratospheric, they project that 100 seats could definitively shift the balance of power in Mexico.

In the face of this, the PRI's strategists are no longer discussing whether the PAN gets aid from abroad. They take that for granted. Some of them say that the decisive foreign support to the PAN came from the International Monetary Fund and the creditor banks, advised by Henry Kissinger, when they refused to accept the de la Madrid government's proposal to renegotiate the foreign debt. The key aspect of that proposal was the request to not pay interest nor principal during 1985, in order to use all economic resources to reactivate economic activity, to not punish the electorate further, and thus to better situate the PRI to face the PAN.

Venezuela is hit by

by Gretchen Small

The drug war has come to Venezuela with a vengeance.

Within 24 hours of Venezuelan President Lusinchi's call to the United Nations General Assembly on Sept. 24 for an international war against the drug trade as a "crime against humanity," the drug mob had issued threats against his life. The same week, Venezuelan anti-drug fighters organizing support for the President's efforts were threatened by Venezuelan collaborators of the Universal Christian Gnostic Church of Colombia, a group already implicated in the abduction and brainwashing of Colombian anti-drug fighter Patricia Paredes de Londoño last July 26.

The Caracas weekly, *Elite*, reported the plot against the President in its Oct. 4 issue. "President in danger," was the first cryptic message delivered by an unidentified caller to *Elite*'s journalist Rafael del Naranco on Sept. 26, one day after Lusinchi's speech. The voice was the same, however, as had advised Naranco previously of other mafia actions. A second call that night expanded the message: "What I said about the President is true. The international mafia will not let him step into the drug world. The organization has him in their sights. He put himself on top of the mountain; his bravery could cost him dearly." Describing the threats, Naranco warned that terrorists could easily hit the presidential palace in a truck-bomb operation such as that used against the U.S. embassy in Beirut.

For the past decade, Venezuela has served as both a key transshipment point for marijuana and cocaine traffic from Ibero-America to Europe and the United States and as a money-laundering center. At the point of seizing wholesale power over governments and countries in the region, the mafia has now targeted Venezuela for expansion of all phases of the trade, including production and consumption.

The Lusinchi government has become a major roadblock to the mob's plans. Initiating a domestic war on drugs within a week after Lusinchi took office in February 1984, Venezuela's Congress passed one of the continent's toughest anti-drug legislative packages. President Lusinchi directed his administration to begin active coordination with Colombia's leading drug-fighter, Justice Minister Rodrigo Lara Bonilla, through his counterpart, Venezuelan Justice Minister Mánzo González.

With the assassination of Justice Minister Lara Bonilla by the mafia on April 30, Venezuela recognized, like other Andean governments, the implicit threat to itself, and the focus of Venezuela's action shifted to international coordi-

the drug war

nation. Under Lusinchi's personal direction, Venezuela took the lead in coordinating a continental anti-drug fight. A "Quit to Declaration" declaring drug-trafficking a crime against humanity, drafted by the Venezuelan presidency, was adopted by the Andean Presidents and representatives attending the inauguration of the Ecuadorian President on Aug. 11. Then, at the United Nations, Lusinchi elaborated to the entire international community his proposal to "go to the source" of the problem—economic poverty—by creating an international fund to finance the war on drugs of nations unable to compete with the amassed wealth of the mafias.

Within Venezuela, the civil association the Andean Labor Party (PLAN-V) moved quickly to mobilize the population behind the President's initiative. On Sept. 27, the PLAN-V placed an advertisement in *El Nacional*, one of the country's leading dailies, addressed "To All Venezuelan Patriots." "Support the Proposal of President Lusinchi Against Drug Traffic!" the statement read, directing readers to clip it out and mail it to the President. "A determined government, such as that of President Lusinchi, backed by Venezuelan patriots, can lead this struggle and win," the PLAN argued. Response to the advertisement was immediate from around the country, and within a week, it was rerun in *Ultimas Noticias*, Venezuela's largest circulation newspaper.

On Oct. 2, eleven senators and congressmen from the Venezuelan state of Tachira which borders on Colombia took out an advertisement in several Venezuelan papers to denounce the PLAN-V, calling on the Congress, the National Executive, and the Supreme Electoral Council to investigate and censure members of the PLAN-V civil association. The statement, issued in the name of the Parliamentary Bloc of Tachira, but not signed by any means by all the state's representatives, charged the PLAN-V with slandering another Tachira deputy, Walter Márquez, an independent elected on the slate of the left-wing "Green" Party of Venezuela, the Movement to Socialism (MAS).

Signatories of the call were members of various parties, including the powerful independent senator from Tachira, Ramón J. Velásquez, and Abdon Vivas Terán, a leader of the left faction of the Christian Democratic party—all jumping to attack the PLAN in defense of the MAS Deputy from Tachira, Márquez.

Why their fury?

Walter Márquez is a leading bishop of the Venezuelan branch of the Universal Christian Gnostic Church, a cult

headquartered in Mexico and Colombia which this magazine documented to be involved in drug-running and terrorism, following the kidnapping and drugging by cult members of a leader of the Colombian Anti-Drug Coalition and Andean Labor Party-C, Patricia Paredes de Londoño in July. When *EIR*'s charges against the Colombian branch of the Gnostic Church circulated internationally, several Gnostic Churches in the Caribbean area rushed to separate themselves from the Universal Christian Gnostic Church, issuing public statements that *they* had nothing to do with kidnapping or drug-running.

Not so Walter Márquez, who flew personally into Colombia to investigate the case. Upon his return, Márquez brought into Venezuela one of the Colombian Gnostics featured in the *EIR*-PLAN-C exposé, to aid him in mounting an operation against the PLAN-V! Accompanying Walter Márquez in Caracas at the beginning of September was Gnostic leader José Vicente Márquez, the secretary to the Seventh Commission of the Colombian Congress who works closely with ex-President Alfonso López Michelsen, now public spokesman for the Colombian drug mafia. Together, the Márquezes presented complaints against the Venezuelan Labor Party's charges to the Ministry of Justice and Interior.

The activation of the Gnostic network in Venezuela in such flagrant collaboration with the drug-implicated Colombian Gnostic Church identifies a key network for immediate investigation by the Venezuelan government's anti-drug forces. In a half-page announcement in *El Nacional* on Sept. 20, the PLAN-V association outlined the security implications for Venezuela of the Márquez case. Reviewing the role of the Colombian Gnostic Church in the Londoño case, in defending the M-19 terrorists, in opposing the utilization of herbicides against marijuana and coca plantations in the Guajira, and in defending López Michelsen—who admits he speaks for the mafia—the PLAN statement concludes: "In view, then of the above, and in view of the fact that Walter Márquez forms a part of the Anti-Drug Commission of the House of Representatives, which gives him access to information sensitive for national security," the PLAN calls for an investigation into Walter Márquez's relations to the Gnostic Church of Colombia and such members as José Vicente Márquez.

What worries us, concludes the PLAN ad, "is to think of the mere possibility that Walter Márquez could make the Nazi and racist theses espoused by the founder of the Universal Gnostic Christian Church, Samuel Aun Weor, a reality in Venezuela." The ad quotes from Weor's published praise for Hitler as a "reformer" whose only "error" was to believe that "only the German peoples are Aryans. It is necessary to know that all the races which populate the world are Aryans, except the Jews." The quote, the PLAN statement ends, was taken from the book *The Social Transformation of Humanity*, by Samael Aun Weor, whom Walter Márquez recognizes as his principal teacher.

Make Israel a bridge, not a barrier

A speech by Meir Pa'il, former Israeli soldier and parliamentary deputy, to the Schiller Institute.

Col. Meir Pa'il, a former member of the Israeli parliament, served in the Israeli Defense Forces for 28 years as a Brigade and Deputy Division Commander. He is now one of Israel's leading military strategists and historians. During the first week in October, he began a nationwide tour of the United States, to build support among the American people for American-Israeli political and economic cooperation to make peace in the region and develop the nations of the Middle East. Pa'il's program contrasts sharply with the policies of the Likud-Labor Party "government of national unity" now ruling Israel, which is narrowly focused on retaining Israeli control over the West Bank and other occupied territories as the sine qua non of "national security."

"I represent 15% of the Israeli population," Pa'il reports. "It is a minority, but a correct minority, and correct minorities have changed history before. Being in a minority does not mean you are mistaken."

This is an edited transcript of Meir Pa'il's address to the second international conference of the Schiller Institute in Wiesbaden, Federal Republic of Germany, on Sept. 24, 1984.

I am not representing Israel, regretfully, nor the Israeli government. I am just an Israeli. I think I have no right to represent the Jewish people—I am just Jewish. I'll try to combine my military, political, and academic education to present a few thoughts about that part of the world, the Middle East, in which I happen to live. I know that whatever one may say, Israel is a small country in a relatively big area and there are a lot of questions and problems (and also answers) about Israel. But I think it's about time that people try to think solemnly, calmly, and maybe without too much passion, about the future of our area. I shall try to put forth some ideas for you to think about. I consider you enlightened people.

The first idea is the claim that the Middle East must be considered as a part of the Third World, having gradually emerged after the Second World War. One may also call it the developing world, which is more or less the same for my practical purposes.

I think that the Schiller Institute is right in its claim that Western and Central Europe should be considered by the United States as the most important zone of cultural, econom-

ic, political, and to use your term, republican, and strategic interest. I share your views and I think that the U.S.A. should consider Europe as the most important area of interest. If you ask me, one can see that the Soviets do the same.

I think that the second important area of interest for the United States, logically, should be Eastern Asia—Japan, China, and so on. I call it Eastern Asia, because it is definitely time for us to refrain from using the old colonial definitions. If you are stationed in Paris or in London, you consider Israel as the Near East, Afghanistan as the Middle East, and China as the Far East. But if you look at the globe, it is just Eastern Asia. I think the second area of interest for the United States should be Eastern Asia; the Russians think more or less the same.

But I think, and this is a personal assessment, that the third important zone of interest for the United States should be the Middle East, just as it is for the Soviets. You can see that both sides are functioning in the Middle East—albeit the Soviets more than the Americans. You can see that some of the big powers, especially the Soviet Union, are getting involved in the Middle East not only politically and economically, but also militarily. Suffice it to mention Afghanistan. And there are more interventions. Here and there you can see a small, very small, American response.

A new Balkans?

But what is most disturbing is that if there is a zone in the world which resembles the Balkans area before the First World War, that is the Middle East. Perhaps, for the Middle East, the Second World War was the starting point of a process of balkanization. I'll mention some conflicts between the small countries or small national movements in the Middle East, and you will see that quite a lot of small nation-states and movements are fighting against each other. You can see Ethiopia against Somalia, Somalia against Ethiopia, Libya against Chad, Libya against Sudan, Syria against Israel, Israel against Syria, Jordan against Israel, Israel against Jordan, Lebanon with Syria and Israel on both sides, and Turkey against Greece, at least in Cyprus. You can also envisage possible Libyan-Egyptian hostilities and war between Iran and Saudi Arabia. I forgot to mention the important Iran-Iraq war and the struggles of the Kurds against the

Turks, the Iraqis, and the Persians combined, with here and there the Soviets trying to support one or another in this very protracted war.

So in the Middle East, we can see a very interesting and historical zone in the process of what one might call *near disintegration*. You can mention the Soviets or the Americans. But I don't think you should blame anyone that things have so deteriorated in our zone.

Should the United States or both big powers continue watching the boiling Middle East, each waiting for its small allies to win? Or should the United States, being an enlightened republic and a great power, do something to create a peace system in the Middle East, with or without the Soviets, and not wait for the small powers to continue their protracted wars, hoping that some of the small U.S. allies would have their way in the foreseeable future. I won't answer, but will only try to analyze.

If the big powers impose a solution, by political measures, or by economic measures, (hopefully not by military measures), should this solution follow the tradition of Yalta, by dividing the Middle East into zones of influence? Is this the best solution? Or should the big powers, or at least the United States and European civilization, strive toward a family of independent states in the Middle East, functioning as an important component of the Third World. This is a real question and one of the differences between the Middle East and Europe.

There was a Yalta conference, once, which divided Europe, which you criticize, and I share your anxiety over someone trying to establish a New Yalta. The Middle East, with much smaller economic capabilities, faces the danger that in the long run because of the conflicts, a Yalta may be imposed.

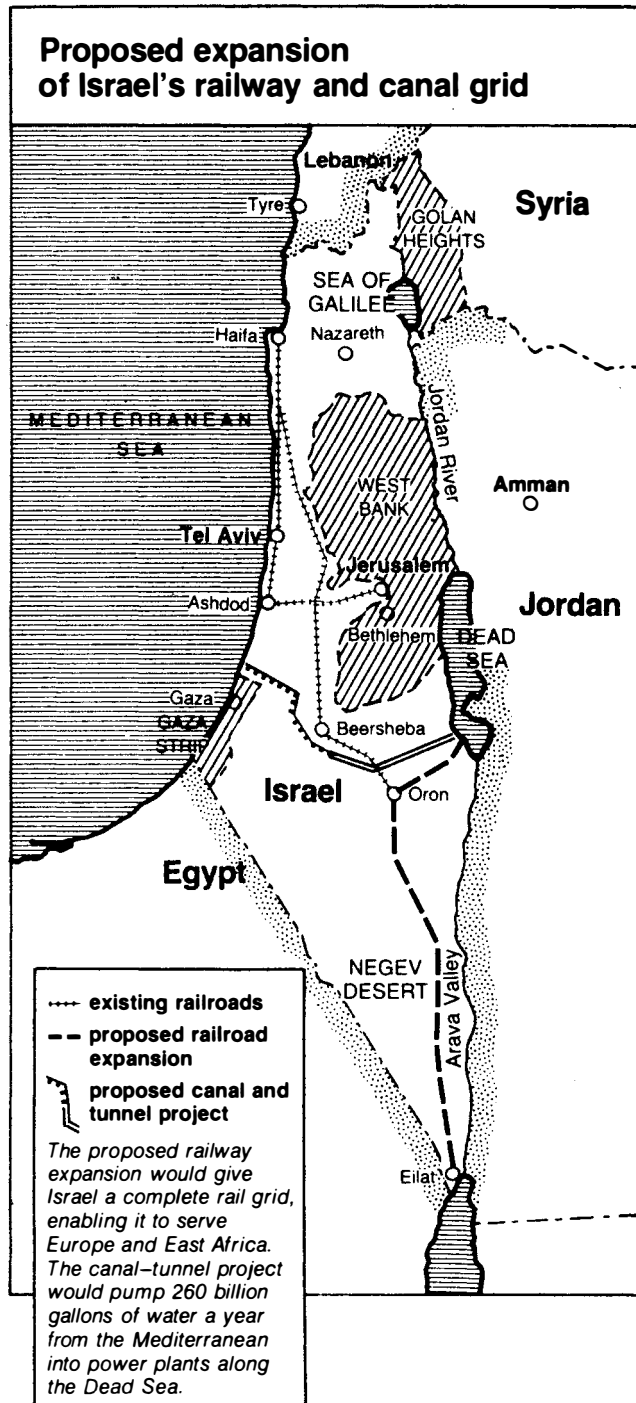
As a Middle Easterner and an Israeli, I would prefer the second solution. Both big powers, or all the big powers, should agree that the Middle East should function as part of the Third World and that the independent states would function as *truly* independent states, cooperating with one another economically, commercially, culturally, and so forth.

Since I am not an American citizen, nor a President, nor an adviser to a presidential candidate, I will not advise the Americans. But I would prefer that the Middle East follow the system of an area of independent nation-states.

For Israel, peace can be profitable

Now, I shall try to present the second subject, concerning what Israel could do if things develop from the bad to the better—in other words if some system of peace is established in the Middle East. As you can see from a map, Israel is stationed in the middle of the Middle East. If you consider the Middle East, or Western Asia or the Eastern side of the Mediterranean Sea, you will see that Israel is in the middle: a very interesting position. Moreover, one may say that Israel, as a state, is relatively, although not totally, developed. It's not a developing, but a relatively *developed* country.

During the era of war, in the near past and in the present, because we are still in a state of war between Israel and most of the Arab world, Israel has been, and is, a buffer and an enclave within the Middle East, dividing the North African Middle East from the Asian Middle East. If peace is established in our area, Israel can, and I hope would, function as a bridge, not as a barrier. We can establish a very interesting



bridge. For example:

Israel has the technological know-how to initiate joint irrigation projects in her vicinity, in northern Syria, on both sides of the Jordan Valley, in the Sinai, in the Israeli Negev, to use the water resources of the area to help every country to irrigate its land, all around and within Israel. The Nile, the Jordan, and the Litani rivers can be used. This is not colonialism, just cooperation based on mutual commercial ben-

“The crux of the matter is that many Arabs, many Israelis, and perhaps many people in the world think of my country, Israel, as a buffer imposed in the middle of the Arab world. They see Israel as a block dividing the Arab nations, or Arab nation, from one another. I think we can transform this barrier into a bridge, if we get Israel to build these railways, canals, and nuclear plants, in cooperation with the Arab world.

“It is not a dream. It can function. Peace is profitable.”

efits. Within this irrigation system, a system of power stations can be developed.

As a second project, it is possible to construct a canal and railway system, if it were profitable, from the Mediterranean coast, more or less in Haifa, to the Red Sea in Eilat, through what we call the Valleys of Yizreel and the Jordan Valley and the Dead Sea, then to the southern side of the land between Israel and Jordan to the Red Sea. This canal could be a profitable project, for Israel, for Jordan, for whatever political entity is established on the West Bank—either a Jordanian district, or an independent Palestinian state, or some kind of a confederation among Israel, the Palestinians, and the Jordanians, or whatever.

A third project: Israel may function, and I hope would function, as a focus of land transportation in the Middle East. We are in the middle, and, insofar as peace is established, Israel can function as a transportation hub, especially for road and railway systems. I think we are sufficiently efficient to do this, giving good services to the commerce of the Middle East. We can allow and even help other countries to construct

petrol pipe lines, from Iraq and the Persian Gulf to the Mediterranean Sea, through Jordan and Israel. If you have peace, there is no problem.

I'm just trying to convince myself and my friends in Israel that peace is profitable.

One can even envisage, and some Israelis are working on this, the building of nuclear power plants in the Sinai, as an Israeli-Egyptian project helping both countries to supply relatively cheap energy, and maybe good enough to supply electricity to other states. If that works, one could envisage establishing nuclear plants in other parts of the Middle East. This is the best utilization of deserts. One may add what technological-scientific and health-services support a small, relatively developed country like Israel can offer surrounding countries. If this works, I must then warn European industries they may have to compete with our industries.

So call me a dreamer if you will, but I think that the crux of the matter, for us Israelis, for our existing adversaries, (most of the Arabs, but not all, since we have peace agreements with the Egyptians which I hope will deepen and become a comprehensive agreement with the Arab world), the crux of the matter is that many Arabs, many Israelis, and, perhaps, many people in the world think of my country, Israel, as a buffer imposed in the middle of the Arab world. They see Israel as a block dividing the Arab nations, or Arab nation, from one another. I think we can transform this barrier into a bridge if we get Israel to build these railways, canals, and nuclear plants, in cooperation with the Arab world.

It is not a dream. It can function. Peace is profitable.

Now I would just like to say one thing. Is it legitimate, is it right, is it nice to ask some of your big friends to help your country to establish peace? Or should those big, very interesting friends step aside and let the Middle East deteriorate voluntarily? Maybe it is quite time for the big powers to consider the danger, and not wait for the small peoples there to make peace only for themselves. Because, regretfully, if you examine the Balkan precedent of the end of the 19th century and the beginning of the 20th century, you can see that the small nations, especially new ones without an old tradition of independence, are perhaps too inclined to be radically nationalistic, even chauvinistic. I would prefer that we take the step of making peace on our own initiative.

I have been fighting in Israel for about 15 years on the political level, trying to convince my government, my fellow countrymen, to do something for peace, even to offer most of the territories we occupy since the Six-Day War, for peace. I am not sure my and my friends' efforts have proved successful. So the question is, is it legitimate or proper that a human being like myself, an Israeli, should ask the friends of Israel to help us manipulate a peace, even if we have to pay for the peace and to pay with a big part of the territories which we happen to occupy?

If you ask me, this payment is profitable for the future of Israel. Thank you.

Potential historic blow to the mafia

Foreign Minister Andreotti's name has come up in the assassination of anti-mafia "super-prefect" General Dalla Chiesa.

The Palermo, Sicily magistracy has launched an unprecedented operation against the mafia, exploiting the confession of Tommaso Buscetta, "boss of the two worlds," who in the last three decades had built a crime empire in Italy and Ibero-America. In the night between Sept. 28 and 29, several Palermo judges, headed by Giovanni Falcone, issued 366 arrest warrants; also, 28 people were reported arrested in the United States, and more are expected.

At the same time, the son of mafia-murdered Gen. Carlo Alberto Dalla Chiesa is accusing current Italian Foreign Minister Giulio Andreotti of involvement in the assassination of his father on Sept. 3, 1982.

These two developments signal an opportunity to finally bring to light and destroy the power of the drug mafia internationally—if sufficient political will and courage are found, primarily in the U.S.A. and Italy.

Tommaso Buscetta, known as "Don Masino," was arrested in May 1983 in Brazil. He was extradited to Italy on July 14 after having attempted suicide in his São Paulo prison—a psychological breakdown corresponding to the collapse of his crime empire. Just a few days before, interrogated in the Brazilian prison by Judge Giovanni Falcone, the leading anti-mafia fighter in Italy, and his colleague Vincenzo Geraci, Buscetta told the two stunned judges: "I am not your enemy." Back in Italy, the two judges listened to Buscetta's story for two full months, reconstructing the mafia history of crime, organizational struc-

ture, and political connections for the last two decades.

For Buscetta, cooperation with the authorities was the only way left to carry out a vendetta against his mafia competitors who had destroyed him and his associates.

The first signs of mafia internal warfare started around 1977, and much blood was shed in 1980-81. At stake was the control of the heroin market which, after the dismantling of the "French Connection" around 1972, centered once again in Sicily. Furthermore, cocaine, predominantly from Ibero-America, was becoming as significant as heroin in the overall "Dope, Inc." annual turnover.

During this internal warfare a new power group appeared—the "winning mafia"—along the Palermo-Caltanissetta axis, with the inclusion for the first time of *camorra* (Naples mafia) bosses in the Sicilian mafia leadership. In his short stay in Sicily, General Dalla Chiesa had singled out, among other things, this new connection.

Buscetta belonged to the "losing Mafia." In the internecine warfare of 1980-81, he lost seven close relatives, including two sons and a brother, murdered by rivals.

What did Buscetta say? So far, there are only vague leaks in the press, as the 10 judges involved in the interrogation keep a tight-lipped silence. Besides a flow chart on the Cosa Nostra in Sicily, the U.S.A., and Latin America, Buscetta reconstructed at least in part the long series of murders in Sicily since September 1970.

In an interview to the daily *La Repubblica*, Judge Vincenzo Geraci stated: "I cannot go into details because of judicial secrecy, but Buscetta's statements not only confirmed certain previous beliefs of ours, but opened new horizons. . . . He also gave us some keys to enter the famous 'third level'"

The "third level" in mafia jargon means the higher and most secretive levels, belonging to the "legal" crowd of politicians and bankers. Among the names mentioned by Buscetta was the former Christian Democratic mayor of Palermo, Vito Ciancimino—an Andreotti man.

Simultaneously with the 366 arrests, a book entitled *Meurtre imparfait* came out in France, by Nando Dalla Chiesa, son of the murdered *carabinieri* general, provoking another bombshell scandal by implicating Foreign Minister Andreotti in his father's death.

Nando Dalla Chiesa quotes his father: "Yesterday I saw Andreotti, he also asked me to leave for Sicily [to take his new job coordinating the anti-mafia fight]. . . . I was very clear with him and I assured him that I won't spare that section of the electorate on which his great electors base their power. . . ."

Later on Dalla Chiesa met Andreotti again: "I went to see Andreotti, and when I told him what I discovered about his supporters in Sicily, he went pale."

Dalla Chiesa's son comments: "I wondered all the time whether this 'declaration of intent' made to Andreotti was not the only real imprudence committed by my father . . . who, obviously, did not realize he had fully touched a formidable network of interests. . . . It is difficult to imagine that Andreotti, considered to be the best informed person in Italy, ignored the deeds and misdeeds of the friends of his friends [in Sicily]. . . ."

Papandreou and the Soviet navy

Athens signs secret treaties with Tripoli on orders from the U.S.S.R., and opposition leaders are up in arms.

Greek Prime Minister Andreas Papandreou flew to Libya on Sept. 23 for two days of meetings with Colonel Qaddafi and Major Jalloud. At the official reception ceremony, Jalloud proclaimed:

"Brother Papandreou! We have examined you, we have tried you, and we have found you trustworthy. We are determined to do everything required to strengthen you further, because it is in Libya's interests that you remain in power, so we may continue our cooperation in the future. No one can impose any limitations on this cooperation between us. There exist obligations which were incurred in previous circumstances. We believe that you will act honestly and carry out now what you have promised us before the 1981 election."

At the conclusion of the meetings, a less than informative press release announced a \$1 billion three-year economic agreement and "identity of foreign policy objectives of the two governments, namely the creation of a Mediterranean which will be free of the presence of alien military bases and alien fleets." Beyond this, no information was given by either government, except that a series of secret treaties was signed. Their content remains classified.

However, in the chaotic political atmosphere in Athens, certain leaks emerged, leading to the conclusion that the meeting was managed by the Soviet Navy's command.

The major aspect of the secret treaties is the close cooperation between the Greek and Libyan navies involving: 1) joint annual naval man-

auvers, 2) construction of Libyan ships in Greek shipyards, 3) training of whole classes of Libyan cadets in Greek military and naval academies, and 4) sale of Greek-manufactured materiel to Libya.

This naval arrangement should be viewed in the context of Soviet naval activities in Greece. The Soviet Mediterranean fleet maintains no fewer than five floating naval facilities just outside the three-mile limit of Greek territorial waters. Two of these five are situated right outside the NATO naval base at Suda Bay.

The Soviet Mediterranean fleet has secured docking, resupply, and repair rights at Greek ports. Soviet intelligence has secured the opening of offices, in the northern Greek port city of Thessalonica, of an openly insurgent organization dedicated to "the liberation of Macedonia down to the Aegean coasts," with the quiet toleration of the Papandreou government and of President Caramanlis.

Following Mr. Papandreou's return from Libya on Sept. 25, the situation became more intriguing. An emergency meeting took place between the President of the Republic of Greece, Constantine Caramanlis, and the head of the "New Democracy" conservative opposition party, Constantine Mitsotakis. Mitsotakis 1) characterized Major Jalloud's statements as "gross interference in the internal affairs of Greece"; 2) gave an extensive report on the wave of political terror and persecution against conservatives and nationalists which has been unleashed by the Papandreou government; and 3) in his capacity as

head of the parliamentary opposition, requested to exercise his constitutional right to be informed of the secret treaties signed with Libya.

Papandreou's response was rather strong. As soon as he received assurances from his foreign minister, who had just met with George Shultz in New York, that Washington would raise no objections to the new Greek-Libyan relations other than certain proforma verbal complaints, Papandreou on Sept. 27 called an emergency cabinet meeting.

That cabinet meeting issued a series of blackmail threats against President Caramanlis and also took a decision, later carried out by the Papandreou-allied supreme court, to remove parliamentary immunity from Mitsotakis in order to bring him to trial for "lèse majesté"!

It is likely that Mr. Mitsotakis will be deprived of his parliamentary immunity. He claims that he has nothing to fear from any trial. But Papandreou is not playing by the rules of the game; his main weapons are blackmail and murder. He is blackmailing President Caramanlis with the threat of revealing the "Cyprus dossier" in which Caramanlis will be shown to have been compromised in 1973-74 in an alliance with Turkish generals against his country.

But with the aid of some witnesses, Mr. Mitsotakis himself could blackmail Papandreou with compromising revelations from an earlier period, 1963-65. His blackmail material is said to be "dynamite."

However, a personality who might have been Mitsotakis's star witness, former Defense Minister Peter Garoufalias, was found dead under mysterious circumstances just a few days before the supreme court made the motion to remove Mitsotakis's parliamentary immunity.

The disastrous Chad withdrawal

It will mean the political destabilization of at least three countries, and for Chad itself, genocide.

The agreement signed by French Foreign Minister Claude Cheysson and Libya's Ali Triki on Sept. 17 in Tripoli, calling for the withdrawal of troops from Chad, began to be implemented on Sept. 25, with French troops evacuating their two most northern positions in the country, at Salal and Arada. The Libyan evacuation was held up for a few days, according to the Libyan authorities, due to "fuel shortages"!

Despite the delay, it does seem likely that the Libyan troops will withdraw from all of Chad except the Aouzou strip, which they have occupied for more than 10 years. Colonel Qaddafi no doubt intends to prove to his critics that he can be trusted. But France is unlikely to be trusted by many in Africa, with a diplomat from West Africa in Rome saying, "How can we go to France with our security problems now that France is working with Qaddafi, who is trying to destabilize our country?"

A source in France pointed out that Africa is the first continent to undergo the "New Yalta" treatment: "Africa is going to be a test case for the New Yalta. It's easier [than in Europe] to shift spheres of influence in Africa back and forth."

There will be two immediate effects of the withdrawal of the 3,000 French troops from Chad. One is the political destabilization of not only Chad, but the Central African Republic and Sudan. The other is genocide.

Chad's tiny army faces rebellion not only in the north where the GUNT

rebels led by Goukouni Oueddei have been fighting Habre's forces, but also in the south, where black separatists, especially the Sara tribal group, are stepping up their rebellion. The rebels in both locations are supplied with arms and ammunition by the Libyans, with one report in the French newsletter *Lettre d'Afrique* saying that black members of Qaddafi's Islamic Legion are bringing in supplies via southern Sudan. This dates back at least a year, according to the report, and was "reactivated" by "advisers" from Eastern Europe posted in Tripoli and Addis Ababa. The target is not only Chad, but the Central African Republic and Sudan.

The former "Emperor" of the Central African Republic, Bokassa, overthrown in 1979, has remained on good terms with Qaddafi. He recently gave a widely publicized press conference near Paris, and it is no secret that Qaddafi would like to put him back in power. Libya has trained pro-Bokassa rebels now operating inside the country.

There are reports that the sudden decision by Sudan's President Julius Numeiry to end the imposition of Islamic law, and permit southern Sudan to become an autonomous region, thus hoping to quell rebellion, was imposed on him by the United States, which hopes that a stabilization of the situation would prevent the area being used for the transshipment of arms to the rebels in Chad and Central Africa. It is almost certainly too late for such steps to lead to any major change: the

rebels in the south are well organized, trained, and armed by Ethiopia.

The French withdrawal, as the French newspaper *Liberation* wrote, will also be a "disaster" for the Chad economy. Chad has the lowest GNP per capita in the world—only \$80, compared to \$120 in Ethiopia, for example. Average life expectancy is only 48 years. "The pocket money alone of the 3,000 soldiers corresponds to about one third of the Chadian budget, without counting the local purchases of the force (two tons of meat per month, for example). The men receive 100,000 CFA (about \$250) per month for their local expenses, as well as their salary which is paid in France, which is more than the GNP per capita in Chad. Altogether they inject about 3.5 billion CFA (about \$8 million) a month into the economy. . . ."

The French forces have provided basic equipment for transporting food and medical aid to the increasing number of starving people in Chad; they have distributed 4,000 tons of food aid, helped repair pumps, organized freight transport, etc. Food supplies have been drastically reduced, due both to drought and to the IMF's recommendation that Chad produce more cotton for export. The cotton crop this year was the highest in years, producing 160,000 tons in 1984, compared to 70,000 and 100,000 the two previous years. The concentration on cotton has meant that the traditional crop for local consumption, sorghum, has been neglected.

Latest reports say that 200,000 people have taken refuge in the capital, N'djamena, and are totally dependent on food aid. The government fears that as many as 2 million of Chad's 6 million population could arrive in N'djamena in search of food. There are already reports of starvation deaths in various parts of the country.

Invasion corridor opened in Sweden

The new East-West highway connecting northern Sweden with northern Norway is perfect for a Soviet invasion force.

Amid great fanfare, a new modern highway has just been completed between the northern Swedish iron-ore center of Kiruna and the Norwegian port of Narvik. The new highway was officially opened in a festive ceremony conducted in style by King Olav V of Norway and King Carl XVI Gustaf of Sweden, both of whom were dressed up for the occasion in military uniform.

Yet official Sweden did not mention a word about the military significance of the highway, nor did the media. Ostensibly, the road was constructed merely to promote tourism in the land of the midnight sun, northern Norway and Sweden.

Danish media, however, broadcast that military officials in both Sweden and Norway vehemently opposed the building of the road, precisely because of its obvious military implications.

In fact, looking at a map, the new highway between Kiruna and Narvik is but the last stretch of a continuous road and railway connection from Soviet troop concentrations on the Kola Peninsula all the way westward to Narvik and the North Atlantic. The highway would greatly facilitate a Soviet surprise strike across northern Sweden into Norway.

Two independent sources, with access to the immediate circles around Prime Minister Olof Palme, have volunteered information strongly indicating that the construction of the Kiruna-Narvik highway is no mere blunder, committed by naive civilians to whom the threat of a Soviet invasion may seem intangible. Undoubtedly, Palme

is convinced he has struck a deal with the Kremlin. If the two sources are right, that deal would include the following point: In the event of war, the Russians will not occupy Sweden, if Palme ensures that there are three guaranteed invasion corridors across Sweden, through which Soviet troops can rapidly advance into Norway, the actual target of a Soviet occupation force!

Astounding as this may seem, there is an historical precedent for such a deal: During World War II, Hitler's Wehrmacht troops were transported by railway across neutral Sweden to and from Nazi-occupied Norway. The wartime national-unity government of Social Democratic Prime Minister Per Albin Hansson decided to violate its neutrality policy in favor of Hitler's demands of troop transports through Sweden, to avoid an outright Nazi invasion and occupation.

Today, the Red Army has built up a formidable military force on the northern flank of Europe. Of two Soviet divisions on the Kola Peninsula, the 54th motor-rifle division directly targets the new invasion corridor. That division has at its disposal no fewer than 200 tanks—more than Norway's entire tank forces—plus a large number of armored personnel carriers and a missile battalion with Frog missiles which are now being replaced by new SS-21 missiles.

The 54th motor-rifle division is based at Kandalaksha, a town located at the northwestern tip of the White Sea, and at Alakurtti some 60 miles to the west. From there, a direct railway

line goes further west to the Finnish city of Rovaniemi on the Arctic circle, from where there is now a direct road connection via Kiruna to Narvik.

Soviet interest in northern Norway has increased markedly. Top Norwegian defense sources have stated that "there is growing evidence that the Soviet Union is regularly sending small, unmanned aircraft into Norwegian air space." Such drones have carried out prolonged overflights of Finnmark, the northernmost part of Norway, for at least two years.

Two years ago, a Norwegian airliner mysteriously crashed off the northern coast, killing all on board. Investigations showed that the cause of the crash was something hitting and smashing the tail rudder. In late September 1984, a flare, deemed certain to have come from a drone, dropped onto the ground in Finnmark. Reportedly, it was found by the Norwegian authorities complete with its Russian markings. Such flares have been regularly dropped over the sea north of Norway as markings for Soviet ships to move to a designated spot to pick up the drone.

Norwegian sources are certain that the drones have been conducting electronic intelligence missions and probably detailed terrain mapping for Soviet cruise missiles. Finnish military sources have also emphasized a pattern of Soviet overflights of Finnish territory by both manned and unmanned planes, primarily in the north.

Imagine the tragedy of Norway's king Olav. As crown prince, he spent World War II in his London exile leading the resistance against Hitler's puppet Quisling regime along with his father, King Haakon VII—and now, the 81-year-old king Olav, unaware of this fateful deed, merrily cut the ribbon opening a new invasion path to Narvik.

On the eve of chaos

In a country hard hit by unemployment, Moscow-ordered preparations for a general strike point to a situation out of control.

On Oct. 1, Henri Krasucki, secretary general of the CGT, France's communist trade union and the most important, went on national television to threaten a general strike against widespread layoffs in the automobile industry.

This is only the beginnings of a destabilization of France by the French Communist Party (PCF), ordered by Moscow. France is a country which already has 3 million unemployed. Any general strike could quickly turn into nationwide rioting and go totally out of anybody's control.

The break-up of the coalition government formed by the Communists and President François Mitterrand's Socialist Party, which led to the Communists leaving the government and the resignation of Premier Pierre Mauroy and other cabinet ministers, has freed the PCF for its coming actions. The decision to leave the government was probably taken after the June 17 elections to the European parliament, in which the PCF vote dropped to historically low levels.

The party began to be reorganized into a neo-Stalinist apparatus as early as the summer, when hard-line Stalinists and known Moscow agents Gaston Plissonnier and Roland Leroy led purges against the "liberal" elements in the party: Pierre Juquin and former ministers Ralite and Rigout. The entire party has been taken over top-down by some 30 apparatchiks who have tightened up their control over the party's far-flung operations. Through a new telex system linking up the center

to all locals, the PCF leadership is demanding that all communications and marching orders be given in written form.

In the meantime, *L'Humanité*, the party's daily newspaper, has been preparing the PCF's base to do battle against all those institutional forces which are soon to be labeled the "new Nazis." Thus, throughout the summer, *L'Humanité* published whole dossiers playing up the "glorious" contributions of the PCF in the World War II Resistance.

As soon as workers came back from their August summer holidays, the CGT began orchestrating provocations preparatory to a mass strike. In a carefully staged incident, Akka Ghazzi, the very popular Moroccan leader of the Citroën factory workers, tried to force his way through a police barrage guarding the struck factory. Beaten up by the police, Akka Ghazzi was given big press play-up as a martyr and hero.

The Citroën workforce is overwhelmingly immigrants, mostly Muslims who are being organized by fundamentalist Khomeini supporters with the Communist Party's backing. The management, on the other hand, is very right-wing, and might easily be induced into stupid, anti-labor actions with a racialist tinge.

Even though the Akka Ghazi incident didn't lead to another strike at Citroën, it catalyzed ferment in other car factories threatened by large layoffs. Sporadic strikes have taken place in all Renault factories throughout the

country after 13,000 layoffs were announced.

Was General de Gaulle right when he said in 1960 that Mitterrand didn't trust the Communists and would always be a centrist? Why then does François Dalle, appointed by Mitterrand to head up a "National Commission on Industry," seem to be creating all the pretexts necessary for the CGT to build up to a mass strike? The still unpublished "Dalle report" on the automobile crisis, on the excuse of a 25% drop in production this year, is expected to recommend layoffs of between 70,000 and 120,000 workers, out of a total of 250,000. By the time this report is published, the CGT will have its troops ready to react with a general strike.

Who is François Dalle? He is a top figure in the Swiss L'Oreal and Nestlé's empire, one of the members of the Swiss group of financiers controlling Mitterrand, which includes Jean Riboud of Schlumberger. These, of course, are not just communists; they are Nazi-communists. When Bernard Hanon, Renault boss, proposed that Renault increase investments in foreign countries, PCF leader and economist Philippe Herzog had the nerve to propose that France adopt the "Fiat" model, arguing that Fiat invests "Italian." He did not mention Fiat's massive investments in the East bloc, particularly the Soviet Union.

Mitterrand's aim is to realize his post-industrial, pastoral fantasies, which he believes to be his last card to win the next presidential elections.

The Swiss and Communists will act to destroy the industrial base of France, while the government will only finance the "technetronic" projects of the post-industrial society. In the meantime, Communist orchestrated chaos will weaken the nation at this crucial moment of the strategic crisis.

International Intelligence

Soviets sponsor North Korean military buildup

President Chun of South Korea accused North Korea of an unprecedented military buildup along the Demilitarized Zone (DMZ) on Oct. 2.

Speaking on South Korean Armed Forces Day President Chun said: "The cold war between the superpowers has made the military confrontation around us more acute, threatening war in this region at any time." He added, "Lately, moreover, there have been unusual movements in the North, as they have deployed large tank units, long-range guns and guided weapons in the forward areas along the truce line and have intensified training of their 100,000 commando troops."

The Japanese newspaper *Sankei Shimbun*, reported on September 23 that North Korea had apparently deployed three new armored corps around the town of Kaesong, near the DMZ—the old invasion corridor opposite Seoul, the South Korean capital. The U.S. armed forces, it is reported, are studying satellite photographs of the reported armored build-up.

Syria threatens Hussein with 'Sadat treatment'

Reacting quickly to the re-establishment of diplomatic relations between Egypt and Jordan, the Syrian leadership has found no better answer than to announce that Jordan's King Hussein will "meet Sadat's fate!" This was announced on Sept. 30 by Syria's second vice-president Zuhair Masharka in a mass public rally of the Baath Party where he called on Hussein to "remember what happened to Sadat." On Oct. 1, both Syria's daily *Ath Thawra* as well as vice-president Khaddam announced that "Syria will not allow another Sadat on its borders." Khaddam immediately flew to South Yemen to organize support for what amounts to a state sponsored political murder.

Ath Thawra denounced the move as an

"American plot," saying that Iraq would be next to restore diplomatic relations with Egypt. Indeed 80% of non-Iraqi volunteers fighting against Iran are Egyptian and Iranian. Iranian President Kamenei recently urged Syria to open a second front against Iraq.

Soviets ready for Mars trip

With the return on Oct. 2 of the three Soviet cosmonauts who made history's longest space flight, Radio Moscow announced that the next space flight in the accelerating Soviet program will be to Mars.

This was the first time that Soviet readiness for a Mars trip had been publicly stated. Both the radio and the Communist Party daily *Pravda* reported that the record-breaking mission—237 days in space—had produced important scientific and technical research. The three Soviet cosmonauts completed "over 500 scientific and technical experiments" on board the Soviet space station Salyut-7, Radio Moscow said.

The military emphasis of the Soviet Union's space missions and satellite launches has been noted by the just-published *Jane's Spaceflight Directory*. The *Spaceflight Directory* says that the Soviets are developing a laser ASAT satellite which is expected to have six operational units in orbit within the next several years. The *Directory* also notes that the cosmonauts on Salyut 6 and 7 have been carrying out tests, e.g., pointing and tracking, "similar to those planned for the U.S. space-based high-energy laser weapon system."

The magnitude of Soviet space-based military programs has been noted even by SIPRI, the pro-disarmament Pugwash-linked think tank in Stockholm, which admits that 75% of Soviet satellites are "purely military" in nature.

This whole Soviet defense push is occurring amidst the highest concentration of war propaganda since the end of World War II. The Russian-language radio is daily playing up in the most melodramatic way

the Soviet people's personal past war experiences—war songs, sufferings, and heroism—while calling Reagan "a new Hitler" and accusing West Germany of staging a "Nazi revival."

Mexican Falangists fête wrong independence

The "Falanges Tradicionalistas Mexicanas" (FTM) took to the streets of Mexico City on Oct. 1 in full Nazi brown-shirt regalia to celebrate the 163rd anniversary of Mexico's independence. The problem is that Mexico declared its independence from Spain 174 years ago. What the Falangists celebrate is the deal whereby Spanish royalist general Agustín de Iturbide "joined" the independence movement headed by Vicente Guerrero, only to usurp nascent republican power in the midst of the subsequent disorder and set himself up as "Emperor" of a backward, inquisitorial regime remembered by republicans to this day as one of Mexico's darkest periods.

This traditional Nazi ritual celebrated yearly by Mexico's far right kook fringe, a kind of "black mass" version of actual independence, involves khaki uniforms, neckties and armbands with crosses (not quite swastikas), and includes a mass for the eternal rest of the soul of Emperor Iturbide in the chapel of St. Felipe de Jesús, named after the only Mexican Jesuit ever to become a saint. He was crucified in Japan for stirring up local "Pugachev"-like uprisings that were similar to the work of today's Latin American Liberation Theologians.

Soviets declared war alert on Aug. 15

The Japanese daily *Yomiuri* reported on Oct. 1 that forces of the Soviet Far East command were placed on full alert for 30 minutes on Aug. 15, 1984. According to the report, monitors in Tokyo picked up and deciphered a coded message transmitted from Vladivostok, where the Soviet Pacific Fleet is

Briefly

headquartered, to a special troop unit in nearby Ussuriisk; it said that Soviet Far East forces were going into a state of war with the United States. *Yomiuri* further reported, which neither U.S. nor Japanese authorities would comment on, that American and Japanese units went into a state of high alert in response.

The Soviet Far East command is a recently upgraded theater command center, designed to function autonomously in the event of nuclear war. The reported Soviet alert in that area took place in the midst of heightened Soviet global deployments: the Aug. 16 announcement that Shield-84 maneuvers would soon begin in Eastern Europe, the Aug. 8-18 test firings of Soviet missiles in the Pacific, and sharply increased Soviet naval deployments, including a spy ship's approach to the Trident submarine construction area in Washington State on Aug. 15, and the observed passage of a Soviet submarine through the English channel on Aug. 14. It occurred four days after President Reagan's remark about "ordering the bombing of Russia," which the Soviets, Walter Mondale, and other KGB Democrats loudly protested.

Soviets, Socialists seek out same Iranian exile

The Socialist International of François Mitterrand and Andreas Papandreu seems to share an interest with the Soviet Union in cultivating Admiral Madani, the former governor of Iran's Khuzestan province and later defense minister of Iran, now living in Paris, as an "asset" for the post-Khomeini era.

Madani, who went into exile in 1981, two years after Khomeini's seizure of power, recently received a three-man Iranian delegation which asked him to come back to Teheran to mediate a settlement of the war with Iraq. The proposal was being made on behalf of the so-called moderate mullahs such as former Prime Minister Ayatollah Madhavi-Kani who makes no secret of his desire to succeed Khomeini in place of the desig-

nated choice, Montazeri.

Though in exile, Madani has never repudiated the Islamic Republic but only condemned some of its excesses such as the war with Iraq. He is thought to maintain contacts with many officers within Iran. Since he arrived in Paris, the Socialist government of President Mitterrand and Prime Minister Papandreu of Greece have begun to cultivate him as their "asset" for Iran's future. The Soviets have begun asking his advice on the situation as the internal factional fight within Iran is reaching a climax.

Gavin spurs tourism boycott of Mexico

U.S. ambassador to Mexico John Gavin told a forum in Palo Alto, California on Oct. 4, that the embassy is considering putting out a "travel advisory" to U.S. citizens visiting Mexico. He said, "People should be careful when driving in Mexico. Travelers should avoid driving at night, especially alone. They should never sleep in their vehicles along the road."

U.S. businessmen in Mexico warned a few days ago that such alarms are likely to cause a sharp reduction in tourism, which Mexico had expected to increase by 10% this year. There was no legitimate reason for the ambassador to make these statements.

Mexico depends on U.S. tourism for \$2-\$3 billion annually in earnings. According to the World Bank, this is the critical difference which would enable Mexico to weather its debt crisis without a social explosion. While the damage from some economic warfare can be repaired rapidly, harming the tourist industry could take years to reverse.

Gavin also attacked Mexican foreign investment laws as "cumbersome, complicated and conflictive," and said that Mexico "should enter GATT and try to change it from within."

Gavin then reiterated his standard line, "We do not intervene in Mexico's internal affairs. People who make such false statements either do not know the facts or twist the truth."

● **LETTRE D'AFRIQUE**, a confidential Paris-based newsletter, predicts increased rivalry between France and the United States in the wake of the French-Libyan deal and the shameful French withdrawal from Chad. The newsletter says that while Libyan troops may be withdrawing from northern Chad, Libya is actively supporting anti-government commandos in the south, and is sending weapons as well as members of Libya's Islamic Legion into the region to support the rebels against the government. According to the newsletter, Qaddafi has three immediate African targets: Chad, the Central African Republic, and the Sudan.

● **ARAB LEADERS** appealed to Israel's president and prime minister on Oct. 2 to keep militant Rabbi Meir Kahane from entering the Arab village of Taiba to persuade Jewish women to leave their Palestinian husbands. The Arab leaders said Kahane's planned visit to Taiba on Oct. 9 will be "a clear provocation" that would hurt their national feelings.

● **TERRORISTS** in Belgium exploded a bomb that damaged the offices of a division of the U.S. firm Litton Industries on Oct. 2. The firm is involved in defense contracts and development of weapons systems. A group calling itself the "Select Communist Combatants" claimed responsibility for the blast. They claim that Litton is involved in the manufacture of systems like those in the U.S.-made cruise and Pershing-2 missiles that were recently deployed in Western Europe.

● **RADIO MOSCOW** says that the Laotian government has charged Thailand with big "military provocations" against Laos, in a report broadcast on Oct. 5. The Laotians are accusing Thailand of occupying three neighboring towns near the border between the two countries.

Socialists, Kissinger cronies plotted Donovan indictment

by Stanley Ezrol

The indictment of Secretary of Labor Ray Donovan Oct. 2 on charges of grand larceny and fraud has been long in preparation by a gang of conspirators from the Socialist International, the AFL-CIO, and the Henry Kissinger wing of the Republican Party. Timed to occur just weeks before the U.S. presidential election, the indictment is just the beginning of a campaign to paralyze the second Reagan administration with scandals, sources in the intelligence community report.

The ouster of Donovan, our sources state, has long been sought by James Baker III of the President's "palace guard," Secretary of State George Shultz, former Undersecretary of State Lawrence Eagleburger, Undersecretary of Defense Fred Iklé, and AFL-CIO President Lane Kirkland—all factional allies of Henry Kissinger. These individuals are seeking to orient the foreign policy of the second Reagan administration toward "covert operations" in the Third World and Eastern Europe, organized and executed by the AFL-CIO's International Division, under the auspices of Eagleburger's "Project Democracy." To do this, they want to replace Donovan with one of their own men.

Dovetailing with the efforts of Kissinger and company is the anti-Reagan mobilization of the Socialist International and the American radical left. The dismissal of Donovan follows a scenario which was laid out in Washington, D.C. in December 1980, prior to President Reagan's inauguration, when participants in a Socialist International-sponsored conference on "Eurosoci-alism in America" announced their intention to radicalize the American labor movement as a battering ram against Reagan. The President would be forced to defend monetarist austerity policies and foreign policy disasters: "We'll make Reagan back [Federal Reserve chairman Paul] Volcker to spite us," said one American participant. "We'll Thatcherize him." The use of "organized crime" scan-

dals to target administration figures developed as part of this overall strategy.

The "Eurosoci-alism" participants included leading figures in the "nuclear freeze" movement, among them Sen. Edward Kennedy (D-Mass.), whose staff representative to the Senate Labor and Human Resources Committee, Walter Sheridan, has orchestrated the four-year witch-hunt that produced Donovan's indictment. Other prominent members of the Institute for Policy Studies-Socialist International circuit who participated in the "Eurosoci-alism" conference have also been active in the drive against Donovan.

Sheridan's role

Sheridan went after Donovan from the start, and testified against the proposed Secretary of Labor in Senate hearings in January 1981. According to one informed source, "Sheridan was the one who was responsible for holding up Donovan's confirmation . . . more or less singlehandedly. Sheridan was the one who's got contacts in the FBI, he's the one who managed to talk to his buddies and find out that Schiavone [Donovan's New Jersey construction company] made payoffs in the first place."

The proof Sheridan offered at Donovan's confirmation hearings was the unsubstantiated word of such witnesses as "Little Ralphie" Picardo, whose trial on murder charges was held up pending his testimony on Donovan and others. The FBI later admitted that it could not corroborate the testimony of Picardo, whom another defense witness called "a whacko" and "a pathological liar."

A long-time associate of Sheridan explained the motive for the probe of Donovan at that time, threatening worse to come: "Donovan's cooperation or lack of cooperation will give a good barometer as to his general outlook. . . . If

Donovan does not toe the line, there are other things that can come out.

"A witness gets a little antsy or cannot be corroborated. So, you put it back up on the back shelf and wait until things go around. In the whole Hoffa prosecution, there were all kinds of things like that."

When Donovan was nevertheless confirmed by the Senate, wheels went into motion to step up "Reagagate." Involved were sections of the FBI, district attorneys in New York, New Jersey, and Connecticut, and leftists associated with the Socialist International and the Institute for Policy Studies. This coalition between the left and the FBI was unveiled at a seminar at IPS Washington headquarters on May 28, 1981, where left-wing muckraker Dan Moldea delivered a speech on "Organized Crime, the Reagan Administration, and the Left" (see Documentation). Moldea pleaded with the assembled leftists to give up their past "prejudices" against the FBI and recognize it as their principal collaborator against "organized crime"—and President Reagan.

The plotters from Project Democracy

According to White House spokesman Larry Speakes, the decision to grant Donovan a leave of absence without pay in response to obviously politically motivated charges was arranged by White House Chief of Staff James Baker III. There is evidence that Baker, Kissinger, and others have been planning the dismissal of Donovan for at least the past several months, to pave the way for an expanded foreign policy role for Project Democracy.

Project Democracy is the plan to channel tens of millions of dollars from the United States Treasury through a layered series of "private endowments" into the AFL-CIO International Division. Although the AFL-CIO has collaborated with the nuclear freeze, with Bulgarian and other terrorist networks, and with Central American socialist guerrilla organizations, the President has been convinced by Kissinger's friend Secretary of State George Shultz that this operation can wage an "ideological battle" against communism. John Lenzowski, the National Security Council's Soviet desk officer and one of the key organizers of the Sept. 28 Reagan-Gromyko meeting, was one of the early promoters of Project Democracy.

The leading figure in the launching of Project Democracy, former Undersecretary of State Lawrence Eagleburger, is a 15-year veteran of Kissinger's semi-secret organization, the Kissintern. Kissinger has now brought him "in from the cold" and appointed him president of his Kissinger Associates consulting firm.

A consultant to the CIA and National Security Council, who also has close ties to Lane Kirkland's AFL-CIO, reported recently that Donovan would be replaced by someone acceptable to Kirkland. "Reagan is very much committed to Project Democracy. That means he will depend for his foreign policy on the AFL-CIO International Division. The AFL-

CIO knows how to play these games in Eastern Europe and in Central America that Reagan wants. The CIA has nothing like it. The State Department is a joke. If Reagan wants that, he will reckon with Kirkland and Kirkland needs a Secretary of Labor he can call on the phone and see in five minutes whenever he wants."

AFL-CIO International Division chief Irving Brown has complained to friends that although he had a "closer relationship" with Eagleburger than with any State Department official in the last 40 years, he has been unable to maintain any relationship with Donovan.

Leaders of the "neo-conservative" Coalition for a Democratic Majority (CDM) report that discussions are now under way among backers of Project Democracy, including Eagleburger, Shultz, Sen. Orrin Hatch (R-Utah), Penn Kemble (executive director of the CDM), and Brown, directed at recruiting either a "neo-conservative" or a Kissinger Republican to replace Donovan. Brown wishes Shultz were available for the job. Kirkland is said to favor "someone like Shultz or his collaborator, Harvard economist John Dunlop." Participants in these discussions say they are trying to persuade Reagan to make such a choice before Nov. 6, by telling him that such an appointment would boost his reelection chances.

Documentation

'Left must ally with FBI against Reagan'

Dan Moldea, best known as the author of the anti-Teamster book The Hoffa Wars, appeared at the Washington headquarters of the left-radical Institute for Policy Studies on May 28, 1981 to deliver a speech on "Organized Crime, the Reagan Administration, and the Left." He had worked out his speech the previous evening with Walter Sheridan, former head of the Justice Department's "Get Hoffa Squad" and later chief counsel to Sen. Edward Kennedy on the Senate Labor Committee. The following excerpts from Moldea's speech were published in EIR on June 23, 1981.

The reason for this seminar today is for me to predict in front of all of you that there is going to be a major organized-crime scandal involving top Reagan administration officials during these next few years, perhaps even in the next few months.

And in anticipation of this, I believe that it is important

for those of us on the left to begin educating ourselves and simultaneously protecting ourselves from the inevitable counterattack from the right. And that counterattack will concentrate on such liberal groups as the American Civil Liberties Union. Presidential aides Ed Meese and William Wilson have already stated publicly that because the underworld benefits from the ACLU's actions, there is reason to believe that the ACLU is being "protected by some organized group that makes their living from misdeeds against society." To date, President Reagan and his administration have shown a frightening tolerance of organized crime. . . . And predictably the left isn't lifting a finger to stop this. . . .

The FBI's Abscam probe is a perfect example. As soon as the sting operations were revealed, the left's immediate reaction was that it was entrapment. The FBI's Abscam and post-Abscam operations like Brilab and Pendorf may prove to be the most effective challenge ever against organized crime. Some of the most dangerous criminals in this country are, for the first time in their crime-proof career, in very deep, very serious trouble. . . . It should be pointed out that those officials who are most dedicated to the war against the underworld are those who were appointed by the previous Democratic administration [the Carter administration], particularly FBI Director William Webster and Dave Margolis, the head of the strike force against organized crime. . . .

Today, President Reagan and his appointees have shown a frightening power [inaudible] organized crime in the United States. And this power is consistent with the growing list of embarrassments officials in the Reagan administration have experienced as a result of innocent, and, I believe, not-so-innocent associations with organized crime figures.

For instance, **Sen. Paul Laxalt** of Nevada, Reagan's campaign manager and described as his best friend, has been openly using his influence in the Republican Senate to cut back probes into organized crime in Nevada. Laxalt is brazen in admitting his friendship with organized crime boss Morris Dalitz, who contributed \$1,000 to Laxalt's senatorial campaign. Dalitz is one of 10 organized crime figures who have contributed thousands of dollars to Laxalt's political campaign since his 1966 gubernatorial campaign. . . .

Attorney General William French Smith, Reagan's longtime personal attorney, attended a party late last year hosted by Frank Sinatra—who has numerous crime connections. William Safire observed in the *New York Times*: "It seems to me that the nation's chief racket-buster should not lend his presence to a man long associated with racketeers, and who now seeks from the Reagan administration the respectability he needs to re-enter the Las Vegas casino scene." Sinatra, of course, has re-entered the Las Vegas casino scene, with the personal help of President Reagan, who wrote a letter to the Las Vegas Gaming Commission about his good friend Sinatra. Also present at the Sinatra party, but overlooked by nearly all press accounts, was Sidney R. Korshak, who has been described by the *New York Times* as "the most

important link between organized crime and legitimate business." One of Korshak's closest friends, according to a June 1976 article in the *Times*, is Lou Rothaman, chief executive for MCA, the entertainment conglomerate. Rothaman also served as the exclusive agent for actor Ronald Reagan for the duration of his acting career.

Secretary of Labor Ray Donovan has been accused by several respected government informants of being associated with a variety of East Coast underworld figures. He is also accused of violating [inaudible] from the Teamsters for a construction firm. He has admitted to hiring a no-show Teamster, which has been argued as having been an admission of making payoffs. On May 22, a Teamster official was indicted for shaking down Donovan's former construction company. However, it should be noted that it takes two to make an extortion scheme happen: the party who received the payoff and the party who makes it. Donovan, who was recommended to Reagan for Secretary of Labor by William French Smith, is far from being off the hook in this matter. Many are predicting that he will be indicted sooner or later. Meantime, Donovan is in charge of the Labor Department and all its businesses, including the numerous investigations and suits pending against the Teamsters' union.

Interior Secretary James G. Watt, who has financed the anti-environmentalist crusade in his previous career, with the help of funding from oil companies, also received several thousands of dollars in contributions from Las Vegas casino operators.

Donald Regan, Secretary of the Treasury, has led the support of his department to Senator Cannon's bill to exempt gambling profits from taxes. According to the Treasury Department, taxes are not an effective deterrent to gambling, and it is wasteful and inefficient to try to collect them.

Finally, what can be said about **President Reagan** himself? Any investigation of the possible association between the underworld and Ronald Reagan should initially concentrate on Ronald Reagan's personal relationship with one man: Sidney Korshak. The *New York Times* described Korshak as "a senior [inaudible] for and senior adviser to organized crime groups in California, Chicago, Las Vegas, and New York. He directs their investments, their internal affairs, their high-level decision making." . . . In the next few weeks and months, FBI Director William Webster will increasingly become at odds with the Attorney General and the entire Reagan administration over the organized crime issue. I believe that Webster should not fight this battle alone. I believe that Webster has distinguished himself as a man of decency and fairness, who has refused to believe there's some mythical Soviet terrorist plot. . . . As a result of this independence from the administration, he is being now attacked by the right. . . . I firmly believe and continue to advocate that the left will be best served to consider what was once unthinkable by sharing a degree of common cause [with] the director of the FBI, particularly in his war against organized crime. . . .

Weinberger defends beam weapon program

Henry Kissinger has not yet totally taken over the Reagan administration; a speech given by Secretary of Defense Caspar Weinberger at Kansas State University on Sept. 27 indicates that there are forces in the administration committed to fighting for the beam-weapons defense program ("Strategic Defense Initiative") Kissinger and the Liberal Establishment want to negotiate away in arms-control talks with the Soviets. Weinberger's speech was made one day before President Ronald Reagan met with Soviet Foreign Minister Andrei Gromyko on Sept. 28.

The British *Daily Telegraph* of Oct. 5 reported that Weinberger is expected to propose a beam-weapons defense initiative based in Western Europe when the Defense Ministers of NATO's Nuclear Planning Group meet in Stresa, Italy the second week in October. The *Telegraph* reported that the American delegation believes such a proposal will counter the propaganda for "decoupling" Europe from the United States now growing on both sides of the Atlantic.

Weinberger's Kansas speech underlined that "arms control" can only be meaningful in the context of Mutually Assured Survival guaranteed by the new anti-ballistic missile (ABM) defensive systems. "Unfortunately, in the past we have not asked enough of our arms-control agreements. Consider what many hold up as a model for successful negotiations—the strategic Arms Limitation Talks (SALT) of the late 1960s and 1970s. Some of our finest statesmen participated in those negotiations. It took us two-and-a-half years to reach an interim agreement with the Soviets—SALT I. Then it took seven more years until the SALT II agreement."

SALT treaties ineffective

"All in all, the SALT negotiations lasted 10 years and spanned the terms of three Presidents. And the SALT II agreement was badly flawed and was withdrawn by President Carter from Senate consideration after the Soviet invasion of Afghanistan. Amazingly, President Reagan is criticized for not reaching an agreement during his first term. And what did we get from those 10 years of patient negotiation?

"First, if the SALT treaties were an effective means of reducing or constraining nuclear arsenals, then it would not be necessary for President Reagan to conclude any agreement. But those treaties permitted a massive expansion and modernization of the Soviet nuclear arsenal. When SALT I was signed in 1972, the Soviets had roughly 2,300 strategic weapons. When SALT II was signed in 1979, the Soviet

arsenal had more than doubled to roughly 5,500 strategic weapons. Today, the Soviets have over 8,800 strategic warheads, and they could continue increasing to 8,600 ICBM warheads and well over 5,000 submarine-launched ballistic missile warheads all fully permitted by SALT II.

"As President Reagan said last year at the United Nations: 'Peace cannot be served by pseudo-arms control.'"

Weinberger emphasized, "We have learned much about negotiating with the Soviets. . . . We learned the value of patiently continuing a dialogue. . . . We learned that the Soviets respect strength. . . . We also learned the importance of writing treaties with precise language, treaties that cannot be easily broken and treaties without loopholes."

"We look to the day when we can supplement our sole dependence on offensive forces for deterrence with a more stable deterrent based on effective strategic defenses as well. We look to the day when we can deter war by securing the ability to destroy weapons, not people.

"In objecting to SDI, many critics claim that a strategic

"We look to the day when we can supplement our sole dependence on offensive forces for deterrence with a more stable deterrent based on effective strategic defenses."

defense system must be guaranteed to be 100% effective before it should even be considered a worthwhile national goal. But to prove the potential of a defensive deterrent. . . . we need only show first that we can make the success of any attack by an adversary too uncertain for him to hazard aggression. . . . It [SDI] can also enhance the opportunity for arms reductions. . . . By devaluing nuclear ballistic missiles, we can create powerful incentives for sharp reductions in their numbers—reductions that would enhance the security of the United States, its allies and the Soviet Union."

Weinberger pointed out that the Strategic Defense Initiative does not violate the ABM treaty, and that the Soviets "are in the process of constructing a major early warning radar facility of a type in a location that is forbidden by the ABM treaty." He added that "strategic defenses could serve as a policeman for the most ambitious arms reduction proposals.

"These major arms reduction and strategic defense proposals are indeed a challenge to so-called 'conventional wisdom.' But 'conventional wisdom' has never stopped President Reagan before, nor will it prevent him from taking dramatic initiatives in the future. In fact, that is the key to his present success. . . . We will not be shackled to the conventional wisdom, which frequently is not all that wise."

Soviet embassy is caught dictating marching orders to U.S. news media

by Mark Burdman

The American population has since early September been bombarded with a several-days-long NBC-TV series of broadcasts from the Soviet Union, whose cumulative effect was to portray the Soviets and their byzantine imperial leadership as “just plain folks, more or less like us.”

How did such an extraordinary bombardment of deception come spewing over the television airwaves at exactly the moment when the Kremlin is preparing to launch the most dangerous set of war provocations in four decades?

An *EIR* investigative team has learned that the answer is very straightforward. The Soviet Embassy in Washington, run by would-be Russian imperial consul for North America and Soviet Central Committee member Anatolli Dobrynin, has been *deploying* leading members of the American media profession to Moscow, as a key aspect of the Soviets’ propaganda campaign to disarm the United States militarily, politically, and culturally.

The investigation has uncovered that Dobrynin has at his disposal a network of American appeasers all too ready to do the Soviet bidding, headed by a heretofore-obscure operative named Ann Catharine Menninger. Via the mediation of Menninger and friends, the Soviet Central Committee and NBC-TV have struck a deal to “change the perceptions of the American population about the Soviet Union.”

Menningers, Astors, and Soviets

Ambassador Dobrynin has not had to spend much energy searching for individuals willing to betray the U.S.A.

At centers like Harvard University’s Kennedy School of Government, Brown University’s Center for Foreign Policy Development, and the New York Council on Foreign Relations, and within the major television networks as well, projects have been launched during the past 5 to 10 years to “change the perceptions of the American population about the Soviet Union” so that the individuals who run these institutions can implement their delusory “New Yalta” global deal with the Soviet leadership.

The single most important role in this “Road to Moscow” show is Ann Catharine Menninger (see box).

Through her various connections, by marriage and otherwise, Ann Catharine was procured by Dobrynin in 1980 to coordinate a “media exchange” project whereby American journalists would be sent to Moscow, nominally in exchange

for Soviet journalists coming to the United States, but in reality to spew out deception propaganda.

Dobrynin assigned Soviet Press and Information Attaché Valentin Kamenev to be Ann Catharine’s controller. Since the project first began, Kamenev has become the Soviet foreign ministry chief in charge of all liaisons to the foreign press. He has assigned two underlings from state-run Soviet Radio and Television, Ziniava Yevgrathova and Vladimir Popov, to be Ann Catharine’s Moscow connections. Popov, former number three at the embassy in Washington, was code named “Igor” by the CIA several years back for his role in arranging transfer of sensitive U.S. secrets to the U.S.S.R. by a renegade CIA operative.

Under Soviet Embassy direction, Ann Catharine has been establishing four regional “task forces” to work out the media-exchange project, in New England, Chicago, and California in the United States, and in London.

Together with Garrison, Austin, Nicholas Monserrat of the Barry, Vermont *Times-Argus*, and Frank Grundstrom of the *Boston Globe*, Ann Catharine has since 1982 been coordinating exchange visits to the United States and Moscow between the New England Society of Newspaper Editors and selected Soviet-KGB journalists. During the most recent meeting in Providence, Rhode Island in August of this year, six Soviet attendees from several newspapers and the Union of Soviet Journalists and the Union of Journalists in Lithuania attended the meetings; “diplomatic observer” Yevgeny Makarov was denied entry into the United States on charges of being a KGB agent.

Earlier in the year, Ann Catharine and the Committee of California Print and Broadcast Journalists, headquartered at the same *Los Angeles Times* offices that recently hired Henry Kissinger as a syndicated columnist, ran a conference in California, at which top officials of NBC-TV were present. It was at this meeting, media sources report, that crucial features of NBC’s fall 1984 media extravaganza in Moscow were preliminarily mapped out.

In London, Ann Catharine’s main interlocutor is David Astor, former editor and trustee of the *London Observer* during the time when that paper’s Beirut correspondent was (now Soviet KGB general) Kim Philby. Astor sold out his interest in the *Observer* to Atlantic Richfield (ARCO) oil company, one of whose directors is Thorton Bradshaw, now

head of NBC's parent company, RCA.

According to a high-level British intelligence source close to Kissinger, Menninger and Astor maintain regular friendly contacts with Victor Matveev, former London correspondent for the Soviet government paper *Izvestia* since the time of the Suez and Hungary crises of the mid-1950s and a KGB operative with strong ties in the Soviet Central Committee. "Mrs. Menninger has been involved in a sense with Matveev," the source asserted. "He's a good friend of hers. . . . He's been informed of her London project, and he likes the idea, he's given the green light for it."

The special case of NBC television

Other British sources, particularly those who have themselves had unusually good contacts with Soviet officials over the past years, are awed by the degree of cooperation that has been achieved by friends of Menninger and the Soviet leadership. A British Broadcasting Corporation Russian Affairs specialist who had been filming a BBC documentary on the Soviet Union at the same time that NBC's crews were in Moscow exclaimed: "NBC's access was tremendous. They seemed to have a lot of political cooperation in high places, probably up to the Central Committee level. This was our understanding from the way Soviet Radio and TV people snapped to attention whenever NBC came around. It was obvious the whole thing was approved. Obviously some fairly senior NBC executives were involved in working this out. We [at BBC] haven't penetrated so high. . . . I was told by someone in Soviet Radio and TV that NBC had got approval for the project within the Soviet Central Committee. Of course, there are always rumors floating around Moscow, but our impression too was that they had high-level cooperation.

"Presumably, the Soviets saw it in their interest to be so helpful," he concluded.

EIR investigations have established that at least three top NBC friends of Ann Catharine Menninger have been instrumental in this extraordinary project. These include:

Gordan Manning, NBC vice-president, described by friends of Dobrynin as "the architect" of the Moscow extravaganza. Manning had at least one meeting with Dobrynin in the June-July period to map out the project.

Lawrence Grossman, recently appointed head of NBC News, who, according to one source, "gave the go-ahead" for Manning. "It was his brainchild," a media insider stated.

Frank Burchholzer, who stayed on beyond the time of the NBC filming "on a special assignment," the same insider reported. "He goes back and forth to the Soviet Union every year, has been doing so for about 15 years. He's very *persona grata* there. They like him personally, he's learned the language. He's one of a kind."

NBC, in any case, has always been "special" for Moscow. As the Cuban Missile Crisis was unfolding in 1962, NBC-TV was just wrapping up the first-ever-in-history American TV show filmed in Moscow. Anatolii Dobrynin had just been appointed proconsul for North America.

Who is Mrs. Menninger?

Ann Catharine Menninger is the ex-wife of Roy Menninger, head of the Topeka, Kansas-based Menninger Foundation and scion of one of the families most responsible for the psycho-sociological profiles of the American population now being used by the Soviets to determine vulnerable points of cultural weakness.

Before their divorce, Roy Menninger, who had been a visiting scholar at the State Department's Foreign Service Institute in the mid-1960s after training in psychological warfare at Harvard University, was a trustee of a Kansas-based organization called "People to People," under whose auspices Anatolii Dobrynin and his wife Irena were "guests" of the Menningers during the 1960s.

Says Ann Catharine: "Anatolii Dobrynin is a good and old friend. . . . I've known his wife for 30 years, 20 years ago she stayed at my house in Kansas, as part of the People-to-People program. I've known the Dobryns ever since."

In that context, she reports, she introduced Anatolii and Irena to such leading U.S. appeasers as Roger Fischer ("Roger is the dearest friend I have on this earth," she reports), head of the "crisis-management" apparatus ensconced in various departments of Harvard. Thanks to his link to Dobrynin, Fischer has set up "joint training seminars in crisis management and prevention" with officials of the Soviet foreign ministry and Soviet embassy.

In the late 1970s-early 1980s, she became prominent in the Committee for East-West Accord in Washington, D.C., and the Forum for U.S.-Soviet Dialogue at St. Anselm's College in New Hampshire.

During that period, she also came under the control of former *New York Times* Moscow correspondent Anthony Austin and Mark Garrison, who had been appointed head of the Soviet Affairs desk at the U.S. State Department under Henry Kissinger before becoming one of the directors of the U.S. embassy in Moscow under Ambassador Tom Watson of IBM. At Watson's behest, Garrison established the Brown Center for Foreign Policy Development, a leading institution in arranging back-channel "crisis-management" talks with Moscow.

Menninger became Dobrynin's pet operative: "Dobrynin introduced me to Valentin Kamenev, director of the press department at the Soviet Embassy. They helped me create this project, quite literally."

Why New York's Mario Cuomo wants to separate morality from politics

by Nancy Spannaus

It was immediately after the Democratic Party convention that vice-presidential nominee Geraldine Ferraro opened up the "debate" on morality and politics in the U.S. presidential campaign by attacking President Reagan as "not being a good Christian." Since then, with the help of the national media, the issue has taken center stage of the election campaign. Coming to the fore in this debate has been Democratic New York Gov. Mario Cuomo.

Cuomo has taken the lead in arguing the so-called liberal side of this debate. A Roman Catholic by profession, he has argued that religion and politics should not be mixed.

This article will tell you why.

There are three essential and incompetent points presented by Cuomo, and his cohort Sen. Edward Kennedy (D-Mass.), on why politics and religious morality must be separated. They have been dissected in depth by presidential candidate Lyndon H. LaRouche in a document entitled "Church and State: A Rebuttal of Senator Edward Kennedy and Governor Mario Cuomo." We will summarize those arguments here, but for the full treatment, we refer readers to Mr. LaRouche's document. (Available on request.)

But, we must argue, it is not their philosophy on the nature of morality which has shaped the views of Kennedy and Cuomo on this issue. They have shaped their "philosophy" pragmatically—in order to justify the immoral public policies which they have already put into place.

If there is one thing that unites Senator Kennedy and Governor Cuomo on public policy, it is their common willingness to withstand the judgment of their church, and the Judeo-Christian ethic as a whole, by promoting policies of euthanasia, infanticide, and legalized murder under the name of "bioethics" and "concern for the dying."

When you have finished reading the record here, confined in this case to Governor Cuomo, it will be clear that if the standards of the Judeo-Christian ethic on the sanctity of life were enforced by U.S. law, Governor Cuomo would be in danger of being prosecuted as a Nuremberg criminal. To prevent that, he would just as soon keep morality out of politics altogether.

As outlined by LaRouche, the argument put forward by Cuomo in his Notre Dame speech on Sept. 13 rests on three specious arguments:

1) Since U.S. constitutional law separates church and state, and the content of churches is religious belief, therefore religious belief must be kept out of politics.

2) Since church doctrine which touches on areas of public policy is personal morality, and constitutional law demands separation of church and state, the personal morality of church members must be kept out of areas of public policy.

3) Since constitutional law in the U.S. is derived from the "pluralistic" social contract of Rousseau and Locke, and pluralism dictates that it is oppression to impose particular morality on public policy, personal morality must be separated from the decisions of public officials.

It is the third argument which gets to the core of the problem in the way Cuomo thinks, for it is based on a fundamental lie. While the United States was founded on the principle of separating all particular religious establishments and the state, it was nonetheless founded on the principle of natural law based on Judeo-Christian morality. It is that morality, not a pluralistic social contract, which forms the basis for making judgments on public policy in the United States.

Yet it is the pluralistic social contract—the degree of "consensus" which has been formed in any society—that Cuomo appeals to in his Notre Dame speech. Starting off with an appeal to those who fear a witch-hunt against Catholics—not unprecedented in the United States, Cuomo ends up with the following pitch: "I protect my right to be a Catholic by preserving your right to believe as a Jew, a Protestant or non-believer, or as *anything else you choose* [emphasis added]."

What a fraud! First, he deliberately entangles the issue of separation of the state from a particular religion with the issue of fundamental morality. Then, he declares that *any belief you choose* is acceptable in American society!

It is under such a "philosophy" that Americans can, like Germans before them, be transformed into docile followers of evil practices like those of Adolf Hitler.

But Cuomo, of course, has a “practical” limit for what he will tolerate. That is, the *consensus* which is possible under current political conditions:

“And surely, I can, if so inclined, demand some kind of law against abortion not because my Bishops say it is wrong but because I think that *the whole community*, regardless of its religious beliefs, *should agree* on the importance of protecting life—including life in the womb, which is at the very least potentially human and should not be extinguished casually.”

And later on:

“Our public morality then—the moral standards we maintain for everyone, not just the ones we insist on in our private lives—depends on a *consensus view of right and wrong*. The values derived from religious belief will not—and should not—be accepted as part of the public morality *unless they are shared by the pluralistic community* at large, by consensus.”

And in case his audience didn’t realize that he was addressing a totally *a-moral* audience, Cuomo later says:

“Put aside what God expects—*assume if you like there is no God*—then the greatest thing still left to us is life. Even a radically secular world must struggle with the questions of when life begins, under what circumstances it can be ended, when it must be protected, by what authority; it too must decide what protection to extend to the helpless and the dying, to the aged and the unborn, to life in all its phases.”

Those who might believe that Cuomo is within the bounds set by America’s founding fathers are either ignorant or dishonest. Abandoning any specific religion, the framers of our Constitution believed that God’s law was not writ in any particular church, but in the nature of the universe and man himself. It was on this basis, not “consensus,” that they determined, in league with humanists throughout Europe, to oppose the *unnatural*, immoral regime of Great Britain, that violated God’s law for mankind.

The regime that our Constitution was written *against* was created by the pluralists John Locke and David Hume, who were simply apologists for the consensus among British aristocrats that the American colonies should not develop economically. That pluralism was simply a justification for evil—and so it is today.

Justifying murder

The implementation of Cuomo’s high-sounding phrases is best seen in his record on the question of the right to life during his administration as governor of New York.

Two major tests of the right to life have come into the New York State courts since Cuomo has been governor. The first was the case of a baby girl (Baby Jane Doe) born in the fall of 1983 with spinal bifida, and refused a life-saving operation by the will of her parents. The second was the case of an 85-year-old New York man who refused food and medical treatment in order to kill himself.

In the Baby Jane Doe case, it was the New York State court which allowed the parents to deny the operation to the child. Asked by right-to-life groups to take action which would at least allow for review of the medical records to see how successful the operation would be, an action in which they were supported by the Reagan administration, the State not only refused to act, but blocked others from acting.

And Cuomo himself? He said that he could not support the intervention of the government into a physician-patient relationship—even to save a life! He also stated that decisions could not be made to spend so much money on handicapped infants, without taking into consideration the implications for the terminally ill as well.

In response, Cuomo began to make noises in the direction of setting up a private review board to determine the standards in such cases. But he refused to act to save the girl.

Cuomo used the same excuse to refuse action in the case of G. Roth Henninger, a man in a nursing home who decided to starve himself to death in February of 1984. The New York State Supreme Court in this case ruled that any attempt to sustain the life of Henninger would constitute assault and battery against the patient and violate his First Amendment rights. Henninger successfully killed himself.

One could argue that Cuomo was powerless in these cases. But, in fact, he has continued to espouse the philosophy of “private decisions” which justifies murder under the guise of “patient rights.”

It was in March of 1984 that the scandal of Do Not Resuscitate (DNR) orders being put on patients’ charts in New York City hospitals, unbeknownst to family or patient, finally forced the governor to do something about the flagrant disregard for human life. But even this did not get him to condemn the practice. Rather, he decided to set up an advisory board under his health commission Dr. David Axelrod to develop guidelines under which the practice could continue!

A statement issued by Axelrod at the New York Academy of Medicine on Sept. 17 indicates how he is thinking about the issue of the right to suicide, and the denial of care to handicapped infants, or elderly people. His view, in sum, is to go as far as the “consensus” will allow.

In this case, given the rise in health costs over the last decades, and the mass of propaganda condemning elderly and sick people as “useless eaters,” the “consensus” is grisly indeed.

“The courts have generally ruled that competent patients may forego any treatment,” Axelrod said, and “Life-saving measures may not be withheld from incompetent patients unless the family concurs in such a decision.” Urging that the courts be kept out of the question, he quotes the President’s (Carter’s) commission on Bioethics which suggests the “determinations of decisional incapacity be made by the attending physician,” and that “those who make and apply the law be encouraged to recognize the validity of such determinations.”

"Lest you think this is a relatively small problem, let me share with you the knowledge that, based on estimates provided by those who monitor our long-term care facilities, there are currently some 10,000 terminally ill individuals in nursing homes in New York State who are incapable of making a decision with respect to their own care. It is in their interest, as well as society's, that we articulate a consensus for dealing with DNR decisions."

And just to make it clear what it doesn't mean, he adds that "we should not confuse the issue of definition of death with that of DNR. DNR is not so much a matter of death, but a recognition of the burden associated with pain and prolongation of dying."

The idea that saving life should be redefined as "prolonging death" is a typical Jesuit redefinition which has been used by the bioethicists to justify a policy of murder of the extremely ill throughout the United States. In its baldest form, these "ethicists" argue that it is necessary to abandon the traditional Judeo-Christian approach of fighting to save every individual human life. Now, some lives are to be condemned as "too painful," some "too expensive," and others "useless" to be saved—despite the fact that the battle to save the terminally ill has been the most successful means of making scientific, and clinical, breakthroughs in life-saving technologies.

Already coopted onto Axelrod's Committee are the New York State Medical Society, the New York Hospital Association, and the Hastings Institute, one of the premier U.S. institutions in pushing genocide under the name of the "right to die."

In a speech to St. Francis College in New York on Oct. 3, Governor Cuomo proposed yet another taskforce, this one called "Life and the Law." The direction of this taskforce is transparent. As the governor said, "It's purpose is not endless study; its purpose is the earliest possible formulation of policy recommendations that will help our government to show its reverence for life in the midst of *complex competing forces and interests* [And why not simply overrule those forces?—ed]."

"It will take our highest aspirations and most noble pronouncements about life and seek to convert them into working laws and policies. It will try to provide practical answers to the question: what can a society that professes a profound respect for life do to realize its ideals? At the very least we ought not to avoid these hard questions. Rather we should bring them to the surface, explore them, debate them, bringing to bear on them all the best talent we have in an effort to arrive at consensus views that are decent and respectful of our greatest gift and greatest value—life."

The word "practical" should tip you off to the real meaning of this jesuitical doubletalk. Governor Cuomo is a practical, not a moral, man. And he doesn't want those who insist that our nation is founded on the principles of Judeo-Christian natural law to impose morality on him, or our society:

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Elephants and Donkeys

by Kathleen Klenetsky

The Mondale war on U.S. intelligence

In late September, President Reagan provoked a ruckus when he said that the failure of U.S. intelligence to foresee terrorist attacks, including the most recent assault on the U.S. embassy in Beirut, was largely due to the stripping of the CIA and related institutions during the Carter-Mondale years.

Although the President retracted his comment after howls of outrage from the likes of Sen. Daniel Moynihan, Walter Mondale, and Jimmy Carter himself, his accusation was right on target.

Under the Carter-Mondale administration, the war against U.S. intelligence which had been launched in the early 1970s reached its apex. Over a thousand CIA personnel, many representing factions opposed to the deals then being worked out between Moscow and Washington, were fired by CIA Director Stansfield Turner. Key operations were severely reduced or terminated, and drastic restrictions placed on the services in the name of "protecting civil liberties."

The case of David Aaron

One of the most important architects of this nasty operation was David Aaron, Mondale's top adviser on strategic policy and the man most likely to be named National Security Adviser in a Mondale administration.

Among other things, Aaron was personally implicated in the destruction of a key CIA operation in the Soviet Union—which may explain his crucial insider role in setting up the recent tête-à-tête between Andrei Gromyko and Mondale.

Aaron's involvement in the anti-CIA offensive dates to no later than 1974, when he was channeled from the Kissinger National Security Council to then-Senator Mondale's office.

Mondale, who had assumed a leading position on the Church Committee, placed Aaron as his point man on the panel.

On Aaron's counsel, Mondale led the battle to establish a new committee with extensive legislative and budgetary authority over intelligence agencies and broad investigative authority backed up by subpoena power. Where previously only a handful of trusted senators had been privy to the inner workings of the intelligence community, the Senate Intelligence Committee opened up U.S. intelligence to openly hostile senators.

In 1977, newly elected Vice-President Mondale took Aaron with him to the White House, getting him appointed to the number-two post at the National Security Council under Zbigniew Brzezinski. From this powerful position, Aaron helped engineer the Carter-Mondale-Turner purge of the intelligence community.

Doing the KGB's dirty work

In 1980, Aaron caused one of the biggest scandals of the period when he was accused of having blown the identity of a U.S. agent in the Soviet foreign ministry. Code-named Trigon, the agent worked in the Global Affairs Department, from which he channeled top-level intelligence to the United States from 1975 until the Soviets discovered him in the spring of 1977.

Trigon's last report to the CIA was the transcript of a cable from Anatoly Dobrynin, the Soviet ambassador to the United States, describing an April 1977 breakfast meeting he had in Washington with Henry Kissinger, whom Aaron had worked for when Kissinger was National Security Adviser to President Nixon in the early 1970s.

Copies of this cable were circulated among top U.S. intelligence officials and the NSC. According to various published accounts, Aaron allegedly mentioned some details of the cable during a conversation with an East European diplomat, reportedly a Romanian, during an April 1977 dinner party at the Jordanian embassy in Washington.

The CIA launched an investigation and concluded, according to intelligence community sources, that Aaron had indeed been responsible for Trigon's disappearance. In 1980, the Senate Intelligence Committee opened its own inquiry into Aaron's role in the Trigon disappearance, but exonerated him completely.

This whitewash was to be expected, given the close relationship both Aaron and Mondale had with the Intelligence Committee. Indeed, the committee's chief staffer, William Miller, was an old friend of Aaron's.

Aaron makes no bones about the fact that he thinks the United States should accept a less-than-superpower status, a concept that dominates the Mondale campaign. In a recent interview Aaron gloated that "the American people aren't as clear as to what our role has to be in the world. . . . There is a pulling back . . . and much less willingness to be militantly engaged in world affairs. . . ."

With views like these, it is hardly surprising that Aaron should have found a job at the New York investment firm of Oppenheimer & Co., Inc., after the 1980 elections. Oppenheimer recently merged with Mercantile House Holdings. In January 1983, Sir John Buckley, the new chairman of Oppenheimer International Ltd., the London subsidiary which resulted from the merger, told the *New York Times*: "Our prime task is not just old-fashioned mergers and acquisitions. The whole capitalist economic system needs restructuring."

Budget deadlock shuts down U.S. government

The U.S. federal government shut down on Oct. 4, as the Senate failed to pass the continuing resolution needed to keep the government functioning. All federal government institutions were closed and employees were sent home without pay, although emergency staffs were maintained at government offices.

As has happened with increasing frequency since the imposition of the "budget process," Congress failed to pass most of the funding bills needed to keep the government going into the new fiscal year which began on Oct. 1. Congress was working on an omnibus "continuing resolution" which will fund the government temporarily until Congress returns for a lame duck session or reconvenes in January. It was this continuing resolution which the Senate could not complete in time and which caused the U.S. government to close its doors for the second time during the Reagan administration.

Although the budget impasse was resolved the next day and the government did resume functioning, the current situation is being orchestrated to feed into the growing sentiment to "reform" the executive and legislative branches. A number of studies are currently ongoing under the aegis of Henry Kissinger's Center for Strategic and International Studies (CSIS) to reform the two branches of government as they relate to defense and national security. All the reforms point in the direction of the "parliamentarization" of the U.S. government and the dissolution of separation of powers.

Trilateral Commission member Sen. William Roth (R-Del.) has been holding hearings on national security policy reform before his Senate Governmental Affairs Committee. On Sept. 26, Dr. Amos Jordan, the direc-

tor of Georgetown's Center for Security and International Studies, and Helmut Sonnenfeld, a long-time Kissinger intimate, testified before the committee, stressing that the current conflicts between the executive and legislature were becoming irreconcilable.

Grain cartels stack Farm Export Commission

The Speaker of the House and the President Pro Tem of the Senate have announced their appointments to the newly created Agricultural Export Commission, another in a line of government-sanctioned and privately-run commissions. The Agricultural Export Commission was established by Congress in September at the urging of "private sector" agricultural interests—a polite term for the international grain cartels. The primary sponsor of the commission idea in the U.S. Congress was Sen. Bob Dole (R-Kan.).

Some members of the commission will come from the administration and relevant congressional agriculture committees, while the House and Senate each appointed 10 private-sector members to the commission. The grain cartel influence is evident in those appointments.

Bernard Steinweg, senior vice president of Continental Grain Co. and also the chairman of the International Trade Committee of the National Grain Feed Association, represents the grain cartels directly. Francis B. Gwin is the chairman of the board of Farmland Industries—a nesting place, until recently, of Jimmy Carter's Malthusian Agriculture Secretary Bob Bergland. The W.R. Grace Company, whose chairman ran the infamous Grace Commission which called for dismantling U.S. defenses as a "cost-cutting"

measure, is represented by its executive Vice President L. L. Jaquier.

Congress readies new attacks on 'Star Wars'

Although the opponents of the President's Strategic Defense Initiative (SDI) failed in their efforts to make major cuts in the already too-meager budget, they took to the floor of the Congress in the last days of the session to prepare their attack for next year. Thus far, the President has kept the SDI in the research and development phase, asking for \$1.77 billion for FY 1985. The House wanted to cut over \$400 million from the request, but bowed to the Senate cut of \$150 million instead.

However, on Oct. 2, Rep. Fortney Stark (D-Calif.) led an hour-long colloquy on the House floor, stressing the importance of keeping intact the Anti-Ballistic Missile (ABM) Treaty and of preventing the actual implementation of a strategic defense program. Echoing the arguments of the Committee to Save the ABM Treaty, led by arms-control aficionados such as Cyrus Vance, McGeorge Bundy, and Robert McNamara, Stark and his colleagues warn that administration officials such as Defense Secretary Weinberger have suggested abrogating the treaty in order to deploy beam-weapon defense systems. Pointing to the pivotal role of the ABM Treaty in maintaining the McNamara-Kissinger strategy of "balance of terror," Stark correctly notes that "the future of the ABM Treaty will determine the future of arms control."

On the Senate side, Dale Bumpers (D-Ark.) decried the failure of his proposed cut of another \$140 million from the SDI program. Bumpers had put forward an amendment, which was withdrawn for time considerations,

which would have taken the money out of the SDI and put it into housing relocation for military personnel and the purchase of military trucks! In a Sept. 28 floor speech, Bumpers asked: "Are we to embark on a \$500 billion to \$1 trillion escalation of the arms race, which is going to be the most destabilizing thing we have ever done, with no more debate and discussion than we have had? Well so far as I am concerned, we are not." Bumpers pledged to continue the fight next year.

Finally, Sen. William Proxmire (D-Wis.), denounced the SDI in a floor speech on Oct. 1. Referring to the recently repeated statement of Secretary of Defense Caspar Weinberger that the United States would be willing to share beam-weapon defense technology with the Soviets in the interests of ending the thermonuclear balance of terror, Proxmire raved: "Our Secretary of Defense has stated on national television that he and the President have agreed to hand over to the Soviet Union, our principal military adversary in the world, a technology that will cost our taxpayers tens of billions of dollars." Proxmire continued: "On every vote we cast from now on to support the Defense Department's antimissile or Star Wars program, we know that we are voting billions for the Soviet Union."

Congress passes free trade with Israel

The House passed H.R. 5377 by a vote of 416 to 6 on Oct. 3, thus joining the Senate which had acted earlier, authorizing the President to enter into a "reciprocal and mutually advantageous" free trade area between Israel and the United States. Differences between the House and Senate versions of this U.S.-Israel free trade zone are

expected to be resolved and the bill resubmitted to both Houses and passed before Congress adjourns for the rest of this session.

Under the rubric of "free trade," the main purpose of the agreement seems to be to force Israel to abandon its remaining dirigist or nation-building economic measures. Israel submitted to demands that it sign the subsidy code of GATT in exchange for the free trade zone. Both Ways and Means Committee chairman Rep. Dan Rostenkowski (D-Ill.) and Ways and Means Trade subcommittee chairman Rep. Sam Gibbons (D-Fla.) assured the committee that "the U.S. Trade Representative has assured the committee that an Israeli commitment to phase out its subsidies will be a precondition of any agreement."

Rep. Thomas Downey (D-N.Y.) was cited by several House members as the key man pulling the legislation together. Downey claimed during floor debate that "the idea [for the free trade zone] was Israel's" but made it clear that Israel was desperate. "The Israeli economy, ladies and gentlemen," Downey intoned, "is something that is in very desperate shape. There is a joke that goes around in Israel, 'What is the difference between a dollar and a shekel?' and the answer to that query is, 'A dollar.' . . . While it is funny, it points up the fact that the Israeli economy is in desperate trouble." Downey claimed that U.S. exports to Israel would increase, as well as Israeli exports to the U.S. which would "help Israel to service its debt."

The House version would require the President to submit only non-tariff barrier changes for congressional approval while the Senate version requires both tariff reductions and non-tariff changes to get congressional approval. Provisions are also in the legislation to stop third countries from using Israel to circumvent U.S. tariffs

with a provision that at least 35% of the value of a product has to be added in Israel.

House condemns Bulgarian drug- and gun-running

By a voice vote on Oct. 1, the U.S. House of Representatives passed House Concurrent Resolution 337 condemning Bulgaria's role in facilitating narcotics trafficking and terrorism. Sponsored by Rep. Edward Feighan (D-Ohio), H. Con. Res. 337 calls on the Secretary of State to request a reconvening of the Customs Convention. That conference would discuss steps that could be taken to prevent future abuses of the treaty of the kind that Bulgaria has been charged with. Feighan, who is chairman of the House Foreign Affairs Committee Task Force on International Narcotics, conducted extensive hearings on Bulgarian abuses of the customs convention.

In his floor statement, Feighan reported: "According to the U.S. Drug Enforcement Administration, Kintex—an official Bulgarian import-export agency—has been trading in guns and drugs for at least 14 years. Typically, Kintex buys arms from sanctioned European dealers. These weapons are then traded to Middle East terrorist and trafficking groups in exchange for heroin. The heroin, in turn, is sold by Kintex to European narcotics smugglers. DEA officials estimate that at least 10% of the heroin that enters the United States each year comes from Bulgaria, and they added that narcotics sales are a key source of hard Western currency for the Bulgarians. Bulgaria also uses the drugs-for-guns network to gather intelligence and arm terrorist groups throughout Europe and the Middle East."

National News

Brzezinski moots Nunn as defense chief

Kissinger Democrat Sen. Sam Nunn (D-Ga.) would make a ideal secretary of defense, suggested Carter's National Security adviser Zbigniew Brzezinski Sept. 30. Brzezinski made the statement on the NBC talk show "One on One."

The Georgia Democrat, who has postured for a decade as the Senate's "Mr. NATO" and a "friend of Europe," introduced legislation the third week in June which would rip up the Western military alliance. Nunn called for the withdrawal of 90,000 American troops from Europe by 1990. The legislation, said a Nunn staffer, was inspired by Henry Kissinger's proposal to pull troops out of Europe, published in *Time* magazine March 5.

Brzezinski, like Henry Kissinger, operates out of the Georgetown Center for Strategic and International Studies. Brzezinski has been advising Reagan on Asian policy and has in recent weeks made repeated calls for President Reagan to open up his administration to a more bipartisan foreign policy.

Mondale vs. drugs—believe it or not

With New York Mayor Ed Koch at his side, Walter Mondale appeared on the floor of the House Judiciary Committee Oct. 3 to lambaste the Reagan administration for having allowed the drug trade to "soar." Koch called the drug problem "the scourge of America," and Mondale presented his recently concocted campaign plan to win the war on drugs, vowing that "the time has come to put the illegal drug business out of business."

Evidently the "time hadn't come" under the Carter-Mondale administration. The Carter-Mondale administration recommended in 1977—and never rescinded the proposal—that marijuana be decriminalized, which is tantamount to legalization. After Carter took office, the top posts in the drug abuse field were suddenly filled with advisory board members of NORML, the

National Organization for the Reform of Marijuana Laws (the "pot lobby"). White House Adviser on Drug Abuse Peter Bourne was finally forced to resign for dispensing phony quaalude prescriptions.

As a U.S. congressman before becoming New York's mayor, Koch was a key sponsor of legislation to decriminalize marijuana. According to NORML spokesman George Furnham in an interview in 1981: "Koch was instrumental in getting the New York State Legislature to endorse marijuana decriminalization." Koch exerted his influence to break a deadlock, and the legislation became law, causing marijuana use among school youth to increase by 300% in one year.

LaRouche: 'Two Reagan administrations'

"The key thing to understand is that there are two Reagan administrations," Independent Democratic presidential candidate Lyndon LaRouche told editors from seven major newspapers on Oct. 3 in a telephone hookup in which the "dark horse" candidate and editors batted around questions and answers.

"One is Ronald Reagan the President, and the other is Reagan's reelection apparatus," LaRouche continued.

"What about Henry Kissinger?" LaRouche was asked.

"Kissinger's power lies with the reelection campaign because a lot of liberal Republicans like Henry Kissinger and want Reagan to go along with Kissinger. The fact that Reagan handled himself well with Gromyko was not to Kissinger's liking and Gromyko may have felt betrayed by what he was led to believe by the Kissinger crowd."

There is no question but that "Kissinger has a growing influence," LaRouche asserted. "Henry Kissinger and Gorman [U.S. Army Southern Command Gen. Paul Gorman] control Central American policy. Kissinger has a strong influence on China and Asian policy and certainly some influence in the Middle East and Europe."

When asked about the Gromyko-Reagan talks, LaRouche explained that Kissinger and Gromyko had wanted President

Reagan to negotiate away the President's "Star Wars" proposal but "that didn't happen. All indications are that Reagan stood his ground." There is speculation, however, in light of this, said LaRouche, "that the Soviets will go for a combined military and financial offensive to ensure his defeat."

LaRouche explained that his campaign is intervening to change Reagan's policies after a Mondale defeat, that many of the President's foreign policies are bad, and that his economic understanding is non-existent. "Nevertheless Mondale is worse," he said, and "between now and the election, and during the immediate period following the election the world faces a very dangerous period."

Kissinger forces CIA Mexico analyst out?

Capitol Hill controversy is brewing over reports that CIA Mexico desk analyst John Horton was pressured out of his job because he wrote a report going against the Kissinger-State Department proposal for U.S.-Mexico relations. Horton, an experienced intelligence analyst, left the CIA last May after the Foreign Intelligence Advisory Board, on which Kissinger sits, reviewed a position paper Horton wrote which concluded that the United States should *not* take a confrontationist posture toward Mexico's de la Madrid government.

Horton's analysis cut against the prevailing State Department idiocy that the United States should undermine Mexico's ruling PRI Party and back the opposition, the neo-Nazi PAN party. Horton's report also contradicted the party line that Mexico is on the brink of a period of large-scale instability that represents a security threat to the United States.

The official CIA response to the published reports of Horton being forced out of his position by CIA head William Casey was that "all estimates are approved by the Foreign Intelligence Advisory Board, which is chaired by Mr. Casey and includes the heads of all intelligence agencies."

Citing Reagan administration sources, the *New York Times* claimed on Sept. 29 that Casey wanted a tough report from Hor-

ton "to help persuade the White House to approve a program of covert and economic American pressures on Mexico to induce it to support U.S. policies on Central America." The *Times* said that President Reagan personally rejected these suggestions in May because Mexico seemed already to be backing away from its strong support of the Sandinistas in Nicaragua and guerrillas in El Salvador.

Ferraro plea: 'Why won't you vote for us?'

Geraldine Ferraro pleaded with autoworkers at a Belvedere, Illinois Chrysler plant on Oct. 2 to tell her why the Democratic ticket appears doomed. She said she was "absolutely floored" by polls that show about one-third of the United Auto Workers union members plan to vote Republican. "I want to know why one-third of you are going to vote for Ronald Reagan. I mean that honestly. So could someone, anyone, anyone, let me know?"

The following day the AFL-CIO announced results of its own poll, indicating that Ferraro's fears of a one-third defection to the Republicans were conservative, and that, in fact, 50% of its membership is not going along with AFL-CIO President Lane Kirkland's endorsement of Mondale. Mondale's fellow Trilateral Commission member Kirkland has announced a 14-day tour of the industrial states of the Northeast and Middle West to rally votes to the Democratic ticket.

Detroit News to Reagan: Clean out palace guard

The *Detroit News* on Sept. 30 published a lead editorial calling on President Reagan to clean out of his administration such insiders as James Baker, David Stockman, and Michael Deaver, and to bring back "for starters Judge William Clark, who as national security adviser ramrodded the Strategic Defense Initiative through the bureaucracy." If the President really wants to "leave a mark

on history," the editorial says, he must bring his "Star Wars" initiative for anti-missile defense into being.

"A Reagan landslide will mean little if there is no content attached to it," warns the editorial which is entitled "A Few Good Men." "And it will mean even less if the President's current top staff gets four more years. . . ."

The editorial blasts the Palace Guard insiders for deliberately "undercutting" the President's initiatives, and criticized them for "dreaming up symbolic nonsense, such as last week's meeting with Soviet Foreign Minister Gromyko. A President of 'an America that is back' does not go around begging mere foreign ministers for audiences," says the editorial.

"Therefore, the decisive event of the next few months—weeks, really—will be the choice of staff for a second term. . . . If he finally chucks out the old operatives and picks people who will try to carry through on his instincts, his second term could prove productive. Despite the resistance of much of his staff, Mr. Reagan has laid solid groundwork in both domestic and foreign policy."

N.J. mayor demands U.S. defend Europe

Elizabeth, New Jersey Mayor Thomas G. Dunn issued an Official Proclamation Oct. 1 calling on the U.S. Congress to commit itself to the defense of Western Europe. The proclamation, which Mayor Dunn announced at a press conference at his City Hall office, calls for the deployment of beam weapons defense systems to protect Western Europe, and opposition to the "dangerous" call for decoupling U.S. and European defense.

The mayor was joined at his press conference by Col. Meir Pa'il, a former Israeli Knesset member and prominent historian. Dunn stated that he was issuing the proclamation in the presence of Colonel Pa'il, as "a visiting Israeli dignitary and military leader with whom I share a common interest in the defense of Europe, of America, and of Israel."

Briefly

● **MONDALE'S** "flat," "lackluster" personality may derive from the fact that he takes daily doses of mood-alternating drugs. His physician Dr. Milton M. Hurwitz told a *New York Times* interviewer that the Democratic presidential hopeful takes three drugs for high blood pressure, a beta blocker, a diuretic, and a hydralazine. Medical experts say beta blockers often cause fatigue and depression in their users. "Beta blockers can also affect mood," reports the *Times* in its Sept. 30 issue, "usually depressing it. . . ."

● **JERRY BROWN** got the red-carpet treatment in Moscow, greeted at the airport by U.S.A.-Canada Institute head Georgii Arbatov and by Central Committee International Department head Vadim Zagladin. The "guru" ex-California governor also met with president of the Soviet Academy of Sciences Velikhov and top military people. The *Washington Post* noted in its Sept. 29 coverage that Brown's "Soviet hosts certainly seemed to treat him as a politician with prospects."

● **DRUG ADDICTS** are just normal Americans, asserted Arnold Trebach, director of the Institute on Drugs, Crime and Justice of American University. Trebach was interviewed in the Oct. 1 issue of the Moonies' so-called "conservative" newspaper, the *Washington Times*, which is carrying out a campaign to legalize heroin. Trebach is calling for the "medicalization" of America's heroin problem, so that addicts can receive doctor supervised doses of heroin.

● **A BROWN UNIVERSITY** campus organization calling itself "Students for Suicide" is conducting a referendum on the Providence, Rhode Island campus this month on whether or not cyanide pills should be made available to university students who want to commit suicide in the event of nuclear war.

Editorial

Is there a cure for AID?

Economic dictates issued toward Israel and Egypt from the Reagan administration wreaked considerable havoc the first week of October. Should the policies which led to these measures be continued, there is no hope for peace in the region.

The source of the bad policies is no secret. Establishing the criteria for economic aid within the U.S. State Department is the U.S. Administration for International Development, known for short as AID. And a bigger source of subversion of U.S. foreign policy could not be found.

The head of AID is one Peter McPherson. McPherson's speeches are crystal clear on his desire to use U.S. financial aid to ruin the domestic and heavy industry, national planning, and agriculture of recipient nations. He is so eloquent in defense of "small is beautiful" that you might think that he belongs in the Environmental Protection Agency.

But McPherson did not come up with these policies on his own, of course. They were first written in the supranational agencies such as the OECD and the policy-planning sections of NATO, and then widely popularized by the Club of Rome. You'd be surprised how much of U.S. foreign and economic policy is made by the genocidal maniacs who are willing to kill billions of people in order to preserve the forests and some dying species of lizards. And Peter McPherson, cohort of the Club of Rome, is just such a maniac.

McPherson, for example, was one of the major promoters of the depopulation thesis—against the wishes of the President—at this summer's United Nations Population Conference in Mexico City. To hear McPherson, you would believe that giving out birth control pills, or sterilizing people, actually alleviates starvation, or grows food. Not since Jimmy Carter claimed that conservation creates energy has such a fraud been perpetrated.

Now let's look at what AID has done in the Middle East.

First, it is responsible for recommending the elimination of U.S. aid for Egypt in buying a nuclear plant. This move will not immediately destroy Egypt's econ-

omy—it will probably simply send that nation to the Europeans, or even to the Soviet Union, to get the necessary help in securing cheap energy.

Second, it is responsible for demanding the implementation of IMF policies which created food riots in Egypt this week. This crisis is by no means a one-time affair, of course. Due to the shortage of infrastructural development, Egypt has not yet developed sufficient agricultural productivity to feed itself, and remains dependent upon the United States for food aid—even on a day to day basis. Armed with this blackmail, the AID persists in demanding that Egypt manage its food market the way they want—including the elimination of certain food subsidies, the adoption of population-control policies, and a reliance on labor-intensive methods.

Third, as reported in an Oct. 5 article by Jack Anderson, the State Department—guided by AID—will demand of Israel that it qualify for further desperately needed aid from the United States by escalating its budget cuts, eliminating the central bank of Israel, and "privatizing" large sections of the Israeli economy in a way that will destroy what remains of the heavy industrial sector.

Especially targeted for cuts, both now and in the past, has been the Energy and Infrastructure Ministry, which has been working on Israel's Mediterranean-Dead Sea canal project. This project, one of the proposals of Col. Meir Pa'il, involves creating a grid of nuclear plants along a canal to be built between the two seas.

Irony of ironies, both Israel and Egypt, the nations who braved the wrath of the Soviet Union and the radical Arabs to form an alliance for peace in the Middle East, are now being deprived of the only technologies that could actually create the prosperous conditions to implement that peace.

And who's responsible? Well, we would start with that anti-technology technocrat Peter McPherson. Removing him from office would be the first step toward cleaning up a situation where our government promises support for a government, and then our State Department acts to destroy it.

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