

but it's not possible for the politicians to accept his advice, to detach themselves from the kind of government, and the kind of procedures, which enable those abstractions to become reality. And, that has to be grasped; because, now, no longer is economics merely a plaything of an obscure corner of the academic priesthood. Now economic policy is that which determines the lives, and daily lives and conditions of people. The form of economic policy, determines the kind of government, which is necessary to carry it out. And, the only kind of government which can carry out the kind of policy which Professor Lerner recommends . . . would have to be a Bonapartist or fascist government.

"He may be opposed to fascism with every fiber of his being; this was also true in Germany, where many economists, liberal economists, proposed austerity, who also opposed the Nazi regime. But, nonetheless, there are men who will take up these policies and carry them out, and they will be Bonapartists or fascists; but not Professor Lerner. So, he must understand, that sometimes his good intentions do not ensure, that his policies, carried into practice, will work out as he sees them, in human terms."

And, in fact, LaRouche said, "the kind of solution he's [Lerner's] proposing is precisely the kind of solution that was discovered by the German financiers of 1933, was implemented by Schacht—to *reduce* wages. That is, to fix them at the level of 1933—depression levels in Germany—as a means for expanding employment; and this is precisely the pattern, I suggest, throughout the world today."

Hitler and Schacht

Professor Lerner did not take LaRouche's point kindly. "It's a complete misunderstanding to take the holding-down of money-wages as meaning austerity," he claimed. The question is more jobs. Hitler even created more jobs and prosperity for some, although he was bad politically.

LaRouche upped the pressure, in response: "The *only* way that the kind of policies that Professor Lerner is talking about can be carried out, is by a Brüning and von Papen regime, succeeded by a Hitler regime, or its equivalent in the U.S."

Professor Lerner got more and more agitated, until he blurted out his clearest statement, to the amazement of those in attendance: "But if Germany had accepted Schacht's policies, Hitler would not have been necessary."

The debate then limped to an end, with the professor insisting again and again that fascist economics had nothing to do with fascist politics. He kept a brave face on, but his friends and allies knew better. They determined that they would never let another one of theirs face off against LaRouche again.

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SDI and the Jailing Of Lyndon LaRouche

by Paul Gallagher

This speech was given on March 21, 1993, to a conference of the Schiller Institute in Northern Virginia, and was published in an April 1993 EIR White Paper on "The Crucial Role of Lyndon LaRouche in the Current Strategic Situation." Gallagher was the former executive director of the Fusion Energy Foundation (FEF), which had been shut down by an illegal government-forced bankruptcy in 1987.

President Reagan's Strategic Initiative Speech ten years ago—or as it was called worldwide at the time, his "Star Wars" policy speech—caused one of the greatest worldwide furors of any statement by any President in history; it changed history; although it was merely the final five minutes of his half-hour nationally televised speech of that evening. The President proposed to abandon the threat of massive nuclear retaliatory destruction (known as Mutually Assured Destruction or MAD), and to embark on a crash scientific mobilization to develop energy-beam anti-nuclear defenses, offered to nations worldwide to remove the threat of nuclear attack against them. This new strategic doctrine had been developed and fought for for years, by Lyndon LaRouche.

More than that, LaRouche had been discussing this possibility with representatives of the Soviet regime for more than one year, known to both sides to be acting informally for the Reagan government. In diplomatic language, such an intermediary activity by a private individual is called a "back-channel" between two governments.

Let me quote what Gen. Paul-Albert Scherer told an audience at the National Press Club two weeks ago. General Scherer is the former head of military intelligence for Germany.

"In the Spring of 1982 here in the Soviet Embassy, there were very important secret talks that were held. . . . The question was: Did the United States and the Soviet Union wish jointly to develop an anti-ballistic missile defense that would have made nuclear war impossible? Then, in August, you had this very sharp Soviet rejection of the entire idea. . . . I have discussed this thoroughly with the developer, the originator of this idea, who is the scientific-technological strategic expert, Lyndon LaRouche. The [Soviet] rejection came in August, and at that point the American President Reagan decided to push this entire thing out into the public eye, so he made his speech of March 1983."

In that speech of March 1983 President Reagan adopted, for a time, as U.S. government policy, the strategic doctrine which LaRouche had designed and presented to the governments of both superpowers, the U.S. and the Soviet Union. LaRouche called this strategy “relativistic beam weapon anti-missile defense. President Reagan called it the “Strategic Defense Initiative.”

One month ago, at a Princeton University conference, two former Soviet government ministers, including the former Foreign Minister, Bessmertnykh, acknowledged that it was the Strategic Defense Initiative that caused the collapse of the Soviet empire. Specifically, it was the Soviet attempt to reject the SDI, and to defeat it by a massive nuclear and conventional military buildup, which led to that collapse. LaRouche had warned them, very publicly in 1982 and many times afterward, that this would happen by 1988 if they took the road of rejecting his SDI. They destroyed themselves; sowed the seeds of current global warfare; and caused LaRouche’s imprisonment, which must now end before it is too late.

It was the actions of LaRouche himself and through his collaborators in that period, changing the strategic policy of the United States and for some time threatening to change the economic and strategic policy of the world’s major nations, which led directly to his legal persecution; to the attempt to kill him during massive police raids on Leesburg in October 1986; and to his continuing imprisonment. Following Reagan’s adoption of the SDI, Soviet attention was rivetted on Lyndon LaRouche, its author, and the destruction of his influence was demanded from the highest levels of the regime of Yuri Andropov, and later that of Mikhail Gorbachov.

Here is the crucial sequence by which LaRouche’s successful intervention into the events of national and global policy in 1982-83, brought the Soviet reaction which led to his imprisonment.

July 1977. LaRouche commissioned the first-ever mass-circulation report to the American people on this subject. The title of the pamphlet was “Sputnik of the 70s,” emphasizing the fact that the technologies on the horizon for anti-missile defense, like Sputnik, were not weapons as such, but “new physical principles” which would revolutionize both technology and weaponry.

August 1979. LaRouche, through his representatives, held the first discussions with Ronald Reagan campaign personnel on “energy beam defense.”

January-February 1981. (The Reagan “transition period”), LaRouche and his representatives had meetings on the strategic doctrine and related scientific and energy policies, with Energy Secretary Donald Hodel, Interior Secretary James Watt, Science Adviser Dr. George Keyworth, and State Department official Richard Morris. Later that year Lyndon and Helga Zepp-LaRouche met with CIA Deputy Director Robert Inman. In July of 1981 LaRouche’s PAC released a mass circulation pamphlet on the SDI.

April 1981. Soviet representatives at the UN approached representatives of LaRouche several times, seeking discussion of his assessment of the incoming Reagan Administration, and of strategic questions.

Fall 1981. LaRouche and representatives regularly met with United States CIA and other intelligence representatives to discuss LaRouche’s “beam weapons” military strategy. Reagan National Security Council official Richard Morris testified that this was one of six areas dealt with in meetings with LaRouche and his representatives. Morris testified to this in December 1988 during LaRouche’s second trial; and again in May 1990 during the prosecution of LaRouche associates,

December 1981. The Reagan Administration, through intelligence agencies, requested LaRouche attempt “back-channel” discussions with Soviet representatives, about the new scientific/military strategy represented by LaRouche, and how the Soviets would react if this policy were adopted by the United States.

February 1982. *EIR* held a Washington, D.C. conference on anti-missile defense policy attended by more than 300, including U.S. government, Soviet and East bloc representatives; LaRouche gave the keynote on “relativistic beam weapons.”

February 1982. In private meetings around this public conference, LaRouche opened the desired “back-channel” discussions involving himself and Soviet Washington embassy official Yevgeni Shershnev, with constant consultation and reporting to the U.S. government. The subject: possible adoption by the Reagan Administration of LaRouche’s proposed new “beam weapons” military doctrine.

October-November 1982. While this “back-channel” continued, Henry Kissinger (an architect of the MAD doctrine LaRouche was challenging) and others on the President’s Foreign Intelligence Advisory Board, contacted FBI Director William Webster asking for targetting of LaRouche. The Advisory Board and other intelligence agencies at that time adopted a secret intelligence assessment—“Soviet Capabilities for Strategic Nuclear Conflict, 1982-1992”—used by Reagan in the first 25 minutes of his March 23, 1983 speech; declassified in February 1993. This report acknowledged Soviet buildup for nuclear war “first strike” capabilities, which had been featured in LaRouche publications since 1980. But it did not acknowledge any possibility that the U.S. might abandon the MAD doctrine—precisely what was required by this shortening “hair-trigger” for nuclear war.

Dec. 22, 1982. *EIR* published LaRouche’s “Reply to Soviet Critics,” a detailed warning to the Soviet leadership not to reject the new doctrine and not to refuse cooperative development of new energy and particle beam military technologies. He explained why the underlying problems of their economy and workforce would bring them down if they did.

Jan. 1, 1983. LaRouche told a national political confer-



The forces that declared war on LaRouche in 1984-86, as a result of President Reagan's adoption of LaRouche's SDI policy: Soviet Premier Mikhael Gorbachov; Democratic Party Chairman and banker's man Charles Manatt; and 1984 Democratic Presidential candidate, Walter Mondale, glaring at LaRouche representative Harley Schlanger at a Houston meeting in 1983.

ence in New York City, that the Reagan Administration *must* scrap MAD doctrine “within 90 days” or the world was on a course toward war.

February 1983. Shershnev, in the back-channel talks, detailed to LaRouche why the Soviet leadership rejected his doctrine: It would work militarily, but its development would be to the advantage of the West's superior scientific-productivity capabilities; therefore, the Soviets would reject such a new doctrine by Reagan.

February 1983. LaRouche returned from Europe, where he had held seminars for European military officials and officers on the science and technology of the new “beam weapons” military strategy. Dealing with the Soviet “rebuttal,” LaRouche shuttled between U.S. officials and Soviet representative in an intensive phase of back-channel negotiations. He warned the Soviets that a military buildup will destroy their economy and break their empire within five years (i.e., by 1988), unless they accepted the new “science driver” represented by relativistic beam technologies.

February 1983. The Soviet representative told LaRouche the Soviet leadership had been assured and was confident, that any intention by Reagan, to adopt a new military doctrine abandoning MAD and developing beam-weapons defenses, would be blocked by Democratic Party leadership and its administration influence.

Late February 1983. LaRouche's National Democratic Policy Committee published another of many such mass circulation pamphlets on relativistic beam weapon defenses. This included a white paper written by a Fusion Energy Foundation scientist on how beam weapons work, also being used by LaRouche in his contacts with U.S. government officials. The political mobilization call on the front page of the pamphlet was prophetic: “Let us make the month of March. . . .”

March 1983. LaRouche scientific representative Uwe Parpart met with NSC scientists and consultants on possible forthcoming Reagan announcement of new military doctrine.

March 16, 1983. LaRouche representatives Jeff Steinberg and myself met with representatives of the Air Force and Defense Advanced Research Projects Agency; we were told the Pentagon was unaware of any prospect of a new strategic policy.

March 23, 1983. Ronald Reagan finished a nationally televised address on the Soviet military buildup, by announcing the new doctrine known as the Strategic Defense Initiative. The form of anti-missile defense doctrine Reagan announced, was uniquely that of LaRouche, calling for fundamentally new beam technologies rather than the old interceptor missiles. He offered to share these technologies with the Soviets, in a cooperative effort to end MAD and make the new defensive technologies available to all countries: distinctly LaRouche's policy of anti-missile defense.

Yuri Andropov's Soviet leadership was shocked and attributed vastly greater influence to LaRouche; said Foreign Minister Bessmertnykh at the Princeton conference recently, “the SDI put us into a very dangerous situation.” Secretary of State George Shultz, speaking at the same Princeton conference, said that the U.S. Joint Chiefs of Staff were “flooded” by Reagan's announcement.

March 24, 1983. I appeared, representing FEF, on CBS-TV evening news as the first non-government spokesman to defend and explain the SDI. CBS-TV said that they had contacted the Heritage Foundation, considered the premier think-tank for Reagan Administration policies, but Heritage's staff director told CBS they knew nothing about SDI, which was “the Fusion Energy Foundation's thing.” FEF Research Director Uwe Parpart was featured the following morning,

March 25, on “Good Morning America,” for the same reason.

April 8, 1983. LaRouche keynoted a Fusion Energy Foundation conference in Washington, D.C. on the Strategic Defense Initiative, attended by 800 representatives of the administration, Congress, business, and the diplomatic community, including 16 East bloc representatives. Representatives from the Soviet embassy and press attended, but then walked out.

April 1983. Soviet designate Shershnev informed LaRouche that he had been ordered from the highest level in Moscow to terminate the discussions with him. Shershnev had reacted to the Reagan announcement by seeking to have senior Soviet KGB “America expert” Georgi Arbatov meet with LaRouche; this was rejected, and Shershnev was ordered back to Russia.

May 24-28, 1983. A high-powered KGB delegation of 25, including some Russian Orthodox Church prelates since acknowledged to be KGB agents, came to Minneapolis, Minnesota to hold a “peace conference” with leading Democratic associates of Walter Mondale. The purpose of this “U.S.-U.S.S.R. Bilateral Exchange Conference” was to declare war on the SDI. The Soviet delegation was sponsored by Georgi Arbatov, head of the U.S.A. and Canada Institute of the U.S.S.R. (this was the official who had refused to meet with LaRouche as Shershnev proposed); it was headed by KGB publisher and journalist Fyodor Burlatsky, a confidant of future President Mikhail Gorbachov.

Aug. 10, 1983. Burlatsky, in the weekly *Literaturnaya Gazeta*, attacked the SDI, and by implication LaRouche, as a *cause for war*.

August 1983. Democratic Party National Chairman Charles Manatt publicly declared war on Reagan’s SDI policy, and said “all” Democratic candidates for President in 1984 would totally oppose SDI, despite its broad popular support.

September 1983. LaRouche announced his candidacy for the Democratic nomination for President, to back the SDI and rally Democratic voter support for it. During 1984, LaRouche’s campaign put the candidate on half-hour network policy broadcasts no fewer than 15 times; one-third of these were directly on U.S.-Soviet strategic relations and the SDI.

Oct. 26, 1983. Burlatsky, in *Literaturnaya Gazeta*, reiterated his *casus belli* statement on the SDI and attacked “the American LaRouche” for it.

Nov. 14, 1983. The Soviet government newspaper *Izvestia* published an attack on LaRouche.

March 1984. NBC-TV’s prime-time half-hour program “First Camera” attacked “the LaRouche factor in the Reagan Administration.” The *New Republic* magazine (Slide 15) then repeated the attack. Its cover read: “The LaRouche Connection—Since 1981 the leaders of a lunatic movement have conferred repeatedly with top Administration officials. Their aims: to win respect, and to influence Reagan’s Star Wars

plan. They succeeded.”

March 8, 1984. Democratic Party Chairman Manatt held a Chicago press conference to demand that Reagan immediately break all administration contact with LaRouche or his associates.

March 12, 1984. *Izvestia* demanded that Reagan break all administration contact with LaRouche, which *Izvestia* called “a scandal” which “the White House does not even try to deny.”

April 2, 1984. Soviet Communist Party newspaper *Pravda* published an attack on LaRouche.

September 1984. LaRouche, in a national TV broadcast, denounced Walter Mondale as “an agent of KGB influence” for his campaign against the SDI.

October 1984. The Department of Justice began its first attempt to prosecute LaRouche and his associates, just before the Presidential election. In addition, circulation of anti-LaRouche slanders became a “Project Democracy” policy of elements of the U.S. government and private intelligence networks under Executive Order 12333.

Jan. 13-15, 1985: The *Washington Post* published a three-day, 10,000-word “exposé” of all the contacts between LaRouche and his associates, and anyone connected with the Reagan Administration, name by name, in order to try to force those contacts to be broken.

April-June 1985. The Fusion Energy Foundation held conferences in Rome, Paris, and Bonn on the Strategic Defense Initiative, to inform European military leaders and scientists of the work involved and the implications for economic progress worldwide.

July 1985. *EIR* published *Global Showdown*, a Special Report on the Soviet military buildup, by which Moscow was trying to defeat the SDI policy. LaRouche’s 1983 warning to the Soviet leadership was repeated in much greater detail: East bloc economies will break down under this military buildup by 1988, unless the Soviets accept the new scientific and technological “driver” offered by development of SDI against MAD—or unless they go to war.

February 1986. The Department of Justice launched a new campaign to suppress LaRouche’s movement, holding a nationwide meeting of law enforcement officials in Boston to solicit prosecutions.)

February-March 1986. After a relative interlude during the “caretaker” regime of Soviet figurehead Konstantin Chernenko, Gorbachov took over, and attacks resumed on LaRouche. The KGB conducted an international “dirty trick,” attempting to blame LaRouche for the Feb. 28, 1986 assassination of Swedish Prime Minister Olof Palme. The campaign featured two Soviet TV broadcasts in 1986, and an international KGB disinformation campaign about LaRouche and the murder of Palme.

April 1986. FEF held a conference in Tokyo attended by nearly 300 Japanese science, business and military represen-

tatives, addressed by scientists from Europe, the United States and Japan, on the urgency of Japan cooperating with the SDI. Soviet embassy representatives protested and walked out during the speech of LaRouche representative Uwe Parpart. Two months later Japan's Foreign Minister Abe announced Japanese scientific labs would join the SDI.

July 1986. Ronald Reagan repeated in writing to Mikhail Gorbachov, the original SDI offer that the new technologies essential to anti-missile defenses could be shared with the Soviets and offered to other countries; Reagan reiterated this in a speech at the United Nations.

July-October 1986. Soviet press repeatedly called for investigation and prosecution of LaRouche.

Fall 1986. Gorbachov and the Soviet military leadership planned to use the Reykjavik, Iceland summit, in early October 1986, to force Reagan to abandon the SDI. This was admitted and described in detail by former Soviet officials and Red Army generals at the recent Princeton conference. But at that time—Fall 1986—the international media covered this up out of ignorance—all sources assured and insisted that the SDI would not be an issue at this summit at all!

Sept. 24, 1986. Georgi Arbatov gave a pre-summit press briefing in Reykjavik. According to the Danish press, "Arbatov maintained his friendly façade only until Mr. Rasmussen of *EIR* asked a question." Arbatov then denounced *EIR* as "LaRouche fascists," and closed down his "friendly face" press conference.

Sept. 30, 1986. *Sovetskaya Kultura* magazine denounced LaRouche's policy inputs to the Reagan Administration, accused him of tax fraud, and demanded, "Why isn't the Internal Revenue Service interested" in prosecuting LaRouche?

Oct. 3, 1986. Gorbachov, speaking in East Berlin, denounced "hidden Nazis without swastikas," the phrase used by Soviet publications to describe LaRouche. Gorbachov attacked "the hidden viruses of militarist, aggressive fascism."

Oct. 6, 1986. One day before the Reykjavik summit was to begin, 450 armed agents of the FBI, IRS, Virginia State Police, and other agencies conducted a massive raid on LaRouche publications' headquarters in Leesburg, Virginia. LaRouche's residence was completely surrounded by armed agents, armored cars and personnel carriers, helicopters; a shootout and killing of LaRouche was threatened throughout the day. Leaders of LaRouche's movement were indicted and the U.S. Attorney in Boston, William Weld, was attempting to get indictments of LaRouche himself.

Oct. 7, 1986. In Reykjavik, Georgi Arbatov again shouted "fascists, LaRouche fascists" at *EIR* correspondents in front of hundreds of international journalists. Soviet press spokesman Aleksandr Bovin called *EIR* "a dirty, dirty magazine."

Oct. 7, 1986. While 1,000 journalists waited outside the summit meetings in Reykjavik, Cable News Network entertained them by replaying films of the massive anti-LaRouche

raids in Virginia the previous day. The coverage reported LaRouche's charge that the Soviets were demanding his political elimination as a summit condition at Reykjavik.

Oct. 12, 1986. Secretary of State Shultz emerged from all-day summit sessions in Reykjavik, Iceland, to say that broad arms control agreements could be had. *But*, said Shultz, the agreements are being blocked by Soviet insistence that the United States give up the SDI.

The 1,000 journalists were thrown into total confusion. Until that moment, all international press except *EIR* had insisted that SDI was *not* an issue at this summit.

April 20, 1987. The U.S. Department of Justice, in an action without precedent in U.S. history, acted alone to bankrupt, seize, and liquidate the major publications associated with Lyndon LaRouche, seizing their subscription lists as well. At the seizure, *Fusion* magazine, the consistent vehicle to circulate, worldwide, the scientific basis of LaRouche's beam weapons initiative, had, in the United States, 140,000 subscribers. 28,000 subscriptions went to college and high school teachers and students; 7,000 went into the country's national laboratories. The government's bankruptcy seizure, more than two years later was declared illegal. *But Fusion, New Solidarity* newspaper, other publications were liquidated.

July 1987. LaRouche was personally indicted for conspiracy for the first time by the Federal government. This was now increasingly a government of then-Vice President Bush, which was pushing the SDI aside.

Oct. 12, 1988. LaRouche, in a televised Berlin press conference, forecast the breakup of Soviet control of Eastern Europe and the reunification of Germany. For the third time, he detailed that the Soviet bloc could not go beyond 1988 in its military buildup. He proposed specific initiatives by the West to start rebuilding the East economically.

Oct. 14, 1988. LaRouche was indicted on the same conspiracy charges for the second time by the Federal government, again just before a Presidential election in which he was a candidate; his trial moved to Alexandria, Virginia—the nation's so-called "rocket docket"—to assure a conviction the second time.

Jan. 27, 1989. LaRouche was imprisoned with a 15-year sentence.

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